

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Water Control and
Improvement District No. 110
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Water Control and Improvement District No. 110 (the "District") as of and for the year ended July 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. In our opinion, the 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 July 31, 2025, 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.

Change in Accounting Principle

As described in Note 6 to the financial statements, the District's financial statements as of and for the year ended July 31, 2024, have been restated to account for a change in accounting principle. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Harris County Water Control and Improvement District No. 110

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 Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

November 12, 2025

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2025**

Management's discussion and analysis of the financial performance of Harris County Water Control and Improvement District No. 110 (the "District") provides an overview of the District's financial activities for the fiscal year ended July 31, 2025. 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 outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors. The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2025**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$29,994,397 as of July 31, 2025. A portion of the District's net position reflects its net investment in capital assets which includes land, buildings, equipment as well as water, wastewater, recreational and detention facilities less any debt used to acquire those assets that is still outstanding.

The fiscal year ending totals included in the tables on the following page have been adjusted; see also Note 6.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following summary of changes in the Statement of Net Position is presented as of July 31, 2025, and July 31, 2024.

	Summary of Changes in the Statement of Net Position		
			Change
	2025	2024	Positive (Negative)
Current and Other Assets	\$ 19,753,416	\$ 19,621,910	\$ 131,506
Capital Assets and Intangible Assets (Net of Depreciation and Amortization)	<u>31,642,781</u>	<u>29,922,514</u>	1,720,267
Total Assets	<u>\$ 51,396,197</u>	<u>\$ 49,544,424</u>	\$ 1,851,773
Deferred Outflows of Resources	<u>\$ 237,226</u>	<u>\$ 298,700</u>	\$ (61,474)
Bonds Payable	<u>\$ 19,258,249</u>	<u>\$ 19,249,975</u>	\$ (8,274)
Other Liabilities	<u>2,380,777</u>	<u>1,878,603</u>	(502,174)
Total Liabilities	<u>\$ 21,639,026</u>	<u>\$ 21,128,578</u>	\$ (510,448)
Net Investment in Capital Assets	<u>\$ 17,051,016</u>	<u>\$ 16,861,822</u>	\$ 189,194
Restricted	<u>3,682,482</u>	<u>3,725,851</u>	(43,369)
Unrestricted	<u>9,260,899</u>	<u>8,126,873</u>	1,134,026
Total Net Position	<u><u>\$ 29,994,397</u></u>	<u><u>\$ 28,714,546</u></u>	\$ 1,279,851

The following table provides a summary of the District's operations for the years ended July 31, 2025, and July 31, 2024.

	Summary of Changes in the Statement of Activities		
			Change
	2025	2024	Positive (Negative)
Revenues:			
Property Taxes	\$ 3,882,230	\$ 3,803,473	\$ 78,757
Sales Tax Revenues	1,453,187	1,543,222	(90,035)
Charges for Services	4,654,538	5,039,464	(384,926)
Other Revenues	<u>868,692</u>	<u>1,060,301</u>	(191,609)
Total Revenues	<u>\$ 10,858,647</u>	<u>\$ 11,446,460</u>	\$ (587,813)
Expenses for Services	<u>9,578,796</u>	<u>11,123,950</u>	1,545,154
Change in Net Position	<u>\$ 1,279,851</u>	<u>\$ 322,510</u>	\$ 957,341
Net Position, Beginning of Year	<u>28,714,546</u>	<u>28,392,036</u>	322,510
Net Position, End of Year	<u><u>\$ 29,994,397</u></u>	<u><u>\$ 28,714,546</u></u>	\$ 1,279,851

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2025, were \$14,812,871, an increase of \$8,208 from the prior year.

The General Fund fund balance increased by \$1,251,220, primarily due to service revenues, sales tax revenues, property tax revenues, and a transfer from the Capital Projects Fund exceeding operating and capital expenditures.

The Debt Service Fund fund balance decreased by \$24,319, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance decreased by \$1,218,693. The District sold its Series 2024A Bonds and used the proceeds to reimburse the General Fund for costs paid in prior years.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors approved a budget for the General fund for the current fiscal year. Actual revenues were \$571,688 less than budgeted revenues, actual expenditures were \$746,239 less than budgeted expenditures and transfers in were \$1,616,800 more than budgeted. The net result was a positive variance of \$1,791,351. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of July 31, 2025, total \$31,384,523 (net of accumulated depreciation) and include the park and recreational facilities, land, buildings, equipment, water facilities, wastewater facilities, and detention facilities. Significant current year activity included clarifier improvements, utilities to serve an 18-acre tract, improvements to recreational facilities, and improvements to utility infrastructure. The 2024 totals below have been adjusted; see Note 6.

	Capital Assets At Year-End			Change Positive (Negative)
	2025	2024		
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 9,274,642	\$ 9,274,642		\$ (701,509)
Construction in Progress	936,579	1,638,088		
Capital Assets Subject to Depreciation:				
Buildings and Equipment	2,965,822	2,964,064		1,758
Water and Wastewater Facilities	29,024,813	26,534,127		2,490,686
Detention Facilities	4,218,294	4,218,294		
Recreational Facilities	4,204,971	3,514,983		689,988
Less Accumulated Depreciation	(19,240,598)	(18,221,684)		(1,018,914)
Total Net Capital Assets	\$ 31,384,523	\$ 29,922,514		\$ 1,462,009

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2025**

LONG-TERM DEBT ACTIVITY

As of July 31, 2025, the District had total bond debt payable of \$19,180,000. The changes in the debt position of the District during the fiscal year ended July 31, 2025, are summarized as follows:

Bond Debt Payable, August 1, 2024	\$ 19,120,000
Add: Bond Sale	1,825,000
Less: Bond Principal Paid	<u>(1,765,000)</u>
Bond Debt Payable, July 31, 2025	<u>\$ 19,180,000</u>

The District's bonds carry underlying ratings of "A1". The District's bonds also carry insured ratings of "AA" of "A1" by virtue of bond insurance issued by Build America Mutual Assurance Company or Assured Guaranty Inc. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Water Control and Improvement District No. 110, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2025**

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 650,924	\$ 110,090
Investments	6,657,162	3,629,116
Receivables:		
Property Taxes	40,566	53,410
Penalty and Interest on Delinquent Taxes	332,231	
Service Accounts	8,328	8,985
Accrued Interest	336	
Other	43,582	97,541
Due from Other Funds	265,964	
Prepaid Costs	306,623	
Due from City of Houston	27,748	
Joint Facilities Operating Advance		
Water Authority Capital Contribution		
Chloramine Conversion Costs Receivable		
Reclaimed Water Credits Receivable		
Right-to-Use Subscription-Based Service Asset		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)	<hr/>	<hr/>
TOTAL ASSETS	<hr/> <u>\$ 8,333,464</u>	<hr/> <u>\$ 3,899,142</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	<hr/> <u>\$ - 0 -</u>	<hr/> <u>\$ - 0 -</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<hr/> <u>\$ 8,333,464</u>	<hr/> <u>\$ 3,899,142</u>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 4,748,585	\$ 761,014	\$	\$ 761,014
	15,034,863		15,034,863
	93,976		93,976
		33,701	33,701
	332,231		332,231
	17,313		17,313
	336		336
	141,123	(141,123)	
	265,964		265,964
	306,623		306,623
	27,748		27,748
		2,069,981	2,069,981
		307,131	307,131
		502,535	502,535
		258,258	258,258
		9,274,642	9,274,642
		936,579	936,579
		21,173,302	21,173,302
<u>\$ 4,748,585</u>	<u>\$ 16,981,191</u>	<u>\$ 34,415,006</u>	<u>\$ 51,396,197</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 237,226</u>	<u>\$ 237,226</u>
<u>\$ 4,748,585</u>	<u>\$ 16,981,191</u>	<u>\$ 34,652,232</u>	<u>\$ 51,633,423</u>

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>
LIABILITIES		
Accounts Payable	\$ 940,015	\$ 45,437
Accrued Interest Payable		
Due to Other Funds	97,541	
Security Deposits	914,656	
Long-Term Liabilities:		
Subscription Payable, Due Within One Year		
Subscription Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	<u>\$ 1,952,212</u>	<u>\$ 45,437</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>\$ 40,566</u>	<u>\$ 53,410</u>
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 265,964	\$
Operating Advance	27,748	
Restricted for Authorized Construction		
Restricted for Debt Service		3,800,295
Unassigned	<u>6,046,974</u>	
TOTAL FUND BALANCES	<u>\$ 6,340,686</u>	<u>\$ 3,800,295</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 8,333,464</u>	<u>\$ 3,899,142</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.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 33,113	\$ 1,018,565	\$ 204,924	\$ 1,018,565
43,582	141,123	(141,123)	204,924
	914,656		914,656
		74,376	74,376
		168,256	168,256
		1,805,000	1,805,000
		17,453,249	17,453,249
<u>\$ 76,695</u>	<u>\$ 2,074,344</u>	<u>\$ 19,564,682</u>	<u>\$ 21,639,026</u>
<u>\$ - 0 -</u>	<u>\$ 93,976</u>	<u>\$ (93,976)</u>	<u>\$ - 0 -</u>
\$ 265,964	\$ (265,964)	\$	
27,748	(27,748)		
4,671,890	4,671,890	(4,671,890)	
3,800,295	(3,800,295)		
<u>6,046,974</u>	<u>(6,046,974)</u>		
<u>\$ 4,671,890</u>	<u>\$ 14,812,871</u>	<u>\$ (14,812,871)</u>	<u>\$ - 0 -</u>
<u>\$ 4,748,585</u>	<u>\$ 16,981,191</u>		
\$ 17,051,016	\$ 17,051,016		
3,682,482	3,682,482		
<u>9,260,899</u>	<u>9,260,899</u>		
<u>\$ 29,994,397</u>	<u>\$ 29,994,397</u>		

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JULY 31, 2025**

Total Fund Balances - Governmental Funds	\$ 14,812,871
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Long-term receivables from the North Harris County Regional Water Authority are not current financial resources and, therefore, are not reported as assets in the governmental funds.

2,879,647

The difference between the net carrying amount of the refunded bonds and the reacquisition price is recorded as a deferred outflow of resources 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.

237,226

Capital assets and intangible assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.

31,642,781

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.

127,677

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	\$ (204,924)
Subscription Payable	(242,632)
Bonds Payable	<u>(19,258,249)</u>
Total Net Position - Governmental Activities	<u><u>\$ 29,994,397</u></u>

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
FOR THE YEAR ENDED JULY 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 1,816,303	\$ 2,062,606
Water Service	917,778	
Wastewater Service	1,466,073	
Water Authority Fees	1,566,638	
Recreational Services	177,291	
Detention Pond Maintenance	101,201	
Sales Tax Revenues	1,453,187	
Penalty and Interest	77,401	58,462
Connection and Inspection Fees	295,707	
Investment and Miscellaneous Revenues	303,931	177,353
Water Authority Credits	251,456	
TOTAL REVENUES	<u>\$ 8,426,966</u>	<u>\$ 2,298,421</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 567,936	\$ 9,466
Contracted Services	2,072,539	81,821
Purchased Wastewater Service	335,297	
Parks and Recreation	1,344,919	
Utilities	271,305	
Water Authority Assessments	1,181,627	
Repairs and Maintenance	1,038,889	
Depreciation and Amortization		
Other	955,746	12,589
Capital Outlay	1,024,288	
Debt Service:		
Bond Issuance Costs		
Bond Principal		1,765,000
Bond Interest		453,864
TOTAL EXPENDITURES/EXPENSES	<u>\$ 8,792,546</u>	<u>\$ 2,322,740</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>\$ (365,580)</u>	<u>\$ (24,319)</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 3,878,909	\$ 3,321	\$ 3,882,230
	917,778		917,778
	1,466,073		1,466,073
	1,566,638		1,566,638
	177,291		177,291
	101,201		101,201
	1,453,187		1,453,187
	135,863	(6,013)	129,850
	295,707		295,707
256,542	737,826		737,826
	<u>251,456</u>	<u>(120,590)</u>	<u>130,866</u>
<u>\$ 256,542</u>	<u>\$ 10,981,929</u>	<u>\$ (123,282)</u>	<u>\$ 10,858,647</u>
\$ 13,318	\$ 590,720	\$	\$ 590,720
	2,154,360	(68,550)	2,085,810
	335,297		335,297
	1,344,919		1,344,919
	271,305		271,305
	1,181,627		1,181,627
	1,038,889		1,038,889
		1,094,923	1,094,923
12,793	981,128		981,128
1,479,720	2,504,008	(2,504,008)	
160,336	160,336		160,336
	1,765,000	(1,765,000)	
	<u>453,864</u>	<u>39,978</u>	<u>493,842</u>
<u>\$ 1,666,167</u>	<u>\$ 12,781,453</u>	<u>\$ (3,202,657)</u>	<u>\$ 9,578,796</u>
<u>\$ (1,409,625)</u>	<u>\$ (1,799,524)</u>	<u>\$ 3,079,375</u>	<u>\$ 1,279,851</u>

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
FOR THE YEAR ENDED JULY 31, 2025

	<u>General Fund</u>	<u>Debt</u>	<u>Service Fund</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 1,616,800	\$	
Proceeds from Issuance of Long-Term Debt			
Bond Discount			
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,616,800</u>	<u>\$ -0-</u>	
NET CHANGE IN FUND BALANCES	\$ 1,251,220	\$ (24,319)	
FUND BALANCES/NET POSITION -			
AUGUST 1, 2024, AS REPORTED	\$ 5,089,466	\$ 3,824,614	
CHANGE IN ACCOUNTING PRINCIPLE			
AUGUST 1, 2024, AS RESTATED	<u>\$ 5,089,466</u>	<u>\$ 3,824,614</u>	
FUND BALANCES/NET POSITION - JULY 31, 2025	<u>\$ 6,340,686</u>	<u>\$ 3,800,295</u>	

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ (1,616,800)	\$ 1,825,000	\$ (1,825,000)	\$
1,825,000	(17,268)	17,268	
<u>(17,268)</u>	<u>(17,268)</u>		
<u>\$ 190,932</u>	<u>\$ 1,807,732</u>	<u>\$ (1,807,732)</u>	<u>\$ -0-</u>
\$ (1,218,693)	\$ 8,208	\$ (8,208)	\$
		1,279,851	1,279,851
\$ 5,890,583	\$ 14,804,663	\$ 12,793,083	\$ 27,597,746
		<u>1,116,800</u>	<u>1,116,800</u>
<u>\$ 5,890,583</u>	<u>\$ 14,804,663</u>	<u>\$ 13,909,883</u>	<u>\$ 28,714,546</u>
<u>\$ 4,671,890</u>	<u>\$ 14,812,871</u>	<u>\$ 15,181,526</u>	<u>\$ 29,994,397</u>

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2025

Net Change in Fund Balances - Governmental Funds	\$ 8,208
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.	3,321
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.	(6,013)
The principal portion of payments received from the North Harris County Regional Water Authority for chloramine conversion costs, capital contribution credits and reclaimed water credits reduce long-term receivables in the Statement of Net Position.	(120,590)
Governmental funds do not account for depreciation and amortization. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. Certain assets are also amortized related to subscriptions payable.	(1,094,923)
Governmental funds report capital outlay 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.	2,504,008
Governmental funds report bond discounts as other financing uses. However, in the Statement of Net Position, bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	17,268
Governmental funds report bond and subscription principal payments as expenditures. However, in the Statement of Net Position, bond and subscription principal payments are reported as decreases in long-term liabilities.	1,833,550
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.	(39,978)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	<u>(1,825,000)</u>
Change in Net Position - Governmental Activities	<u>\$ 1,279,851</u>

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 1. CREATION OF DISTRICT

The District was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the “Commission”), effective May 9, 1968, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board of Directors sets the policies of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether 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 participates in a joint venture for the operation of a wastewater treatment plant (the “Plant”). Oversight responsibility of the Plant is with Harris County Municipal Utility District No. 249. Additional disclosure concerning this agreement is provided in Note 12.

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”).

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Funds

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. The District has three governmental funds and each are considered to be major funds. The General Fund is used to account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund is used 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. The Capital Projects Fund is used to account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of July 31, 2025, the General Fund owed the Debt Service Fund \$97,541 for the over transfer of maintenance tax collections and the Capital Projects Fund owed the General Fund \$43,582 for capital and bond issuance costs. The Capital Projects Fund recorded a transfer of \$1,116,800 to the General Fund for reimbursable costs paid in a prior year; see also Note 14.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

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

Capital Assets and Intangible Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over the estimated useful lives ranging from 5 to 45 years. In accordance with GASB Statement No. 96, the District records its subscription-based service related to Flock cameras as an intangible asset. The right-to-use asset is being amortized over the same term as the subscription contract using the straight-line method of amortization.

Budgeting

An budget is adopted each year for the General Fund by the District's Board of Directors and is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has eight full-time employees. The Internal Revenue Service has determined that the directors are considered to be employees for federal payroll tax purposes only. Effective April 10, 2019, the District adopted a 457(b) Plan for the benefit of eligible employees. Eligible employees can contribute up to five percent of their compensation. The District agrees to match and contribute the amount of the employee's contribution per payroll period. During the current fiscal year, eligible employees contributed \$16,150 and the District matched those contributions.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

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.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 3. LONG-TERM DEBT

	Refunding Series 2019	Refunding Series 2020	Series 2021
Amounts Outstanding – July 31, 2025	\$ 3,590,000	\$ 4,965,000	\$ 4,615,000
Interest Rates	2.00% - 4.00%	2.00% - 4.00%	1.00% - 2.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2028	September 1, 2025/2030	September 1, 2025/2031
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2025*	September 1, 2025*	September 1, 2026*
	Series 2024	Series 2024A	
Amounts Outstanding – July 31, 2025	\$4,185,000	\$ 1,825,000	
Interest Rates	3.00% - 3.125%	4.00% - 5.00%	
Maturity Dates – Serially Beginning/Ending	September 1, 2032/2035	September 1, 2036/2054	
Interest Payment Dates	September 1/ March 1	September 1/ March 1	
Callable Dates	September 1, 2029*	September 1, 2030*	

* In whole or from time to time in part on the callable date or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Series 2019 Refunding term bonds due September 1, 2026 are subject to mandatory redemption beginning September 1, 2024. Series 2020 Refunding term bonds due September 1, 2028 are subject to mandatory redemption beginning September 1, 2027. Series 2021 term bonds due September 1, 2028 and 2031 are subject to mandatory redemption beginning September 1, 2027 and 2029, respectively. Series 2024A term bonds due September 1, 2041 and 2044 are subject to mandatory redemption beginning September 1, 2039 and 2042, respectively.

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount and certain bonds are further payable by the net revenues, if any, of the District's waterworks and sanitary sewer facilities.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 3. LONG-TERM DEBT (Continued)

Bonds payable activity during the current fiscal year is summarized in the following table:

	August 1, 2024	Additions	Retirements	July 31, 2025
Bonds Payable	\$ 19,120,000	\$ 1,825,000	\$ 1,765,000	\$ 19,180,000
Unamortized Discounts	(100,069)	(17,268)	(11,257)	(106,080)
Unamortized Premiums	230,044		45,715	184,329
Bonds Payable, Net	<u>\$ 19,249,975</u>	<u>\$ 1,807,732</u>	<u>\$ 1,799,458</u>	<u>\$ 19,258,249</u>
		Amount Due Within One Year		\$ 1,805,000
		Amount Due After One Year		<u>17,453,249</u>
		Bonds Payable, Net		<u>\$ 19,258,249</u>

At an election held on November 5, 2024, District voters approved the issuance of an additional \$34,950,000 in utility bonds, \$34,950,000 in utility refunding bonds, \$10,550,000 in parks and recreational facilities bonds, and \$10,550,000 in parks and recreational facilities refunding bonds. At year end, the District had authorized but unissued bonds in the amount of \$39,710,000 for utility facilities, \$31,210,000 for refunding purposes, \$10,550,000 in parks and recreational facilities bonds, and \$10,550,000 in parks and recreational facilities refunding bonds

As of July 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,805,000	\$ 471,519	\$ 2,276,519
2027	1,855,000	432,669	2,287,669
2028	1,895,000	378,519	2,273,519
2029	1,965,000	321,844	2,286,844
2030	2,010,000	281,006	2,291,006
2031-2035	6,710,000	942,540	7,652,540
2036-2040	1,385,000	376,885	1,761,885
2041-2045	410,000	285,621	695,621
2046-2050	510,000	190,362	700,362
2051-2055	<u>635,000</u>	<u>70,231</u>	<u>705,231</u>
	<u>\$ 19,180,000</u>	<u>\$ 3,751,196</u>	<u>\$ 22,931,196</u>

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 3. LONG-TERM DEBT (Continued)

During the year ended July 31, 2025, the District levied an ad valorem debt service tax rate of \$0.17 per \$100 of assessed valuation, which resulted in a tax levy of \$2,104,289 on the adjusted taxable valuation of \$1,237,718,002 for the 2024 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy. 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 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 each five-year anniversary of the bonds.

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 certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

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

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

of the District's deposits was \$1,916,470 and the bank balance was \$2,141,897. The District was not exposed to custodial credit risk at year-end. The carrying values of the deposits at July 31, 2025, are listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 650,924	\$ 695,456	\$ 1,346,380
DEBT SERVICE FUND	<u>110,090</u>	<u>460,000</u>	<u>570,090</u>
TOTAL DEPOSITS	<u>\$ 761,014</u>	<u>\$ 1,155,456</u>	<u>\$ 1,916,470</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, 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 which is reviewed annually and which 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 investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in the Texas Short Term Asset Reserve Program (“TexSTAR”), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and Hilltop Securities Inc., provides participant services and marketing under an agreement with the TexSTAR Board of Directors. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

Certificates of deposit are recorded at acquisition cost.

As of July 31, 2025, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexPool	\$ 4,750,007	\$ 4,750,007
TexSTAR	1,211,699	1,211,699
Certificates of Deposit	695,456	695,456
DEBT SERVICE FUND		
TexPool	3,169,116	3,169,116
Certificates of Deposit	460,000	460,000
CAPITAL PROJECTS FUND		
TexSTAR	4,748,585	4,748,585
TOTAL INVESTMENTS	\$ 15,034,863	\$ 15,034,863

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District’s investments in TexPool and TexSTAR were rated AAA by Standard and Poor’s. The District also manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage or those which are collateralized. 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 and TexSTAR to have maturities of less than one year since share positions can usually be redeemed each day at the discretion of the District, unless there have been significant changes in values. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

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

NOTE 6. CAPITAL ASSETS

In accordance with current accounting guidance, groups of items, that on an individual basis may not be material but when aggregated are material, should be capitalized. As such, fiscal year ending 2024 totals in the table below have been adjusted to add water meters acquired in prior fiscal years as capital assets in the amount of \$1,116,800.

Capital asset activity for the current fiscal year is summarized in the following table:

	August 1, 2024	Increases	Decreases	July 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 9,274,642	\$	\$	\$ 9,274,642
Construction in Progress	<u>1,638,088</u>	<u>2,504,008</u>	<u>3,205,517</u>	<u>936,579</u>
Total Capital Assets Not Being Depreciated	<u>\$ 10,912,730</u>	<u>\$ 2,504,008</u>	<u>\$ 3,205,517</u>	<u>\$ 10,211,221</u>
Capital Assets Subject to Depreciation				
Buildings and Equipment	\$ 2,964,064	\$ 24,843	\$ 23,085	\$ 2,965,822
Water and Wastewater Facilities	26,534,127	2,490,686		29,024,813
Detention Facilities	4,218,294			4,218,294
Recreational Facilities	<u>3,514,983</u>	<u>689,988</u>		<u>4,204,971</u>
Total Capital Assets Subject to Depreciation	<u>\$ 37,231,468</u>	<u>\$ 3,205,517</u>	<u>\$ 23,085</u>	<u>\$ 40,413,900</u>
Less Accumulated Depreciation				
Buildings and Equipment	\$ 1,110,023	\$ 86,821	\$ 23,085	\$ 1,173,759
Water and Wastewater Facilities	14,273,160	713,731		14,986,891
Detention Facilities	397,582	93,740		491,322
Recreational Facilities	<u>2,440,919</u>	<u>147,707</u>		<u>2,588,626</u>
Total Accumulated Depreciation	<u>\$ 18,221,684</u>	<u>\$ 1,041,999</u>	<u>\$ 23,085</u>	<u>\$ 19,240,598</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,009,784</u>	<u>\$ 2,163,518</u>	<u>\$ - 0 -</u>	<u>\$ 21,173,302</u>
Total Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 29,922,514</u></u>	<u><u>\$ 4,667,526</u></u>	<u><u>\$ 3,205,517</u></u>	<u><u>\$ 31,384,523</u></u>

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 7. MAINTENANCE TAX

At an election held on May 1, 1993, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.15 per \$100 of assessed valuation of taxable property within the District. During the year ended July 31, 2025, the District levied an ad valorem maintenance tax rate of \$0.15 per \$100 of assessed valuation, which resulted in a tax levy of \$1,856,726 on the adjusted taxable valuation of \$1,237,718,002 for the 2024 tax year. This maintenance tax is to be used by the General Fund to pay the costs of operating the District's water and wastewater systems.

NOTE 8. EMERGENCY WATER SUPPLY CONTRACTS

The District and Harris County Municipal Utility District No. 104 ("District No. 104") have entered into an agreement to provide for emergency water supply. The charge for service to either district in effect per the most recent contract amendment includes a charge for the supplying district's cost of producing water plus any applicable water authority fees. The term of the contract extends through 2031.

The District and Harris County Water Control and Improvement District No. 99 ("District No. 99") have entered into an agreement for emergency water supply. The charge for service to either district in effect per the most recent contract amendment includes a charge for the supplying district's cost of producing water plus any applicable water authority fees. The term of the contract extends through 2032.

The District and Harris County Municipal Utility District No. 249 ("District No. 249") have entered into an agreement to provide water to each other in the event of an emergency. The charge for service to either district in effect per the most recent contract amendment includes a charge for the supplying district's cost of producing water plus any applicable water authority fees. The term of the contract extends through 2034.

The District and Spring West Municipal Utility District ("SW MUD") have entered into an agreement to provide water to each other in the event of an emergency. The charge for service to either district in effect per the most recent contract amendment includes a charge for the supplying district's cost of producing water plus any applicable water authority fees. The term of the contract extends through 2062.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 9. RISK MANAGEMENT

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

NOTE 10. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the Authority. The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the “Act”), as passed by the 75th Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. The current fee is \$2.60 per 1,000 gallons of water pumped from each well and \$3.05 per 1,000 gallons for purchased surface water. The District paid the Authority \$1,181,627 during the current fiscal year.

Capital Contribution Contract

On July 9, 2008, the District executed a Capital Contribution Contract with the Authority. The District made a capital contribution of \$2,994,883 for its share of the cost to complete Phase I of the 2010 Surface Water Distribution and Transmission System. The District began receiving capital contribution credits on its 3rd quarter 2009 Authority billing. Total credits received in the current fiscal year were \$220,560, of which \$103,713 was principal.

The following schedule summarizes the remaining capital contribution credits to be received under the terms of the agreement.

Fiscal Year	Principal	Interest	Total
2026	\$ 109,288	\$ 111,272	\$ 220,560
2027	115,163	105,397	220,560
2028	121,354	99,206	220,560
2029	127,877	92,683	220,560
2030	134,751	85,809	220,560
2031-2035	790,515	312,285	1,102,800
2036-2039	671,033	82,548	753,581
	<u>\$ 2,069,981</u>	<u>\$ 889,200</u>	<u>\$ 2,959,181</u>

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 10. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Continued)

Chloramine Conversion Reimbursement

The District converted its water system to chloramine disinfection to comply with the Authority's requirements. The District's reimbursable conversion costs totaled \$425,259. The Authority calculated the reimbursement at 6% interest over a 30-year period. The District began receiving chloramine conversion credits on the March 2011 Authority billing. Total credits received in the current fiscal year were \$30,895, of which \$11,761 was principal.

The following schedule summarizes the remaining chloramine conversion credits to be received under the terms of the agreement.

Fiscal Year	Principal	Interest	Total
2026	\$ 12,467	\$ 18,428	\$ 30,895
2027	13,215	17,680	30,895
2028	14,008	16,887	30,895
2029	14,848	16,046	30,894
2030	15,739	15,156	30,895
2031-2035	94,046	60,429	154,475
2036-2040	125,854	28,621	154,475
2041	<u>16,954</u>	<u>931</u>	<u>17,885</u>
	<u><u>\$ 307,131</u></u>	<u><u>\$ 174,178</u></u>	<u><u>\$ 481,309</u></u>

Reclaimed Water System

The District entered into an Alternative Water Use Incentive Agreement with the Authority. The District received approval from the Commission authorizing the reuse of Type 1 wastewater effluent from the District's 1,000,000 gallons-per-day wastewater treatment plant to be used for makeup water in amenity ponds. Credits will be given on a monthly basis equal to \$0.75 per 1,000 gallons of metered alternative water use during the preceding month. Total credits are not to exceed the capital cost of the system of \$580,655. To date, the District has received credits totaling \$78,120, of which \$5,116 was received in the current fiscal year. The prior year reclaimed water credits balance was \$507,651 which when reduced by credits received in the current fiscal year of \$5,116, resulted in a year end receivable balance of \$502,535.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 11. STRATEGIC PARTNERSHIP AGREEMENT

The District entered into a Strategic Partnership Agreement with the City of Houston, Texas (the “City”). The agreement provides for the City to annex a tract of land defined as the “Tract” for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the Tract. The District will continue to develop, to own, and to operate and maintain its water, wastewater, and drainage systems. The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement extends through April 8, 2043. The City imposes a Sales and Use Tax within the boundaries of the Tract and pays the District one-half of all Sales and Use Tax revenues generated within 30 days of the City receiving the funds from the State Comptroller’s office. During the fiscal year ended July 31, 2025, the District received sales tax revenues of \$1,453,187 and recorded a receivable of \$306,623 for uncollected sales tax revenues.

NOTE 12. WASTE DISPOSAL AGREEMENT

Effective February 17, 2000, the District entered into a waste disposal agreement with Harris County Municipal Utility District No. 249. The agreement has since been amended. Current plant capacity is 800,000 gallons-per-day, of which the District’s share is 216,000 gallons-per-day. District No. 249 manages and operates the joint facilities. The term of the agreement is 50 years. During the year ended July 31, 2025, the District incurred costs of \$335,297 for purchased sewer service. The District advanced \$27,748 for operations in a prior year. The condensed audited financial information of the joint facilities as of and for the year ended December 31, 2024, as reflected in District No. 249’s financial statements, is as follows:

Total Assets	<u>\$ 150,685</u>
Total Liabilities	\$ 47,915
Total Fund Balance	<u>102,770</u>
Total Liabilities and Fund Balance	<u>\$ 150,685</u>
Total Revenues	\$ 622,878
Total Expenditures	<u>622,878</u>
Net Change in Fund Balance	\$ -0-
Fund Balance, Beginning of Year	<u>102,770</u>
Fund Balance, End of Year	<u>\$ 102,770</u>

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 13. SUBSCRIPTION-BASED SERVICE AGREEMENT

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, the District recorded a right-to-use asset and related subscription payable in its financial statements pertaining to the subscription service agreement it has with Flock Group which continues through 2028.

The annual payments are \$95,000 for each year of the agreement. Current year subscription payments totaled approximately \$95,000 with \$68,550 allocated to principal and the remainder to interest.

The subscription liability was measured using the remaining subscription term and discount rate of 8.50%.

Right-to-use assets, current amortization expense, and accumulated amortization are summarized in the following table.

	August 1, 2024	Increases	Decreases	July 31, 2025
Intangible Assets Subject to Amortization				
Flock Safety Software License	\$ 374,361	\$	\$	\$ 374,361
Accumulated Amortization				
Flock Safety Software License	<u>63,179</u>	<u>52,924</u>	<u> </u>	<u>116,103</u>
Total Intangible Assets, Net of Accumulated Amortization	<u><u>\$ 311,182</u></u>	<u><u>\$ (52,924)</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 258,258</u></u>

The change in subscription payable during the current fiscal year is summarized in the following table:

	August 1, 2024	Additions	Retirements	July 31, 2025
Subscription Payable	<u><u>\$ 311,182</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 68,550</u></u>	<u><u>\$ 242,632</u></u>

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2025**

NOTE 13. SUBSCRIPTION-BASED SERVICE AGREEMENT (Continued)

Future subscription payments, including the amount due within one year and amounts due after one year, are summarized in the following tables:

Fiscal Year	Principal	Interest	Total
2026	\$ 74,376	\$ 20,624	\$ 95,000
2027	80,698	14,302	95,000
2028	<u>87,558</u>	<u>7,442</u>	<u>95,000</u>
	<u><u>\$ 242,632</u></u>	<u><u>\$ 42,368</u></u>	<u><u>\$ 285,000</u></u>
Amount Due Within One Year			\$ 74,376
Amount Due After One Year			<u>168,256</u>
Total Subscription Payable			<u><u>\$ 242,632</u></u>

NOTE 14. BOND SALE AND SUBSEQUENT EVENT

On December 12, 2024, the District closed on the sale of its \$1,825,000 Series 2024A Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds. Proceeds of the bonds were used to reimburse the General Fund for the replacement of District residential meters and an engineering study for a regional detention pond. Additional proceeds were used to pay for issuance costs of the bonds.

During the fourth quarter of 2025, the District anticipates closing on the sale of its \$4,160,000 Series 2025 Unlimited Tax Bonds. Proceeds of the bonds will be used to finance the purchase of land and improvements to utility infrastructure. Additional proceeds will be used to pay for issuance costs of the bonds.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2025

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**
FOR THE YEAR ENDED JULY 31, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 2,000,000	\$ 1,816,303	\$ (183,697)
Water Service	1,125,000	917,778	(207,222)
Wastewater Service	1,450,000	1,466,073	16,073
Water Authority Fees	1,750,000	1,566,638	(183,362)
Recreational Services	192,199	177,291	(14,908)
Detention Pond Maintenance	100,000	101,201	1,201
Sales Tax Revenues	1,550,000	1,453,187	(96,813)
Penalty and Interest	50,000	77,401	27,401
Connection and Inspection Fees	165,000	295,707	130,707
Investment and Miscellaneous Revenues	365,000	303,931	(61,069)
Water Authority Credits	<u>251,455</u>	<u>251,456</u>	<u>1</u>
TOTAL REVENUES	<u>\$ 8,998,654</u>	<u>\$ 8,426,966</u>	<u>\$ (571,688)</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 343,500	\$ 567,936	\$ (224,436)
Contracted Services	1,844,500	2,072,539	(228,039)
Purchased Wastewater Service	135,000	335,297	(200,297)
Parks and Recreation	1,098,270	1,344,919	(246,649)
Utilities	300,000	271,305	28,695
Water Authority Assessments	1,744,500	1,181,627	562,873
Repairs, Maintenance, Capital Outlay	3,023,815	2,063,177	960,638
Other	<u>1,049,200</u>	<u>955,746</u>	<u>93,454</u>
TOTAL EXPENDITURES	<u>\$ 9,538,785</u>	<u>\$ 8,792,546</u>	<u>\$ 746,239</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (540,131)</u>	<u>\$ (365,580)</u>	<u>\$ 174,551</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>\$ -0-</u>	<u>\$ 1,616,800</u>	<u>\$ 1,616,800</u>
NET CHANGE IN FUND BALANCE	<u>\$ (540,131)</u>	<u>\$ 1,251,220</u>	<u>\$ 1,791,351</u>
FUND BALANCE - AUGUST 1, 2024	<u>5,089,466</u>	<u>5,089,466</u>	<u> </u>
FUND BALANCE - JULY 31, 2025	<u>\$ 4,549,335</u>	<u>\$ 6,340,686</u>	<u>\$ 1,791,351</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**

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

JULY 31, 2025

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2025**

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

<input checked="" type="checkbox"/>	Retail Water	<input type="checkbox"/>	Wholesale Water	<input checked="" type="checkbox"/>	Drainage
<input checked="" type="checkbox"/>	Retail Wastewater	<input type="checkbox"/>	Wholesale Wastewater	<input type="checkbox"/>	Irrigation
<input checked="" type="checkbox"/>	Parks/Recreation	<input type="checkbox"/>	Fire Protection	<input checked="" type="checkbox"/>	Security
<input checked="" type="checkbox"/>	Solid Waste/Garbage	<input type="checkbox"/>	Flood Control	<input type="checkbox"/>	Roads
<input checked="" 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):

The rates below are based on the rate order approved May 14, 2025.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$ 11.00	8,000	N	\$ 0.50 \$ 1.50 \$ 2.50 \$ 3.50	8,001 to 20,000 20,001 to 30,000 30,001 to 40,000 40,001 and up
WASTEWATER:	\$ 36.00		Y		

SURCHARGE:

Water Authority
Fees \$4.31 per 1,000 gallons used

District employs winter averaging for wastewater usage?

Yes No

Total monthly charges per 10,000 gallons usage: Water: \$12.00 Wastewater: \$36.00 Surcharge: \$43.10

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110**
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2025

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	
<u>$\leq \frac{3}{4}$"</u>	<u>2,031</u>	<u>2,008</u>	x 1.0	<u>2,008</u>
1"	287	282	x 2.5	705
1½"	48	45	x 5.0	225
2"	81	78	x 8.0	624
3"	2	2	x 15.0	30
4"	3	3	x 25.0	75
6"	7	7	x 50.0	350
8"	6	5	x 80.0	400
10"			x 115.0	
Total Water Connections	<u>2,465</u>	<u>2,430</u>		<u>4,417</u>
Total Wastewater Connections	<u>2,335</u>	<u>2,310</u>	x 1.0	<u>2,310</u>

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

Gallons pumped into system: 212,283,000 Water Accountability Ratio: 96%
 (Gallons billed and maintenance/
 Gallons pumped and purchased)

Gallons billed to customers: 368,007,000

Gallons purchased: 183,225,000 From: North Harris County Regional
 Water Authority

Leaks and flushing: 11,170,000

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2025**

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes **X** No

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely Partly Not at all **X**

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

Entirely **X** Partly Not at all

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes No **X**

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2025**

PROFESSIONAL FEES:

Auditing	\$ 33,000
Engineering	284,013
Legal	250,923
TOTAL PROFESSIONAL FEES	\$ 567,936
PURCHASED WASTEWATER SERVICE	\$ 335,297

CONTRACTED SERVICES:

Bookkeeping	\$ 90,484
Operations and Billing	241,007
Solid Waste Disposal	603,330
Security	1,137,718
TOTAL CONTRACTED SERVICES	\$ 2,072,539
UTILITIES	\$ 271,305
REPAIRS AND MAINTENANCE	\$ 1,038,889

ADMINISTRATIVE EXPENDITURES:

Director Fees	\$ 30,547
Election Costs	37,441
Insurance	239,071
Office Supplies and Postage	64,527
Sales Tax Consulting	25,200
IT costs, Consulting, Meetings, and Other	63,813
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 460,599
CAPITAL OUTLAY	\$ 1,024,288
PARKS AND RECREATION	\$ 1,344,919

OTHER EXPENDITURES:

Chemicals	\$ 127,405
Laboratory Fees	82,558
Permit Fees	15,999
Connection and Inspection Fees	117,009
Water Authority Assessments	1,181,627
Regulatory Assessment	11,439
Sludge Hauling	140,737
TOTAL OTHER EXPENDITURES	\$ 1,676,774
TOTAL EXPENDITURES	\$ 8,792,546

Number of persons employed by the District 10 Full-Time 25 Part-Time

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110**
INVESTMENTS
JULY 31, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Receivable at End of Year	Accrued Interest
<u>GENERAL FUND</u>						
TexPool	XXXX0001	Varies	Daily	\$ 4,750,007	\$	
TexSTAR	XXXX2220	Varies	Daily	1,211,699		
Certificate of Deposit	XXXX7799	4.26%	09/23/25	230,000	3,490	
Certificate of Deposit	XXXX4982	4.30%	09/24/25	230,000	3,495	
Certificate of Deposit	XXXX2164	4.25%	12/12/25	<u>235,456</u>	<u>1,343</u>	
TOTAL GENERAL FUND				<u>\$ 6,657,162</u>	<u>\$ 8,328</u>	
<u>DEBT SERVICE FUND</u>						
TexPool	XXXX0002	Varies	Daily	\$ 3,169,116	\$	
Certificate of Deposit	XXXX2381	4.47%	10/01/25	230,000	3,408	
Certificate of Deposit	XXXX7987	5.00%	08/04/25	<u>230,000</u>	<u>5,577</u>	
TOTAL DEBT SERVICE FUND				<u>\$ 3,629,116</u>	<u>\$ 8,985</u>	
<u>CAPITAL PROJECTS FUND</u>						
TexSTAR	XXXX4440	Varies	Daily	<u>\$ 4,748,585</u>	<u>\$ -0-</u>	
TOTAL				<u>\$ 15,034,863</u>	<u>\$ 17,313</u>	

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110**
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
AUGUST 1, 2024	\$ 37,170		\$ 53,485	
Adjustments to Beginning				
Balance	<u>(37,027)</u>	\$ 143	<u>(41,758)</u>	\$ 11,727
Original 2024 Tax Levy	\$ 1,856,577		\$ 2,104,121	
Adjustment to 2024 Tax Levy	<u>149</u>	<u>1,856,726</u>	<u>168</u>	<u>2,104,289</u>
TOTAL TO BE ACCOUNTED FOR		\$ 1,856,869		\$ 2,116,016
TAX COLLECTIONS:				
Prior Years	\$ (17,003)		\$ (15,141)	
Current Year	<u>1,833,306</u>	<u>1,816,303</u>	<u>2,077,747</u>	<u>2,062,606</u>
TAXES RECEIVABLE -				
JULY 31, 2025		<u>\$ 40,566</u>		<u>\$ 53,410</u>
TAXES RECEIVABLE BY YEAR:				
2024	\$ 23,420		\$ 26,542	
2023	5,723		6,486	
2022	2,774		3,329	
2021	1,863		2,609	
2020	1,137		1,667	
2019	653		1,045	
2018	435		725	
2017	415		775	
2016	292		546	
2015	281		544	
2014 and Prior	<u>3,573</u>			<u>9,142</u>
TOTAL		<u>\$ 40,566</u>		<u>\$ 53,410</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110**
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS:				
Land	\$ 384,950,135	\$ 375,699,466	\$ 319,255,063	\$ 244,433,221
Improvements	964,708,812	996,368,744	841,915,092	715,962,603
Personal Property	122,123,825	109,863,016	158,695,343	145,695,382
Exemptions	<u>(234,064,770)</u>	<u>(281,588,101)</u>	<u>(253,771,108)</u>	<u>(174,808,550)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 1,237,718,002</u>	<u>\$ 1,200,343,125</u>	<u>\$1,066,094,390</u>	<u>\$ 931,282,656</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.21
Maintenance	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.33</u>	<u>\$ 0.36</u>
ADJUSTED TAX LEVY*	<u>\$ 3,961,015</u>	<u>\$ 3,841,098</u>	<u>\$ 3,518,112</u>	<u>\$ 3,352,619</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.74 %</u>	<u>99.68 %</u>	<u>99.83 %</u>	<u>99.87 %</u>

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

Maintenance Tax – Maximum tax rate of \$0.15 per \$100 of assessed valuation approved by voters on May 1, 1993.

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025**

R E F U N D I N G S E R I E S - 2 0 1 9

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$ 50,000	\$ 110,200	\$ 160,200
2027	55,000	109,150	164,150
2028	1,725,000	74,100	1,799,100
2029	1,760,000	19,800	1,779,800
2030			
2031			
2032			
2033			
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	\$ 3,590,000	\$ 313,250	\$ 3,903,250

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025**

R E F U N D I N G S E R I E S - 2 0 2 0

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$ 735,000	\$ 99,300	\$ 834,300
2027	760,000	77,000	837,000
2028	50,000	68,900	118,900
2029	50,000	67,900	117,900
2030	1,920,000	48,200	1,968,200
2031	1,450,000	14,500	1,464,500
2032			
2033			
2034			
2035			
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	\$ 4,965,000	\$ 375,800	\$ 5,340,800

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025**

S E R I E S - 2 0 2 1

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$ 1,020,000	\$ 57,150	\$ 1,077,150
2027	1,040,000	41,650	1,081,650
2028	120,000	30,650	150,650
2029	155,000	29,275	184,275
2030	90,000	27,937	117,937
2031	100,000	26,750	126,750
2032	2,090,000	13,063	2,103,063
2033			
2034			
2035			
2036			
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	<u>\$ 4,615,000</u>	<u>\$ 226,475</u>	<u>\$ 4,841,475</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025**

S E R I E S - 2 0 2 4

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$	\$ 128,281	\$ 128,281
2027		128,281	128,281
2028		128,281	128,281
2029		128,281	128,281
2030		128,281	128,281
2031		128,281	128,281
2032		128,281	128,281
2033	980,000	113,581	1,093,581
2034	1,020,000	83,581	1,103,581
2035	1,070,000	51,563	1,121,563
2036	1,115,000	17,423	1,132,423
2037			
2038			
2039			
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	<u>\$ 4,185,000</u>	<u>\$ 1,164,115</u>	<u>\$ 5,349,115</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025**

S E R I E S - 2 0 2 4 A

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	\$	\$ 76,588	\$ 76,588
2027		76,588	76,588
2028		76,588	76,588
2029		76,588	76,588
2030		76,588	76,588
2031		76,588	76,588
2032		76,588	76,588
2033		76,588	76,588
2034		76,588	76,588
2035		76,588	76,588
2036		76,588	76,588
2037	65,000	74,963	139,963
2038	65,000	72,037	137,037
2039	70,000	69,337	139,337
2040	70,000	66,537	136,537
2041	75,000	63,638	138,638
2042	80,000	60,538	140,538
2043	80,000	57,288	137,288
2044	85,000	53,883	138,883
2045	90,000	50,274	140,274
2046	95,000	46,458	141,458
2047	100,000	42,437	142,437
2048	100,000	38,250	138,250
2049	105,000	33,893	138,893
2050	110,000	29,324	139,324
2051	115,000	24,543	139,543
2052	120,000	19,550	139,550
2053	125,000	14,344	139,344
2054	135,000	8,819	143,819
2055	140,000	2,975	142,975
	<u>\$ 1,825,000</u>	<u>\$ 1,671,556</u>	<u>\$ 3,496,556</u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025**

**ANNUAL REQUIREMENTS
FOR ALL SERIES**

Due During Fiscal Years Ending July 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 1,805,000	\$ 471,519	\$ 2,276,519
2027	1,855,000	432,669	2,287,669
2028	1,895,000	378,519	2,273,519
2029	1,965,000	321,844	2,286,844
2030	2,010,000	281,006	2,291,006
2031	1,550,000	246,119	1,796,119
2032	2,090,000	217,932	2,307,932
2033	980,000	190,169	1,170,169
2034	1,020,000	160,169	1,180,169
2035	1,070,000	128,151	1,198,151
2036	1,115,000	94,011	1,209,011
2037	65,000	74,963	139,963
2038	65,000	72,037	137,037
2039	70,000	69,337	139,337
2040	70,000	66,537	136,537
2041	75,000	63,638	138,638
2042	80,000	60,538	140,538
2043	80,000	57,288	137,288
2044	85,000	53,883	138,883
2045	90,000	50,274	140,274
2046	95,000	46,458	141,458
2047	100,000	42,437	142,437
2048	100,000	38,250	138,250
2049	105,000	33,893	138,893
2050	110,000	29,324	139,324
2051	115,000	24,543	139,543
2052	120,000	19,550	139,550
2053	125,000	14,344	139,344
2054	135,000	8,819	143,819
2055	<u>140,000</u>	<u>2,975</u>	<u>142,975</u>
	<u><u>\$ 19,180,000</u></u>	<u><u>\$ 3,751,196</u></u>	<u><u>\$ 22,931,196</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2025**

Description	Original Bonds Issued	Bonds Outstanding August 1, 2024
Harris County Water Control and Improvement District No. 110 Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds - Series 2019	\$ 6,450,000	\$ 3,640,000
Harris County Water Control and Improvement District No. 110 Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds - Series 2020	7,275,000	5,670,000
Harris County Water Control and Improvement District No. 110 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds - Series 2021	5,815,000	5,625,000
Harris County Water Control and Improvement District No. 110 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds - Series 2024	4,185,000	4,185,000
Harris County Water Control and Improvement District No. 110 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds - Series 2024A	1,825,000	_____
TOTAL	<u>\$ 25,550,000</u>	<u>\$ 19,120,000</u>

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

Bond Authority:	Utility Bonds	Refunding Bonds	Park Bonds
Amount Authorized by Voters	\$ 90,760,000	\$ 33,000,000	\$ 10,550,000
Amount Issued	<u>(51,050,000)</u>	<u>(1,790,000)</u>	<u>_____</u>
Remaining to be Issued	<u>\$ 39,710,000</u>	<u>\$ 31,210,000</u>	<u>\$ 10,550,000</u>

Note: District voters also authorized \$10,550,000 in parks and recreational facilities refunding bonds.

See accompanying independent auditor's report.

Current Year Transactions						
Bonds Sold	Retirements		Bonds Outstanding		Paying Agent	July 31, 2025
	Principal	Interest				
\$ 50,000	\$ 111,200	\$ 3,590,000	Regions Bank Houston, TX			
705,000	124,575	4,965,000	Regions Bank Houston, TX			
1,010,000	67,300	4,615,000	Regions Bank Houston, TX			
	133,982	4,185,000	BOK Financial, NA Dallas, TX			
<u>1,825,000</u>	<u>16,807</u>	<u>1,825,000</u>	BOK Financial, NA Dallas, TX			
<u>\$ 1,825,000</u>	<u>\$ 453,864</u>	<u>\$ 19,180,000</u>				
Debt Service Fund cash and investment balances at year end:		\$ 3,739,206				
Average annual debt service payment for remaining term of all debt:		\$ 764,373				

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110**
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 1,816,303	\$ 1,778,376	\$ 1,563,184
Water Service	917,778	955,644	876,079
Wastewater Service	1,466,073	1,525,106	1,431,925
Water Authority Fees	1,566,638	1,713,944	1,814,738
Recreational Services	177,291	192,463	188,878
Detention Pond Maintenance	101,201	101,878	109,251
Sales Tax Revenues	1,453,187	1,543,222	1,615,699
Penalty and Interest	77,401	91,276	81,382
Connection and Inspection Fees	295,707	424,001	132,790
Storm Related Revenues		38,675	
Investment and Miscellaneous Revenues	303,931	405,513	434,366
Water Authority Credits	251,456	251,456	251,456
TOTAL REVENUES	<u>\$ 8,426,966</u>	<u>\$ 9,021,554</u>	<u>\$ 8,499,748</u>
EXPENDITURES			
Professional Fees	\$ 567,936	\$ 538,211	\$ 596,576
Contracted Services	2,072,539	1,987,674	1,740,880
Purchased Wastewater Service	335,297	119,260	135,115
Parks and Recreation	1,344,919	954,429	844,378
Utilities	271,305	290,271	247,497
Water Authority Assessments	1,181,627	1,616,696	1,798,900
Repairs and Maintenance	1,038,889	1,214,804	1,142,305
Other	955,746	1,034,259	817,745
Capital Outlay	1,024,288	4,832,591	187,384
Bond Principal and Interest			
TOTAL EXPENDITURES	<u>\$ 8,792,546</u>	<u>\$ 12,588,195</u>	<u>\$ 7,510,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (365,580)</u>	<u>\$ (3,566,641)</u>	<u>\$ 988,968</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 1,616,800	\$	\$
Contributed by Other Governmental Unit			
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,616,800</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,251,220</u>	<u>\$ (3,566,641)</u>	<u>\$ 988,968</u>
BEGINNING FUND BALANCE	<u>5,089,466</u>	<u>8,656,107</u>	<u>7,667,139</u>
ENDING FUND BALANCE	<u>\$ 6,340,686</u>	<u>\$ 5,089,466</u>	<u>\$ 8,656,107</u>

See accompanying independent auditor's report.

Percentage of Total Revenues							
2022	2021	2025	2024	2023	2022	2021	
\$ 1,386,123	\$ 1,371,223	21.6 %	19.8 %	18.3 %	17.3 %	16.8 %	
864,424	980,299	10.9	10.6	10.3	10.8	11.9	
1,292,972	1,212,376	17.4	16.9	16.8	16.2	14.8	
1,888,568	1,812,137	18.6	19.0	21.4	23.6	22.0	
200,999	181,456	2.1	2.1	2.2	2.5	2.2	
97,749	101,085	1.2	1.1	1.3	1.2	1.2	
1,654,107	1,555,008	17.2	17.1	19.0	20.9	18.9	
88,293	68,574	0.9	1.0	1.0	1.1	0.8	
160,550	287,048	3.5	4.7	1.6	2.0	3.5	
18,430	228,077		0.4		0.2	2.8	
85,717	117,759	3.6	4.5	5.1	1.1	1.4	
251,456	304,242	3.0	2.8	3.0	3.1	3.7	
<u>\$ 7,989,388</u>	<u>\$ 8,219,284</u>	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	<u>100.0</u> %	
\$ 289,054	\$ 273,661	6.7 %	6.0 %	7.0 %	3.6 %	3.3 %	
1,562,252	1,494,980	24.6	22.0	20.5	19.6	18.2	
94,101	92,060	4.0	1.3	1.6	1.2	1.1	
952,276	873,178	16.0	10.6	9.9	11.9	10.6	
267,752	263,334	3.2	3.2	2.9	3.4	3.2	
1,885,157	1,920,257	14.0	17.9	21.2	23.6	23.4	
828,124	799,531	12.3	13.5	13.4	10.4	9.7	
648,877	576,311	11.3	11.5	9.6	8.1	7.0	
377,694	273,364	12.2	53.6	2.2	4.7	3.3	
793,276					9.9		
<u>\$ 7,698,563</u>	<u>\$ 6,566,676</u>	<u>104.3</u> %	<u>139.6</u> %	<u>88.3</u> %	<u>96.4</u> %	<u>79.8</u> %	
<u>\$ 290,825</u>	<u>\$ 1,652,608</u>	<u>(4.3)</u> %	<u>(39.6)</u> %	<u>11.7</u> %	<u>3.6</u> %	<u>20.2</u> %	
\$ 286,144	\$						
315,682							
<u>\$ 601,826</u>	<u>\$ - 0 -</u>						
\$ 892,651	\$ 1,652,608						
<u>6,774,488</u>	<u>5,121,880</u>						
<u>\$ 7,667,139</u>	<u>\$ 6,774,488</u>						

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110**
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	<u>Amounts</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUES			
Property Taxes	\$ 2,062,606	\$ 2,015,417	\$ 1,870,318
Penalty and Interest	58,462	31,895	30,135
Investment and Miscellaneous Revenues	177,353	218,684	160,920
TOTAL REVENUES	<u>\$ 2,298,421</u>	<u>\$ 2,265,996</u>	<u>\$ 2,061,373</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 103,876	\$ 128,192	\$ 89,791
Debt Service Principal	1,765,000	1,710,000	1,385,000
Debt Service Interest	453,864	343,950	388,475
TOTAL EXPENDITURES	<u>\$ 2,322,740</u>	<u>\$ 2,182,142</u>	<u>\$ 1,863,266</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,319)</u>	<u>\$ 83,854</u>	<u>\$ 198,107</u>
BEGINNING FUND BALANCE	<u>3,824,614</u>	<u>3,740,760</u>	<u>3,542,653</u>
ENDING FUND BALANCE	<u>\$ 3,800,295</u>	<u>\$ 3,824,614</u>	<u>\$ 3,740,760</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>2,430</u>	<u>2,429</u>	<u>2,430</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>2,310</u>	<u>2,308</u>	<u>2,344</u>

See accompanying independent auditor's report.

Percentage of Total Revenues							
2022	2021	2025	2024	2023	2022	2021	
\$ 1,941,881	\$ 2,013,254	89.8 %	88.9 %	90.7 %	96.6 %	98.2 %	
30,951	24,658	2.5	1.4	1.5	1.5	1.2	
<u>37,455</u>	<u>12,786</u>	<u>7.7</u>	<u>9.7</u>	<u>7.8</u>	<u>1.9</u>	<u>0.6</u>	
<u>\$ 2,010,287</u>	<u>\$ 2,050,698</u>	<u>100.0</u> %					
\$ 88,630	\$ 80,545	4.5 %	5.7 %	4.4 %	4.4 %	3.9 %	
1,480,000	1,375,000	76.8	75.5	67.2	73.6	67.1	
<u>413,449</u>	<u>374,994</u>	<u>19.7</u>	<u>15.2</u>	<u>18.8</u>	<u>20.6</u>	<u>18.3</u>	
<u>\$ 1,982,079</u>	<u>\$ 1,830,539</u>	<u>101.0</u> %	<u>96.4</u> %	<u>90.4</u> %	<u>98.6</u> %	<u>89.3</u> %	
\$ 28,208	\$ 220,159	<u>(1.0)</u> %	<u>3.6</u> %	<u>9.6</u> %	<u>1.4</u> %	<u>10.7</u> %	
<u>3,514,445</u>	<u>3,294,286</u>						
<u>\$ 3,542,653</u>	<u>\$ 3,514,445</u>						
<u><u>2,429</u></u>	<u><u>2,432</u></u>						
<u><u>2,298</u></u>	<u><u>2,300</u></u>						

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2025**

District Mailing Address - Harris County Water Control and Improvement District No. 110
c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP
1330 Post Oak Boulevard, Suite 2650,
Houston, TX 77056

District Telephone Number - (713) 850-9000

Board Members	Term of Office (Elected or Appointed)	Fees of office for the year ended <u>July 31, 2025</u>	Expense Reimbursements for the year ended <u>July 31, 2025</u>		Title
			\$	\$	
James N. Williams	05/23 - 05/27 (Elected)	\$ 5,525	\$ -0-	\$ -0-	President
Jeannie Perkins	05/25 - 05/29 (Elected)	\$ 5,653	\$ -0-	\$ -0-	First Vice President/ Assistant Secretary
Jerry A. Strickland	05/23 05/27 (Elected)	\$ 5,242	\$ -0-	\$ -0-	Second Vice President
Vanessa Sommer	05/25 - 05/29 (Elected)	\$ 6,095	\$ -0-	\$ -0-	Secretary/ Treasurer
Rodney Williams	01/25 - 05/27 (Elected)	\$ 2,873	\$ -0-	\$ -0-	Assistant Secretary
Tom Dowdy (Resigned 01/25)	05/23- 05/27 (Elected)	\$ 5,159	\$ -0-	\$ -0-	Former Director

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.

The most recent submission date of the District Registration Form was on May 27, 2025.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year. Fees of office in excess of the \$7,200 limit are expected to be reimbursed to the District in the next fiscal year.

See accompanying independent auditor's report.

**HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 110
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2025**

Consultants	Date Hired	Fees for the year ended July 31, 2025	Title
Sanford Kuhl Hagan Kugle Parker Kahn LLP	01/21/10	\$ 262,936	General Counsel/ Delinquent
	07/01/10	\$ 9,466	Tax Attorney
		\$ 48,365	Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	07/08/09	\$ 33,000 \$ 2,500	Auditor Bond Related
Myrtle Cruz, Inc.	12/96	\$ 90,484 \$ 3,500	Bookkeeper Bond Related
Langford Engineering, Inc.	07/76	\$ 723,892	Engineer
Robert W. Baird & Co.	01/15	\$ 38,402	Financial Advisor
Mary Jarmon		\$ -0-	Investment Officer
Municipal Operations and Consulting, Inc.	04/17/23	\$ 900,827	Operator
Equi-Tax, Inc.	01/80	\$ 57,698	Tax Assessor/ Collector

See accompanying independent auditor's report.

