HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Information Required by Section 26.18, Texas Tax Code and
Section 2051.202, Texas Government Code

Date: October 28, 2025

(1) Name and term of office of each member of the governing body:

Darrell A. Barroso	05/07/2022 – 05/02/2026
Lary J. Cangelose	05/04/2024 – 05/06/2028
Mike Kelley	05/07/2022 – 05/02/2026
Jon Morgan	05/04/2024 – 05/06/2028
Ben A. Solis	05/04/2024 – 05/06/2028

(2) Mailing address, physical address, e-mail address, and telephone number:

Mailing address:
2727 Allen Parkway, Suite 1100
Houston, Texas 77019
713-652-6500
91061@smithmur.com

Physical address:
13205 Cypress N Houston
Cypress, Texas 77429

(3) a. Official contact information for each member of the governing body:

Same as Item (2) above.

b. Name of General Manager or Executive Director:

Jerry Homan
Harris County FWSD No. 61
P. O. Box 325
Cypress, TX 77429
281/469-9405

c. Name, mailing address and telephone number of person representing District's utility operator:

Jerry Homan
Harris County FWSD No. 61
P. O. Box 325
Cypress, TX 77429
281/469-9405

d. Name, mailing address and telephone number of person representing District's tax assessor-collector:

Norma Catherman
Harris County FWSD No. 61
P. O. Box 325
Cypress, TX 77429
281/469-9405

(4) District's budget for the preceding two years:

The budgets for the fiscal years ending on December 31, 2023 and December 31, 2024 are attached.

(5) Proposed or adopted budget for the current year:

The budget for the fiscal year ending December 31, 2025 is attached.

(6) Change in amount of District budget from the preceding year to current year, by dollar amount and percentage:

The change in amount of budgeted revenues from 2024 to 2025 was $5,210; or 0.06%

(7) Amount of property tax revenue budgeted for maintenance and operations for the preceding two years and the current year:

The information is referenced in the attached budgets.

(8) Amount of property tax revenue budgeted for debt service for the preceding two years and the current year:

The District does not budget for debt service.

(9) Tax rate for maintenance and operations adopted by the taxing unit for the current year and preceding two years:

2025: $0.00
2024: $0.00
2023: $0.00

(10) The tax rate for debt service adopted by the taxing unit for the current year and preceding two years:

2025: $0.26
2024: $0.26
2023: $0.26

(11) This information required by Section 26.18 is applicable only to school districts.

(12) Tax rate for maintenance and operations proposed by the taxing unit for the current year:

As of the date of this report, no proposed tax rate has been established for the current year.

(13) Tax rate for debt service proposed by the taxing unit for the current year:

As of the date of this report, the tax rate for the current year is $0.26.

(14) This information required by Section 26.18 is applicable only to school districts.

(15) The most recent financial audit of the District.

The audit for the fiscal year ending on December 31, 2024 is attached.

(16) Rate of District's ad valorem tax, if any:

The District's ad valorem tax rate for 2025 is $0.26 per $100 assessed valuation.

(17) Rate of District's sales and use tax, if any: n/a

(18) Notice of tax rate hearing required under Chapter 26, Tax Code or Section 49.236, Water Code:

The notice of tax rate hearing is attached and has been posted on this website.

(19) District's meeting schedule and location:

Monthly on second and fourth Wednesday at 5:30 p.m. at 13205 Cypress N Houston, Cypress, Texas 77429

(20) Residents of the District have the right to request the designation of a meeting location within the District under Section 49.062(g), Water Code.

The Board's regular meetings are held within the District as listed in (19) above. Nevertheless, under Texas law, the following information is required to be posted: A description of this process can be found at https://www.tceq.texas.gov/downloads/water-districts/forms/form-20863.pdf

(21) Meeting notices and approved minutes:

Each notice of a meeting and approved minutes for meetings conducted in the current calendar year and the immediately preceding calendar year are posted on this website.

	Revenues	2024 Budget	2025 Budget	2024 Monthly	2025 Monthly	Total Budget	Actual	Variance	Notes
30100	Water Sales Customers	900,000	850,000	75,000	70,833			0	Decrease 50,000
30800	Misc. Water Sales (Transient)	5,000	7,000	417	583			0	Increase 2,000
30900	Water Sales MUD No. 248	134,160	137,514	11,180	11,460			0	CPI Increase 2.5%
31100	Sewer Sales Customers	1,422,000	1,500,000	118,500	125,000			0	Increase 78,000 Adj.
31500	Sewer Sales MUD No. 69	272,000	278,800	22,667	23,233			0	CPI Increase 2.5%
31700	Sewer Sales MUD No. 222	240,000	315,000	20,000	26,250			0	Increase 31.25% (New Contract)
31800	Sewer Sales MUD No. 248	433,440	454,526	36,120	37,877			0	CPI Increase 2.5%
31900	Scrap Metal/Old Equipment Sales	0	0	0	0				Same
32000	Connection Fee/ Reconnect Fee	12,000	10,000	1,000	833			0	Decrease 2,000
32100	Miscellaneous Income/Fees/Penalties	70,000	70,000	5,833	5,833			0	Same
32300	Interest Income	370,000	350,000	30,833	29,167			0	Decrease 20,000
33000	TWA Water - Sewer	16,000	14,500	1,333	1,208			0	Decrease 1,500
33100	Tap Fees	65,000	25,000	5,417	2,083			0	Decrease 40,000
33300	NHCRWA Assessments	2,372,500	2,210,000	197,708	184,167			0	Decrease 162,500
33400	Maintenance Charge MUD No. 248	13,000	13,325	1,083	1,110			0	CPI Increase 2.5%
33401	Equipment Charge	40,000	41,000	3,333	3,417				CPI Increase 2.5%
33410	Infrastructure Rehabilitation MUD No. 248	220,000	225,500	18,333	18,792			0	CPI Increase 2.5%
33411	Infrastructure Rehabilitation - Sewer	124,000	127,100	10,333	10,592				CPI Increase 2.5%
33500	Meter Rental	1,000	1,500	83	125			0	Increase 500.00
33600	Grease Trap	8,000	9,000	667	750			0	Increase 1,000
36000	SPA Capital Income	528,000	264,000	44,000	22,000			0	Decrease 264,000
36001	SPA Operating Income	792,000	1,056,000	66,000	88,000			0	Increase 264,000
36100	Property Tax Coll. Charge	66,000	66,000	5,500	5,500			0	Same
37300	Easement & Annexation Reimbursement	0	0	0	0			0	Same
37400	Operating Income MUD 248	260,000	333,125	21,667	27,760			0	CPI Increase 2.5% + Adjustment
37500	Annex & Utility Commitment	1,000	1,000	83	83			0	Same
30500	Water Sales MUD No.69	0		0	0			0	
30600	Water Sales Timberlake ID	0		0	0			0	
30700	Water Sales MUD No. 222	0		0	0			0	
30920	Water Sales MUD No. 188	0		0	0			0	
	Total Revenues	**8,365,100**	**8,359,890**	**697,092**	**696,658**			**0**	

	Expenses Offset By SPA	2024 Budget	2025 Budget	2024 Monthly	2025 Monthly	Total Budget	Actual	Variance	Notes
42021	Utilities Water No. 1	35,000	35,000	2,917	2,917			0	Same
42022	Utilities Water No. 2 (Well #2&3)	88,200	110,000	7,350	9,167			0	Increase 21,800
42023	Utilities Water No. 3	51,710	60,000	4,309	5,000			0	Increase 8,290
42020	Utilities Water No. 4	63,700	65,000	5,308	5,417			0	Increase 1,300
42031	Utilities STP No. 1	110,000	125,000	9,167	10,417			0	Increase 15,000
42032	Utilities STP No. 2	185,000	180,000	15,417	15,000			0	Decrease 5,000
42041	Utilities Oakcliff Lift Station	3,000	4,000	250	333			0	Increase 1,000
42042	Utilities Crossbend Village Lift Station	360	360	30	30			0	Same
42043	Utilities Lift Station #2	2,200	2,500	183	208			0	Increase 300.00
42044	Utilities Lift Station #3	1,080	1,080	90	90			0	Same
42045	Utilities Elevated Storage No.2	459	459	38	38			0	Same
42046	Utilities Eldridge Lift Station	1,750	1,750	146	146			0	Same
42048	Utilities Wortham Landing Lift Station	1,230	2,000	103	167			0	Increase 770.00
42049	Utilities Wortham Falls Lift Station	1,500	1,800	125	150			0	Increase 300.00
42050	Utilities Ravensway Lake Lift Station	800	800	67	67			0	Same
84200	Utilities Admin. Office Building	8,000	8,000	667	667			0	Same
47021	Chemicals Water No. 1	10,000	14,500	833	1,208			0	Increase 4,500
47022	Chemicals Water No. 2	13,100	24,000	1,092	2,000			0	Increase 10,900
47023	Chemicals Water No. 3	18,216	20,000	1,518	1,667			0	Increase 1,784
47024	Chemicals HG WTR2 Well 3	12,074	20,000	1,006	1,667			0	Increase 7,926
47025	Chemicals Water No. 4	27,600	55,000	2,300	4,583			0	Increase 27,400
47031	Chemicals STP No. 1	9,200	5,000	767	417			0	Decrease 4,200
47032	Chemicals STP No. 2	16,100	15,000	1,342	1,250			0	Decrease 1,100
48133	Retention Pond Maintenance	190,000	175,000	15,833	14,583			0	Decrease 15,000
48150	Security	25,000	5,000	2,083	417			0	Decrease 20,000
	Total Expenses Offset By SPA	**875,279**	**931,249**	**72,940**	**77,604**			0	
43031	Sludge Removal STP No. 1	75,000	85,000	6,250	7,083			0	Increase 10,000
43032	Sludge Removal STP No. 2	155,000	170,000	12,917	14,167			0	Increase 15,000
44000	Lab Testing Distribution	30,000	25,000	2,500	2,083			0	Decrease 5,000
44001	Lab Testing Collections	15,000	15,000	1,250	1,250			0	Same
44031	Lab Testing STP I	24,000	28,000	2,000	2,333			0	Increase 4,000
44032	Lab Testing STP 2	28,000	30,000	2,333	2,500			0	Increase 2,000
45000	Repairs & Maint.. Dist. & Improvements	65,000	65,000	5,417	5,417			0	Same

	Expenses	2024 Budget	2025 Budget	2024 Monthly	2025 Monthly	Total Budget	Actual	Variance	Notes
45001	Repairs & Maint.. Coll & Improvements	25,000	25,000	2,083	2,083			0	Same
45021	Repairs & Maint.. Water Plant 1	10,000	10,000	833	833			0	Same
45022	Repairs & Maint.. Water Plant 2	17,000	25,000	1,417	2,083			0	Increase 8,000
45024	Repairs & Maint.. Water Plant 3	20,000	20,000	1,667	1,667			0	Same
45025	Repairs & Maint.. Water Plant 4	12,000	12,000	1,000	1,000			0	Same
45031	Repairs & Maint.. STP No. 1	55,000	55,000	4,583	4,583			0	Same
45032	Repairs & Maint... STP No.2	75,000	75,000	6,250	6,250			0	Same
45033	Repairs & Maint... Wortham Falls	2,000	2,000	167	167			0	Same
45034	Repairs & Maint... Ravensway	3,000	3,000	250	250			0	Same
45041	Repairs & Maint... Oakcliff Lift Station	4,000	4,000	333	333			0	Same
45042	Repairs & Maint... Crossbend Village L/S	2,000	2,000	167	167			0	Same
45043	Repairs & Maint.. Lift Station 2	2,000	2,000	167	167			0	Same
45044	Repairs & Maint.. Lift Station 3	2,000	2,000	167	167			0	Same
45045	Repairs & Maint.. Elevated 2	2,500	2,500	208	208			0	Same
45046	Repairs & Maint.. Eldridge Lift Station	3,000	3,000	250	250			0	Same
45047	Repairs & Maint.. Wortham Landing L/S	4,000	4,000	333	333			0	Same
49000	Truck Repair	15,000	15,000	1,250	1,250			0	Same
49010	Truck Fuel	75,000	50,000	6,250	4,167			0	Decrease 25,000
49011	Truck Purchase	100,000	0	8,333	0			0	Decrease 100,000
49012	Field Equipment Repair	25,000	25,000	2,083	2,083			0	Same
49013	Diesel Fuel	22,000	50,000	1,833	4,167			0	Increase 28,000
49200	Cellular Services	12,000	15,000	1,000	1,250			0	Increase 3,000
50100	Employee Payroll	1,700,000	1,839,400	141,667	153,283			0	Increase 8.2%
56010	TCDRS	133,130	144,046	11,094	12,004				Increase 8.2%
50300	Health & Disability Insurance	724,412	747,478	60,368	62,290			0	Increase 23,066
51100	TEC	9,419	10,200	785	850			0	Increase 8.2%

	Expenses	2024 Budget	2025 Budget	2024 Monthly	2025 Monthly	Total Budget	Actual	Variance	Notes
51200	FICA Employer	111,354	120,485	9,280	10,040			0	Increase 8.2%
51300	Medicare Employer	27,107	29,329	2,259	2,444			0	Increase 8.2%
71100	Engineering Fees	175,000	175,000	14,583	14,583			0	Same
71200	Accounting Fees	35,000	35,000	2,917	2,917			0	Same
71201	Audit Fees	24,000	28,000	2,000	2,333			0	Increase 4,000
71300	Attorney Fees	200,000	200,000	16,667	16,667			0	Same
71420	Permit Fees Water	16,000	16,000	1,333	1,333			0	Same
71430	Permit Fees Sewer	50,000	50,000	4,167	4,167			0	Same
71600	NHC Regional Water Authority	2,352,000	2,320,500	196,000	193,375			0	Decrease 31,500
71610	Website Expense	2,500	3,000	208	250				Increase 500
71650	Texas Water Assessment	15,554	17,000	1,296	1,417			0	Increase 1,446
72400	Bank Service Charges	1,500	1,500	125	125			0	Same
72600	Education/license/travel/membership	35,000	35,000	2,917	2,917			0	Same
72800	Meetings And Events	35,000	35,000	2,917	2,917			0	Same
72900	Election Expense	20,000	0	1,667	0			0	Decrease 20,000
73500	Equipment Purchase Office	5,000	5,000	417	417			0	Same
73600	Equipment/Tools Purchase Field	20,000	10,000	1,667	833			0	Decrease 10,000
73700	Safety Equipment	5,000	5,000	417	417			0	Same
74100	Office/Communications/Network	40,000	35,000	3,333	2,917			0	Decrease 5,000
74400	General Insurance	163,096	165,486	13,591	13,791			0	Increase 2,390
75400	Uniforms	15,000	18,000	1,250	1,500			0	Increase 3,000
75500	Physicals & Employee Medical	2,000	2,000	167	167			0	Same
76100	Office Expense	30,000	30,000	2,500	2,500			0	Same
76200	Computer / Software Expense	30,000	75,000	2,500	6,250			0	Increase 45,000 (New Computers, Software)
77000	Rubbish Removal	25,000	25,000	2,083	2,083			0	Same
77700	Postage	32,000	32,000	2,667	2,667			0	Same
78400	Miscellaneous Operations	20,000	20,000	1,667	1,667			0	Same
84500	Repairs & Maintenance Building	25,000	40,000	2,083	3,333			0	Increase 15,000
	Total Expenses	**7,833,851**	**8,020,173**	**652,821**	**668,348**	**0**	**0**	**0**	

		2024 Budget	2025 Budget
	Excess Revenues	531,249	339,717
	SPA Capital	528,000	264,000
		3,249	75,717

	Revenues	2023 Budget	2024 Budget	2023 Monthly	2024 Monthly	Total Budget	Actual	Variance	Notes
30100	Water Sales Customers	897,600	900,000	74,800	75,000			0	Increase 2,400
30800	Misc. Water Sales (Transient)	5,000	5,000	417	417			0	Same
30900	Water Sales MUD No. 248	130,000	134,160	10,833	11,180			0	CPI Increase 3.2%
31100	Sewer Sales Customers	1,422,000	1,422,000	118,500	118,500			0	Same
31500	Sewer Sales MUD No. 69	272,000	272,000	22,667	22,667			0	Same
31700	Sewer Sales MUD No. 222	240,000	240,000	20,000	20,000			0	Same
31800	Sewer Sales MUD No. 248	420,000	433,440	35,000	36,120			0	CPI Increase 3.2%
31900	Scrap Metal/Old Equipment Sales	0	0	0	0				Same
32000	Connection Fee/ Reconnect Fee	12,000	12,000	1,000	1,000			0	Same
32100	Miscellaneous Income/Fees/Penalties	70,000	70,000	5,833	5,833			0	Same
32300	Interest Income	175,000	370,000	14,583	30,833			0	Increase 112%
33000	TWA Water - Sewer	16,000	16,000	1,333	1,333			0	Same
33100	Tap Fees	65,000	65,000	5,417	5,417			0	Same
33300	NHCRWA Assessments	3,250,000	2,372,500	270,833	197,708			0	Decrease 28% + Adjustment
33400	Maintenance Charge MUD No. 248	12,500	13,000	1,042	1,083			0	CPI Increase 3.2%
33401	Equipment Charge	38,539	40,000	3,212	3,333				CPI Increase 3.2%
33410	Infrastructure Rehabilitation MUD No. 248	212,582	220,000	17,715	18,333			0	CPI Increase 3.2%
33411	Infrastructure Rehabilitation - Sewer	119,761	124,000	9,980	10,333				CPI Increase 3.2%
33500	Meter Rental	1,000	1,000	83	83			0	Same
33600	Grease Trap	8,000	8,000	667	667			0	Same
36000	SPA Capital Income	528,000	528,000	44,000	44,000			0	Same
36001	SPA Operating Income	792,000	792,000	66,000	66,000			0	Same
36100	Property Tax Coll. Charge	66,000	66,000	5,500	5,500			0	Same
37300	Easement & Annexation Reimbursement	0	0	0	0			0	Same
37400	Operating Income MUD 248	217,400	260,000	18,117	21,667			0	CPI Increase 3.2% + Adjustment
37500	Annex & Utility Commitment	1,000	1,000	83	83			0	Same
30500	Water Sales MUD No.69	0	0	0	0			0	
30600	Water Sales Timberlake ID	0	0	0	0			0	
30700	Water Sales MUD No. 222	0	0	0	0			0	
30920	Water Sales MUD No. 188	0	0	0	0			0	
	Total Revenues	**8,971,382**	**8,365,100**	**747,615**	**697,092**			**0**	

	Expenses Offset By SPA	2023 Budget	2024 Budget	2023 Monthly	2024 Monthly	Total Budget	Actual	Variance	Notes
42021	Utilities Water No. 1	25,467	35,000	2,122	2,917			0	Increase 37%
42022	Utilities Water No. 2 (Well #2&3)	73,482	88,200	6,124	7,350			0	Increase 20%
42023	Utilities Water No. 3	43,092	51,710	3,591	4,309			0	Increase 20%
42020	Utilities Water No. 4	53,056	63,700	4,421	5,308			0	Increase 20%
42031	Utilities STP No. 1	98,640	110,000	8,220	9,167			0	Increase 11.5%
42032	Utilities STP No. 2	162,000	185,000	13,500	15,417			0	Increase 14%
42041	Utilities Oakcliff Lift Station	3,000	3,000	250	250			0	Same
42042	Utilities Crossbend Village Lift Station	360	360	30	30			0	Same
42043	Utilities Lift Station #2	1,103	2,200	92	183			0	Increase 100%
42044	Utilities Lift Station #3	1,080	1,080	90	90			0	Same
42045	Utilities Elevated Storage No.2	459	459	38	38			0	Same
42046	Utilities Eldridge Lift Station	1,516	1,750	126	146			0	Increase 15%
42048	Utilities Wortham Landing Lift Station	1,230	1,230	103	103			0	Same
42049	Utilities Wortham Falls Lift Station	1,500	1,500	125	125			0	Same
42050	Utilities Ravensway Lake Lift Station	800	800	67	67			0	Same
84200	Utilities Admin. Office Building	7,000	8,000	583	667			0	Increase 14%
47021	Chemicals Water No. 1	8,349	10,000	696	833			0	Increase 20%
47022	Chemicals Water No. 2	10,942	13,100	912	1,092			0	Increase 20%
47023	Chemicals Water No. 3	15,180	18,216	1,265	1,518			0	Increase 20%
47024	Chemicals HG WTR2 Well 3	10,062	12,074	839	1,006			0	Increase 20%
47025	Chemicals Water No. 4	23,000	27,600	1,917	2,300			0	Increase 20%
47031	Chemicals STP No. 1	9,200	9,200	767	767			0	Same
47032	Chemicals STP No. 2	16,100	16,100	1,342	1,342			0	Same
48133	Retention Pond Maintenance	200,000	190,000	16,667	15,833			0	Decrease 5%
48150	Security	5,000	25,000	417	2,083			0	Increase 20,000 (New Camera System-Admin. Office)
	Total Expenses Offset By SPA	**771,618**	**875,279**	**64,302**	**72,940**			0	
43031	Sludge Removal STP No. 1	75,000	75,000	6,250	6,250			0	Same
43032	Sludge Removal STP No. 2	155,000	155,000	12,917	12,917			0	Same
44000	Lab Testing Distribution	25,000	30,000	2,083	2,500			0	Increase 20%
44001	Lab Testing Collections	15,000	15,000	1,250	1,250			0	Same
44031	Lab Testing STP I	24,000	24,000	2,000	2,000			0	Same
44032	Lab Testing STP 2	28,000	28,000	2,333	2,333			0	Same
45000	Repairs & Maint.. Dist. & Improvements	65,000	65,000	5,417	5,417			0	Same

	Expenses	2023 Budget	2024 Budget	2023 Monthly	2024 Monthly	Total Budget	Actual	Variance	Notes
45001	Repairs & Maint.. Coll & Improvements	25,000	25,000	2,083	2,083			0	Same
45021	Repairs & Maint.. Water Plant 1	10,000	10,000	833	833			0	Same
45022	Repairs & Maint.. Water Plant 2	15,000	17,000	1,250	1,417			0	Increase 14%
45024	Repairs & Maint.. Water Plant 3	20,000	20,000	1,667	1,667			0	Same
45025	Repairs & Maint.. Water Plant 4	10,000	12,000	833	1,000			0	Increase 20%
45031	Repairs & Maint.. STP No. 1	45,000	55,000	3,750	4,583			0	Increase 22%
45032	Repairs & Maint... STP No.2	75,000	75,000	6,250	6,250			0	Same
45033	Repairs & Maint... Wortham Falls	2,000	2,000	167	167			0	Same
45034	Repairs & Maint... Ravensway	3,000	3,000	250	250			0	Same
45041	Repairs & Maint... Oakcliff Lift Station	4,000	4,000	333	333			0	Same
45042	Repairs & Maint... Crossbend Village L/S	2,000	2,000	167	167			0	Same
45043	Repairs & Maint.. Lift Station 2	2,000	2,000	167	167			0	Same
45044	Repairs & Maint.. Lift Station 3	2,000	2,000	167	167			0	Same
45045	Repairs & Maint.. Elevated 2	2,500	2,500	208	208			0	Same
45046	Repairs & Maint.. Eldridge Lift Station	3,000	3,000	250	250			0	Same
45047	Repairs & Maint.. Wortham Landing L/S	4,000	4,000	333	333			0	Same
49000	Truck Repair	12,000	15,000	1,000	1,250			0	Increase 25%
49010	Truck Fuel	65,000	75,000	5,417	6,250			0	Increase 16%
49011	Truck Purchase	40,000	100,000	3,333	8,333			0	Increase 150% - Two Trucks
49012	Field Equipment Repair	20,000	25,000	1,667	2,083			0	Increase 25%
49013	Diesel Fuel	22,000	22,000	1,833	1,833			0	Same
49200	Cellular Services	12,000	12,000	1,000	1,000			0	Same
50100	Employee Payroll	1,600,000	1,700,000	133,333	141,667			0	Increase 6%
56010	TCDRS	125,595	133,130	10,466	11,094				Increase 6%
50300	Health & Disability Insurance	672,869	724,412	56,072	60,368			0	Increase 7.7% Increase
51100	TEC	8,886	9,419	741	785			0	Increase 6%

	Expenses	2023 Budget	2024 Budget	2023 Monthly	2024 Monthly	Total Budget	Actual	Variance	Notes
51200	FICA Employer	105,051	111,354	8,754	9,280			0	Increase 6%
51300	Medicare Employer	25,573	27,107	2,131	2,259			0	Increase 6%
71100	Engineering Fees	175,000	175,000	14,583	14,583			0	Same
71200	Accounting Fees	25,000	35,000	2,083	2,917			0	Increase 40%
71201	Audit Fees	24,000	24,000	2,000	2,000			0	Same
71300	Attorney Fees	150,000	200,000	12,500	16,667			0	Increase 33%
71420	Permit Fees Water	16,000	16,000	1,333	1,333			0	Same
71430	Permit Fees Sewer	50,000	50,000	4,167	4,167			0	Same
71600	NHC Regional Water Authority	3,459,000	2,352,000	288,250	196,000			0	Decrease 32%
71610	Website Expense	2,500	2,500	208	208				Same
71650	Texas Water Assessment	15,554	15,554	1,296	1,296			0	Same
72400	Bank Service Charges	1,500	1,500	125	125			0	Same
72600	Education/license/travel/membership	35,000	35,000	2,917	2,917			0	Same
72800	Meetings And Events	30,000	35,000	2,500	2,917			0	Increase 17%
72900	Election Expense	0	20,000	0	1,667			0	Increase 20,000 - Election
73500	Equipment Purchase Office	5,000	5,000	417	417			0	Same
73600	Equipment/Tools Purchase Field	20,000	20,000	1,667	1,667			0	Same
73700	Safety Equipment	5,000	5,000	417	417			0	Same
74100	Office/Communications/Network	18,000	40,000	1,500	3,333			0	Increase 120%
74400	General Insurance	151,664	163,096	12,639	13,591			0	Increase 8%
75400	Uniforms	14,000	15,000	1,167	1,250			0	Increase 7%
75500	Physicals & Employee Medical	2,000	2,000	167	167			0	Same
76100	Office Expense	30,000	30,000	2,500	2,500			0	Same
76200	Computer Expense	18,000	30,000	1,500	2,500			0	Increase 67% - Computer Upgrades
77000	Rubbish Removal	20,000	25,000	1,667	2,083			0	Increase 25%
77700	Postage	32,000	32,000	2,667	2,667			0	Same
78400	Miscellaneous Operations	20,000	20,000	1,667	1,667			0	Same
84500	Repairs & Maintenance Building	25,000	25,000	2,083	2,083			0	Same
	Total Expenses	**8,436,310**	**7,833,851**	**703,026**	**652,821**	**0**	**0**	**0**	

		2023 Budget	2024 Budget								
	Excess Revenues	535,072	531,249								
	SPA Capital	528,000	528,000								
		7,072	3,249								

	Revenues	2022 Budget	2023 Budget	2022 Monthly	2023 Monthly	Total Budget	Actual	Variance	Notes
30100	Water Sales Customers	897,600	897,600	74,800	74,800			0	Same
30800	Misc. Water Sales (Transient)	8,000	5,000	667	417			0	37.5% Decrease
30900	Water Sales MUD No. 248	115,500	130,000	9,625	10,833			0	12.5% Increase
31100	Sewer Sales Customers	1,419,075	1,422,000	118,256	118,500			0	0.2% Increase
31500	Sewer Sales MUD No. 69	275,000	272,000	22,917	22,667			0	1% Decrease
31700	Sewer Sales MUD No. 222	240,000	240,000	20,000	20,000			0	Same
31800	Sewer Sales MUD No. 248	420,000	420,000	35,000	35,000			0	Same
31900	Scrap Metal/Old Equipment Sales	0	0	0	0				Same
32000	Connection Fee/ Reconnect Fee	12,000	12,000	1,000	1,000			0	Same
32100	Miscellaneous Income/Fees/Penalties	70,000	70,000	5,833	5,833			0	Same
33000	TWA Water - Sewer	16,000	16,000	1,333	1,333			0	Same
33100	Tap Fees	65,000	65,000	5,417	5,417			0	Same
33300	NHCRWA Assessments	2,846,106	3,250,000	237,176	270,833			0	14% Increase
33400	Maintenance Charge MUD No. 248	11,500	12,500	958	1,042			0	8.7% CPI Increase
33401	Equipment Charge	35,455	38,539	2,955	3,212				8.7% CPI Increase
33410	Infrastructure Rehabilitation MUD No. 248	195,568	212,582	16,297	17,715			0	8.7% CPI Increase
33411	Infrastructure Rehabilitation - Sewer	110,176	119,761	9,181	9,980				8.7% CPI Increase
33500	Meter Rental	1,000	1,000	83	83			0	Same
33600	Grease Trap	8,000	8,000	667	667			0	Same
36000	SPA Capital Income	480,000	528,000	40,000	44,000			0	10% Increase
36001	SPA Operating Income	720,000	792,000	60,000	66,000			0	10% Increase
36100	Property Tax Coll. Charge	66,000	66,000	5,500	5,500			0	Same
37300	Easement & Annexation Reimbursement	0	0	0	0				Same
37400	Operating Income MUD 248	200,000	217,400	16,667	18,117			0	8.7% CPI Increase
37500	Annex & Utility Commitment	1,000	1,000	83	83			0	Same
30500	Water Sales MUD No.69			0	0			0	
30600	Water Sales Timberlake ID			0	0			0	
30700	Water Sales MUD No. 222			0	0			0	
30920	Water Sales MUD No. 188			0	0			0	
32300	Interest Income		175,000	0	14,583			0	Texpool - Emergency and Spa Acct's.
	Total Revenues	**8,212,980**	**8,971,382**	**684,415**	**747,615**			**0**	

	Expenses Offset By SPA	2022 Budget	2023 Budget	2022 Monthly	2023 Monthly	Total Budget	Actual	Variance	Notes
42021	Utilities Water No. 1	25,467	25,467	2,122	2,122			0	Same
42022	Utilities Water No. 2 (Well #2&3)	73,482	73,482	6,124	6,124			0	Same
42023	Utilities Water No. 3	43,092	43,092	3,591	3,591			0	Same
42020	Utilities Water No. 4	53,056	53,056	4,421	4,421			0	Same
42031	Utilities STP No. 1	98,640	98,640	8,220	8,220			0	Same
42032	Utilities STP No. 2	162,000	162,000	13,500	13,500			0	Same
42041	Utilities Oakcliff Lift Station	3,000	3,000	250	250			0	Same
42042	Utilities Crossbend Village Lift Station	360	360	30	30			0	Same
42043	Utilities Lift Station #2	1,103	1,103	92	92			0	Same
42044	Utilities Lift Station #3	1,080	1,080	90	90			0	Same
42045	Utilities Elevated Storage No.2	459	459	38	38			0	Same
42046	Utilities Eldridge Lift Station	1,516	1,516	126	126			0	Same
42048	Utilities Wortham Landing Lift Station	1,230	1,230	103	103			0	Same
42049	Utilities Wortham Falls Lift Station	1,500	1,500	125	125			0	Same
42050	Utilities Ravensway Lake Lift Station	800	800	67	67			0	Same
84200	Utilities Admin. Office Building	7,000	7,000	583	583			0	Same
47021	Chemicals Water No. 1	8,349	8,349	696	696			0	Same
47022	Chemicals Water No. 2	10,942	10,942	912	912			0	Same
47023	Chemicals Water No. 3	15,180	15,180	1,265	1,265			0	Same
47024	Chemicals HG WTR2 Well 3	10,062	10,062	839	839			0	Same
47025	Chemicals Water No. 4	23,000	23,000	1,917	1,917			0	Same
47031	Chemicals STP No. 1	9,200	9,200	767	767			0	Same
47032	Chemicals STP No. 2	16,100	16,100	1,342	1,342			0	Same
48133	Retention Pond Maintenance	200,000	200,000	16,667	16,667			0	Same
48150	Security	5,000	5,000	417	417			0	Same
	Total Expenses Offset By SPA	**771,618**	**771,618**	64,302				0	Same
43031	Sludge Removal STP No. 1	65,000	75,000	5,417	6,250			0	15.4% Increase
43032	Sludge Removal STP No. 2	130,000	155,000	10,833	12,917			0	19.2% Increase
44000	Lab Testing Distribution	20,000	25,000	1,667	2,083			0	25% Increase
44001	Lab Testing Collections	15,000	15,000	1,250	1,250			0	Same
44031	Lab Testing STP I	24,000	24,000	2,000	2,000			0	Same
44032	Lab Testing STP 2	28,000	28,000	2,333	2,333			0	Same
45000	Repairs & Maint.. Dist. & Improvements	65,000	65,000	5,417	5,417			0	Same

	Expenses	2022 Budget	2023 Budget	2022 Monthly	2023 Monthly	Total Budget	Actual	Variance	Notes
45001	Repairs & Maint.. Coll & Improvements	25,000	25,000	2,083	2,083			0	Same
45021	Repairs & Maint.. Water Plant 1	10,000	10,000	833	833			0	Same
45022	Repairs & Maint.. Water Plant 2	15,000	15,000	1,250	1,250			0	Same
45024	Repairs & Maint.. Water Plant 3	20,000	20,000	1,667	1,667			0	Same
45025	Repairs & Maint.. Water Plant 4	10,000	10,000	833	833			0	Same
45031	Repairs & Maint.. STP No. 1	45,000	45,000	3,750	3,750			0	Same
45032	Repairs & Maint... STP No.2	75,000	75,000	6,250	6,250			0	Same
45033	Repairs & Maint... Wortham Falls	2,000	2,000	167	167			0	Same
45034	Repairs & Maint... Ravensway	3,000	3,000	250	250			0	Same
45041	Repairs & Maint... Oakcliff Lift Station	4,000	4,000	333	333			0	Same
45042	Repairs & Maint... Crossbend Village L/S	2,000	2,000	167	167			0	Same
45043	Repairs & Maint.. Lift Station 2	2,000	2,000	167	167			0	Same
45044	Repairs & Maint.. Lift Station 3	2,000	2,000	167	167			0	Same
45045	Repairs & Maint.. Elevated 2	2,500	2,500	208	208			0	Same
45046	Repairs & Maint.. Eldridge Lift Station	3,000	3,000	250	250			0	Same
45047	Repairs & Maint.. Wortham Landing L/S	4,000	4,000	333	333			0	Same
49000	Truck Repair	12,000	12,000	1,000	1,000			0	Same
49010	Truck Fuel	48,000	65,000	4,000	5,417			0	35% Increase
49011	Truck Purchase	30,000	40,000	2,500	3,333			0	33% Increase
49012	Field Equipment Repair	20,000	20,000	1,667	1,667			0	Same
49013	Diesel Fuel	15,000	22,000	1,250	1,833			0	46.6% Increase
49200	Cellular Services	12,000	12,000	1,000	1,000			0	Same
50100	Employee Payroll	1,451,069	1,600,000	120,922	133,333			0	10% Increase
56010	TCDRS	114,178	125,595	9,515	10,466				10% Increase
50300	Health & Disability Insurance	647,410	672,869	53,951	56,072			0	4% Increase
51100	TEC	8,079	8,886	673	741			0	10% Increase

	Expenses	2022 Budget	2023 Budget	2022 Monthly	2023 Monthly	Total Budget	Actual	Variance	Notes
51200	FICA Employer	95,501	105,051	7,958	8,754			0	10% Increase
51300	Medicare Employer	23,249	25,573	1,937	2,131			0	10% Increase
71100	Engineering Fees	175,000	175,000	14,583	14,583			0	Same
71200	Accounting Fees	18,500	25,000	1,542	2,083			0	35% Increase
71201	Audit Fees	24,000	24,000	2,000	2,000			0	Same
71300	Attorney Fees	130,000	150,000	10,833	12,500			0	15.4% Increase
71420	Permit Fees Water	16,000	16,000	1,333	1,333			0	Same
71430	Permit Fees Sewer	50,000	50,000	4,167	4,167			0	Same
71600	NHC Regional Water Authority	3,036,158	3,459,000	253,013	288,250			0	14% Increase
71610	Website Expense	2,500	2,500	208	208				Same
71650	Texas Water Assessment	15,554	15,554	1,296	1,296			0	Same
72400	Bank Service Charges	1,500	1,500	125	125			0	Same
72600	Education/license/travel/membership	35,000	35,000	2,917	2,917			0	Same
72800	Meetings And Events	20,000	30,000	1,667	2,500			0	50% Increase
72900	Election Expense	20,000	0	1,667	0			0	100% Decrease
73500	Equipment Purchase Office	5,000	5,000	417	417			0	Same
73600	Equipment/Tools Purchase Field	20,000	20,000	1,667	1,667			0	Same
73700	Safety Equipment	5,000	5,000	417	417			0	Same
74100	Office/Communications/Network	44,000	18,000	3,667	1,500			0	60% Decrease - Removed AT&T Services
74400	General Insurance	112,719	151,664	9,393	12,639			0	34.5% Increase
75400	Uniforms	14,000	14,000	1,167	1,167			0	Same
75500	Physicals & Employee Medical	2,000	2,000	167	167			0	Same
76100	Office Expense	30,000	30,000	2,500	2,500			0	Same
76200	Computer Expense	18,000	18,000	1,500	1,500			0	Same
77000	Rubbish Removal	10,000	20,000	833	1,667			0	100% Increase
77700	Postage	32,000	32,000	2,667	2,667			0	Same
78400	Miscellaneous Operations	20,000	20,000	1,667	1,667			0	Same
84500	Repairs & Maintenance Building	20,000	25,000	1,667	2,083			0	25% Increase
	Total Expenses	**7,696,535**	**8,436,310**	**641,378**	**703,026**	**0**	**0**	**0**	

		2022 Budget	2023 Budget							
	Excess Revenues	516,445	535,072							
	SPA Capital	480,000	528,000							
		36,445	7,072							

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

T A B L E   O F   C O N T E N T S

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

Mike M. McCall
(retired)
Debbie Gibson
(retired)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Fresh Water
Supply District No. 61
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Fresh Water Supply District No. 61 (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Houston | Austin | Dallas

13100 Wortham Center Drive, Suite 235, Houston, Texas 77065-5610 713-462-0341

Board of Directors
Harris County Fresh Water Supply District No. 61

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

Board of Directors
Harris County Fresh Water Supply District No. 61

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

April 9, 2025

Management's discussion and analysis of Harris County Fresh Water Supply District No. 61's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, 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.

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $46,865,992 as of December 31, 2024.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	$ 36,989,866	$ 36,079,167	$ 910,699
Capital Assets (Net of Accumulated Depreciation)	47,005,020	44,580,916	2,424,104
Total Assets	$ 83,994,886	$ 80,660,083	$ 3,334,803
Deferred Outflows of Resources	$ 339,903	$ 370,362	$ (30,459)
Bonds Payable	$ 31,767,504	$ 34,295,951	$ 2,528,447
Other Liabilities	1,591,605	1,816,295	224,690
Total Liabilities	$ 33,359,109	$ 36,112,246	$ 2,753,137
Deferred Inflows of Resources	$ 4,109,688	$ 4,060,048	$ (49,640)
Net Position:			
Net Investment in Capital Assets	$ 34,409,571	$ 29,255,761	$ 5,153,810
Restricted	5,334,937	4,451,097	883,840
Unrestricted	7,121,484	7,151,293	(29,809)
Total Net Position	$ 46,865,992	$ 40,858,151	$ 6,007,841

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

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	$ 3,960,857	$ 3,897,755	$ 63,102
Charges for Services	5,846,618	6,537,161	(690,543)
Other Revenues	7,392,734	5,570,529	1,822,205
Total Revenues	$ 17,200,209	$ 16,005,445	$ 1,194,764
Expenses for Services	11,192,368	11,689,504	497,136
Change in Net Position	$ 6,007,841	$ 4,315,941	$ 1,691,900
Net Position, Beginning of Year	40,858,151	36,542,210	4,315,941
Net Position, End of Year	$ 46,865,992	$ 40,858,151	$ 6,007,841

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of December 31, 2024, were $30,961,670, an increase of $991,037 from the prior year.

The General Fund fund balance decreased by $36,999, primarily due to operating costs and capital outlay exceeding tax and service revenues.

The Debt Service Fund fund balance increased by $811,287, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by $216,749 due to detention ponds sold to Harris County and investment revenues exceeding capital outlay.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were $263,188 more than budgeted revenues. Actual expenditures were $387,020 more than budgeted expenditures. In addition, transfers of $83,584 from the Capital Projects Fund had not been budgeted. This resulted in a negative budget variance of $40,248.

CAPITAL ASSETS

Capital assets as of December 31, 2024, total $47,005,020 (net of accumulated depreciation) and include land, buildings, trucks and equipment as well as the water and wastewater systems. Significant capital asset activity includes the purchase of three Ford trucks, meter reading equipment, generator set, detention pond improvements and utility relocation. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 3,643,192	$ 3,806,407	$ (163,215)
Construction in Progress	9,033,423	5,956,441	3,076,982
Capital Assets, Net of Accumulated Depreciation:			
Water System	14,785,039	14,476,528	308,511
Wastewater System	17,660,659	18,413,799	(753,140)
Buildings	1,448,141	1,476,345	(28,204)
Trucks and Equipment	434,566	451,396	(16,830)
Total Net Capital Assets	$ 47,005,020	$ 44,580,916	$ 2,424,104

LONG-TERM DEBT ACTIVITY

At year-end, the District had bond debt payable of $31,850,000. The changes in the debt position of the District during the fiscal year ended December 31, 2024, are summarized as follows:

Bond Debt Payable, January 1, 2024	$	34,380,000
Less: Bond Principal Paid		2,530,000
Bond Debt Payable, December 31, 2024	$	31,850,000

The District's Series 2017, Series 2019 Refunding and Series 2020 bonds have an underlying rating of "A1" by Moody's. The Series 2019 Refunding and Series 2020 bonds carry an insured rating of "AA/A1" by virtue of bond insurance issued by Assured Guaranty. The Series 2017 bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual. The Series 2016 Refunding bonds are not rated. The above ratings reflect all changes through December 31, 2024.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Fresh Water Supply District No. 61, c/o Smith, Murdaugh, Little & Bonham, LLP, 2727 Allen Parkway, Suite 1100, Houston, Texas 77019.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 370,049	$ 1,569,022
Investments	6,922,115	5,192,477
Receivables:		
Property Taxes		2,725,055
Penalty and Interest on Delinquent Taxes		
Service Accounts	423,030	
Other		3,179
Due from Other Funds	512,850	
Prepaid Costs	28,537	
Due from Other Governmental Units	492,193	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 8,748,774	$ 9,489,733
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pensions	$	$
Deferred Charges on Refunding Bonds		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ - 0 -	$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 8,748,774	$ 9,489,733

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 582,837	$ 2,521,908	$	$ 2,521,908
18,460,778	30,575,370		30,575,370
	2,725,055		2,725,055
		205,062	205,062
	423,030		423,030
15,532	18,711		18,711
825,094	1,337,944	(1,337,944)	
	28,537		28,537
	492,193		492,193
		3,643,192	3,643,192
		9,033,423	9,033,423
		34,328,405	34,328,405
$ 19,884,241	$ 38,122,748	$ 45,872,138	$ 83,994,886
$	$	$ 260,769	$ 260,769
		79,134	79,134
$ - 0 -	$ - 0 -	$ 339,903	$ 339,903
$ 19,884,241	$ 38,122,748	$ 46,212,041	$ 84,334,789

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 378,523	$
Accrued Interest Payable		
Due to Other Funds	823,594	7,000
Security Deposits	616,606	
Net Pension Liability		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 1,818,723	$ 7,000
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$	$ 4,544,035
Deferred Inflows - Pensions		
TOTAL DEFERRED INFLOWS OF RESOURCES	$ - 0 -	$ 4,544,035
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 28,537	$
Restricted for Authorized Construction		
Restricted for Debt Service		4,938,698
Unassigned	6,901,514	
TOTAL FUND BALANCES	$ 6,930,051	$ 4,938,698
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 8,748,774	$ 9,489,733
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
$ 283,970	$ 662,493	$	$ 662,493
		247,644	247,644
507,350	1,337,944	(1,337,944)	
	616,606		616,606
		64,862	64,862
		2,605,000	2,605,000
		29,162,504	29,162,504
$ 791,320	$ 2,617,043	$ 30,742,066	$ 33,359,109
$	$ 4,544,035	$ (438,821)	$ 4,105,214
		4,474	4,474
$ - 0 -	$ 4,544,035	$ (434,347)	$ 4,109,688
$	$ 28,537	$ (28,537)	$
19,092,921	19,092,921	(19,092,921)	
	4,938,698	(4,938,698)	
	6,901,514	(6,901,514)	
$ 19,092,921	$ 30,961,670	$ (30,961,670)	$ - 0 -
$ 19,884,241	$ 38,122,748		
		$ 34,409,571	$ 34,409,571
		5,334,937	5,334,937
		7,121,484	7,121,484
		$ 46,865,992	$ 46,865,992

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balances - Governmental Funds		$ 30,961,670
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		47,005,020
Portions of the change in net pension asset that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources.		191,433
The difference between the net carrying amount of refunded bonds and the reacquistion price is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		79,134
Deferred inflows of resources related to property tax revenues and uncollected penalty and interest receivables on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		643,883
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	$ (247,644)	
Bonds Payable Within One Year	(2,605,000)	
Bonds Payable After One Year	(29,162,504)	(32,015,148)
Total Net Position - Governmental Activities		$ 46,865,992

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$	$ 3,902,586
Water Service	1,165,070	
Wastewater Service	2,343,681	
Regional Water Authority Fees	2,215,596	
Sales Tax Revenue	1,287,579	
Penalty and Interest	46,293	51,076
Tap Connection and Inspection Fees	32,031	
Investment Revenues	434,929	327,231
Sale of Land		
Miscellaneous Revenues	1,103,109	59,121
TOTAL REVENUES	$ 8,628,288	$ 4,340,014
EXPENDITURES/EXPENSES		
Service Operations:		
Personnel	$ 2,693,583	$
Professional Fees	361,067	22,115
Contracted Services	55,072	100,161
Utilities	631,320	
Regional Water Authority Assessment	2,522,233	
Repairs and Maintenance	660,397	
Depreciation		
Other	1,236,430	69,496
Capital Outlay	588,769	
Debt Service:		
Bond Principal		2,530,000
Bond Interest		806,955
TOTAL EXPENDITURES/EXPENSES	$ 8,748,871	$ 3,528,727
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ (120,583)	$ 811,287
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ 83,584	$
NET CHANGE IN FUND BALANCES	$ (36,999)	$ 811,287
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JANUARY 1, 2024	6,967,050	4,127,411
FUND BALANCES/NET POSITION - DECEMBER 31, 2024	$ 6,930,051	$ 4,938,698

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 3,902,586	$ 58,271	$ 3,960,857
	1,165,070		1,165,070
	2,343,681		2,343,681
	2,215,596		2,215,596
	1,287,579		1,287,579
	97,369	(7,129)	90,240
	32,031		32,031
903,602	1,665,762		1,665,762
3,440,378	3,440,378	(163,215)	3,277,163
	1,162,230		1,162,230
$ 4,343,980	$ 17,312,282	$ (112,073)	$ 17,200,209
$	$ 2,693,583	$ (7,190)	$ 2,686,393
	383,182		383,182
	155,233		155,233
	631,320		631,320
	2,522,233		2,522,233
	660,397		660,397
		2,021,471	2,021,471
23,626	1,329,552		1,329,552
4,020,021	4,608,790	(4,608,790)	
	2,530,000	(2,530,000)	
	806,955	(4,368)	802,587
$ 4,043,647	$ 16,321,245	$ (5,128,877)	$ 11,192,368
$ 300,333	$ 991,037	$ 5,016,804	$ 6,007,841
$ (83,584)	$	$	$
$ 216,749	$ 991,037	$ (991,037)	$
		6,007,841	6,007,841
18,876,172	29,970,633	10,887,518	40,858,151
$ 19,092,921	$ 30,961,670	$ 15,904,322	$ 46,865,992

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

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Governmental Funds	$	991,037
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.		58,271
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.		(7,129)
The changes in the net pension asset as well as deferred inflows and outflows of resources - pension are recorded as pension expense in the government-wide financial statements.		7,190
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(2,021,471)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		4,445,575
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		2,530,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		4,368
Change in Net Position - Governmental Activities	$	6,007,841

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

NOTE 1. CREATION OF DISTRICT

Harris County Fresh Water Supply District No. 61 was created by an order of Commissioner's Court of Harris County, Texas, on May 22, 1967. The District was reorganized as a Municipal Utility District on July 23, 1975, in accordance with the Texas Water Code, Chapter 54. The Board of Directors held its first meeting on May 25, 1967, and the first bonds were sold on August 10, 1967. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality (the "Commission"). The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may provide garbage disposal and collection services. In addition, the District is empowered, if approved by the electorate, the Texas Water Commission and other governmental entities having jurisdiction; to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

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

* Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

* Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include 2023 taxes collected during the period October 1, 2023, to December 31, 2024. In addition, taxes collected from January 1, 2024, to December 31, 2024 for the 2022 and prior tax levies are included in revenue. The 2024 tax levy has been fully deferred.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

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

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Machinery and Equipment	5-20

Budgeting

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

Pensions

The District has 20 full-time employees and one part-time employee. The District has established a Section 457 Deferred Compensation arrangement for its employees. Each employee may elect to defer a portion of their salary. Effective January 1, 2018, the District entered into pension plan with the Texas County and District Retirement System (TCDRS). See Note 12. The District provides neither administrative services nor investment advice to the plans and, therefore, no fiduciary relationship exists between the District and these plans. The District has elected to pay Social Security for its employees. The Internal Revenue Service has determined that the directors are considered to be employees for federal payroll tax purposes only. Directors do not participate in the pension plan.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

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

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

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

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Refunding Series 2016	Series 2017
Amount Outstanding – December 31, 2024	$ 1,725,000	$ 9,425,000
Interest Rates	1.92%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2028	September 1, 2025/2030
Interest Payment Dates	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2024*	September 1, 2025*

	Refunding Series 2019	Series 2020
Amount Outstanding – December 31, 2024	$ 5,700,000	$ 15,000,000
Interest Rates	2.00% - 3.00%	2.00% - 2.25%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2030	September 1, 2031/2040
Interest Payment Dates	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2025*	September 1, 2026*

* Or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Series 2016 Refunding term bonds due September 1, 2028, are private placement bonds with The Independent Bankers Bank and are subject to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules. Series 2017 term bonds due September 1, 2029, are subject to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules. Series 2020 term bonds due September 1, 2032, September 1, 2035, September 1, 2037 and September 1, 2040 are subject to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules.

NOTE 3. LONG-TERM DEBT (Continued)

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

	January 1, 2024	Additions	Retirements	December 31, 2024
Bonds Payable	$ 34,380,000	$	$ 2,530,000	$ 31,850,000
Unamortized Discounts	(229,265)		(23,371)	(205,894)
Unamortized Premiums	145,216		21,818	123,398
Bonds Payable, Net	$ 34,295,951	$ -0-	$ 2,528,447	$ 31,767,504

Amount Due Within One Year	$ 2,605,000
Amount Due After One Year	29,162,504
Bonds Payable, Net	$ 31,767,504

As of December 31, 2024, the District had authorized but unissued bonds in the amount of $1,610,000 for utility facilities and $13,670,000 for refunding bonds. On May 6, 2017, the District's voters authorized the issuance of $30,000,000 of unlimited tax or refunding bonds. The $15,000,000 of unlimited tax or refunding bonds remain unissued at year-end.

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

Fiscal Year	Principal	Interest	Total
2025	$ 2,605,000	$ 742,932	$ 3,347,932
2026	2,685,000	680,511	3,365,511
2027	2,760,000	624,250	3,384,250
2028	2,840,000	563,428	3,403,428
2029	2,925,000	491,787	3,416,787
2030-2034	8,595,000	1,507,863	10,102,863
2035-2039	7,770,000	707,470	8,477,470
2040	1,670,000	37,575	1,707,575
	$ 31,850,000	$ 5,355,816	$ 37,205,816

During the year ended December 31, 2024, the District levied an ad valorem debt service tax rate of $0.26 per $100 of assessed valuation, which resulted in a tax levy of $4,105,214 on the adjusted taxable valuation of $1,574,250,196 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.

NOTE 3. LONG-TERM DEBT (Continued)

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $2,521,908 and the bank balance was $2,716,512. The District was not exposed to custodial credit risk at year-end.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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

	Cash
GENERAL FUND	$ 370,049
DEBT SERVICE FUND	1,569,022
CAPITAL PROJECTS FUND	582,837
TOTAL DEPOSITS	$ 2,521,908

Investments

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

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

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

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 Tex STAR Board of Directors. Custodia, 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 1 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.

As of December 31, 2024, the District had the following investments:

		Maturities in Years			
Fund and Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
GENERAL FUND					
TexSTAR	$ 6,922,115	$ 6,922,115	$	$	$
DEBT SERVICE FUND					
TexPool	5,183,239	5,183,239			
TexSTAR	9,238	9,238			
CAPITAL PROJECTS FUND					
TexPool	18,460,778	18,460,778			
TOTAL INVESTMENTS	$ 30,575,370	$ 30,575,370	$ - 0 -	$ - 0 -	$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024, the District's investments in TexPool and TexSTAR were rated AAAm by Standard and Poor's.

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

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 payment of capital expenditures.

NOTE 6. CAPITAL ASSETS

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

	January 1, 2024	Increases	Decreases	December 31, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 3,806,407	$	$ 163,215	$ 3,643,192
Construction in Progress	5,956,441	4,608,790	1,531,808	9,033,423
Total Capital Assets Not Being Depreciated	$ 9,762,848	$ 4,608,790	$ 1,695,023	$ 12,676,615
Capital Assets Subject to Depreciation				
Water System	$ 28,266,753	$ 1,351,602	$	$ 29,618,355
Wastewater System	35,011,178	18,464		35,029,642
Building	2,072,704	24,856		2,097,560
Trucks and Equipment	1,098,607	136,886	26,109	1,209,384
Total Capital Assets Subject to Depreciation	$ 66,449,242	$ 1,531,808	$ 26,109	$ 67,954,941
Accumulated Depreciation				
Water System	$ 13,790,225	$ 1,043,091	$	$ 14,833,316
Wastewater System	16,597,379	771,604		17,368,983
Building	596,359	53,060		649,419
Trucks and Equipment	647,211	153,716	26,109	774,818
Total Accumulated Depreciation	$ 31,631,174	$ 2,021,471	$ 26,109	$ 33,626,536
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 34,818,068	$ (489,663)	$ - 0 -	$ 34,328,405
Total Capital Assets, Net of Accumulated Depreciation	$ 44,580,916	$ 4,119,127	$ 1,695,023	$ 47,005,020

NOTE 7. REGIONAL WATER AUTHORITY FEES

The North Harris County Regional Water Authority was created by House Bill 2965, Acts of the 76th Legislature, Regular Session 1999, and was confirmed by an election held on January 15, 2000. The Authority is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Authority is empowered to, among others powers, "acquire or develop surface water and groundwater supplies from sources inside of or outside of the boundaries of the authority and may conserve, store, transport, treat, purify, distribute, sell and deliver water to persons, corporations, municipal corporation, political subdivisions of the state, and others, inside of and outside of the boundaries of the authority." The Authority is also empowered to "establish fees and charges as necessary to enable the authority to fulfill the authority's regulatory obligations." In accordance with this provision, the Authority establishes a well pumpage fee per 1,000 gallons of water pumped from each regulated well. The current rate is $2.60 per 1,000 gallons of water pumped. During the current fiscal year, the District recorded well pumpage fees in the amount of $2,522,233.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three fiscal years.

NOTE 9. STRATEGIC PARTNERSHIP AGREEMENT WITH THE CITY OF HOUSTON

The District is party to a Strategic Partnership Agreement with the City of Houston (the "City") effective March 31, 2005 pursuant to which the City has annexed a portion of the District for limited purposes and has agreed for a 30-year period not to annex the District for full purposes without the District's consent. The City levies a $.01 sales tax on sales to consumers within the Limited Annexation area, and the District receives one half of the proceeds of the City's tax. The agreement ends on March 31, 2035, after which the City may (1) renew the agreement, (2) allow the agreement to expire and not annex the District, or (3) may annex the District under Texas Law. The District is not aware of any plans for the City to annex the District on or after March 31, 2035. During the current fiscal year, the District recorded $1,287,579 in sales tax revenues.

NOTE 10. CONTRACTS WITH OTHER ENTITIES

Sewage Treatment

The District is providing sewage treatment service to Harris County Municipal Utility District No. 69 (District No. 69). This contract is effective for 40 years commencing July 11, 1973. The rate charged to District No. 69 is $0.50 less than the current rate charged to District customers. This contract was amended May 12, 2004 and states that this agreement will remain in force until December 31, 2053. District No. 69 agreed to pay the District the total amount of $495,402 in two payments. The first payment of $247,701 was received in May 2004 and the second payment of $247,701 was paid July 1, 2005. During the year ended December 31, 2024, the District received revenues of $272,052 for sewage treatment.

Harris County Municipal Utility District No. 248 (District No. 248) has purchased wastewater treatment plant capacity in the District's regional wastewater plant in the total amount of 256,250 gallons per day. Per the April 20, 2000 agreement, District No. 248 agrees to pay a monthly usage charge in the amount of ninety percent of the current in-district wastewater fee to the District. On June 10, 2020, the District entered into a Wastewater Treatment Agreement with District No. 248 to clarify the wastewater treatment agreement between the districts and for District No. 248 to purchase an additional 110 ESFC in the amount of $2,500 per ESFC, for a total of $275,000. During the year ended December 31, 2024, the District received revenues of $427,313.

In addition, Harris County Municipal Utility District No. 222 (District No. 222) has purchased wastewater treatment capacity in the District's regional wastewater plant in the total amount of 800,000 gallons per day. District No. 222 pays a monthly usage charge to the District. During the year ended December 31, 2024, the District received revenues of $225,420.

Water Supply Contracts

On August 30, 2000, the District entered into a long term water supply contract with Harris County Municipal Utility District No. 248 (District No. 248). The contract allows District No. 248 to purchase 400 equivalent single family connections of water supply (ESFC's), resulting in a permanent water supply of an amount not to exceed 140,000 gallons per day, at a cost of $500,000. The purchase of these connections has been completed. The District will furnish water supply to District No. 248 from existing surplus supply, and no construction of additional facilities is anticipated for these connections. The District has agreed to allow District No. 248, at its option, to purchase in no less than 100 ESFC increments, additional existing capacity in excess of 400 ESFC's, up to a maximum of 800 ESFC's. District No. 248 will pay the sum of $1,250.00 per ESFC for additional capacity, in no less than 100 ESFC increments. District No. 248 agrees to give the District six months (180 days) advance notice of any additional capacity purchase, to allow for construction in the event any additional facilities are needed to supply the new connections. The purchase of any and/or all of these additional ESFC's must be made no later than June 15, 2005. The contract has been amended on June 13, 2001, March 12, 2003,

NOTE 10. CONTRACTS WITH OTHER ENTITIES (Continued)

Water Supply Contracts (Continued)

December 8, 2004, February 28, 2007, April 30, 2008, and February 19, 2014. District No. 248 currently owns 2,500 connections for a total of 788,000 gallons of capacity. On April 30, 2008, the Districts amended the agreement to include a "Rehabilitation Fee" to be paid to the District for future rehabilitation of the water production and distribution facilities. The fee is based upon a monthly calculation. On February 12, 2020, the District entered into a Water Supply Agreement with District No. 248 to clarify the water supply agreement between the districts and for District No. 248 to purchase an additional 116 ESFC in the amount of $2,500 per ESFC, for a total of $290,000. The term of this contract is 40 years from the effective date. During the year ended December 31, 2024, the District received revenues of $128,194.

On August 13, 2003, the District entered into a Water Service Agreement with Emerald Forest Utility District (Emerald Forest) to provide 35,000 gallons per day. Emerald Forest will pay a capital payment of $75,000. The District will monitor the usage for a two year period and if the usage ever exceeds 35,000 gallons per day, the agreement requires Emerald Forest to purchase an additional 5,000 gallons per day at an additional $11,000 capital payment. Emerald Forest is responsible for payment of surface water fees to the North Harris County Regional Water Authority.

Emergency Interconnect and Interim Water Supply Agreement

On May 18, 2022, the District approved an Emergency Interconnect and Interim Water Supply Agreement with Timberlake Improvement District. Under the terms of the agreement, the price to be paid for water delivered shall be at the rate of $1.50 per one thousand (1,000) gallons of actual usage, as determined by the meter at the Interconnect Facilities, during the Emergency or Temporary Period plus any additional fees incurred by the supplying District that are imposed by the North Harris County Regional Water Authority. The term of the agreement is for a period of 15 years from the date of execution, unless pursuant to mutual written consent of the districts.

NOTE 11. INTERFUND RECEIVABLES AND LIABILITIES AND TRANSFERS

As of December 31, 2024, the District had the following interfund liabilities: the General Fund owed the Capital Projects Fund $823,594 for the remaining funds transferred to the Capital Projects Fund to fund the construction of the North Eldridge Parkway Expansion and costs related to the Wortham Falls detention improvement. The Capital Projects Fund owed the General Fund $507,350 pending the Magellan Pipeline Company litigation. The Debt Service Fund owed the General Fund $5,500 for tax assessor and collections fees paid. The Debt Service Fund owed the Capital Projects Fund $1,500 for costs related to the Series 2019 Refunding bond sale. The Capital Projects Fund had transferred $83,584 to the General Fund for the close of the Sale of Capacity bank account.

NOTE 12. PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 830 non-traditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available at www.tcdrs.org.

Benefits Provided

The plan provisions are adopted by the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

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

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

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled but not yet receiving benefits	3
Active employees	20

NOTE 12. PENSION PLAN (Continued)

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 8.77% for the months of the 2024 accounting. The deposit rate payable by the employee members for calendar years 2024 is 6.00% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

For the District's accounting year ended December 31, 2024, the annual pension cost for the TCDRS plan for its employees was \$148,127; the actual contributions were \$148,127. The employees contributed \$101,222 to the plan for the 2024 fiscal year.

Actuarial Assumptions

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

Actuarial valuation date	12/31/23
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	17.6 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return [1]	7.50%
Projected salary increases [1]	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

[1] Includes inflation at the stated rate

NOTE 12. PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

Mortality rates were based on the following:

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

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

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

NOTE 12. PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension asset was 7.6%. The discount rate used in the previous year was 7.6%.

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

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.

2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

4) Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

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

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

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

NOTE 12. PENSION PLAN (Continued)

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

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

NOTE 12. PENSION PLAN (Continued)

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2022	$ 1,183,310	$ 1,097,781	85,529
Changes for the year:			
Service Costs	217,620		217,620
Interest on the Total Pension Liability	106,285		106,285
Effect of Econimic/Demographic Gains or Losses	26,491		26,491
Refund of Contributions	(4,991)	(4,991)	
Administrative Expenses		(764)	764
Member Contributions		97,397	(97,397)
Net investment income		122,941	(122,941)
Employer Contributions		139,441	(139,441)
Other		12,048	(12,048)
Balances of December 31, 2023	$ 1,528,715	$ 1,463,853	$ 64,862

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	$ 1,754,664	$ 1,528,715	$ 1,339,962
Fiduciary Net Position	1,463,853	1,463,853	1,463,853
Net Pension Liability/(Asset)	$ 290,811	$ 64,862	$ (123,891)

NOTE 12. PENSION PLAN (Continued)

As of December 31, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of resources	Deferred Outflows of resources
Differences between expected and actual experience	$ 4,474	$ 63,440
Changes of assumptions		21,805
Net difference between projected and actual earnings		27,397
Contributions paid to TCDRS subsequent to the measurement date		148,127
Total	$ 4,474	$ 260,769

$148,127 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024 (i.e. to be recognized in the District's financial statements dated December 31, 2025). Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	$ 19,515
2025	19,794
2026	39,339
2027	8,833
2028	8,685
Thereafter	12,002

NOTE 13. STANDARD UTILITY AGREEMENT

Effective September 7, 2021, the District entered into a utility agreement with the State of Texas, acting by and through the Texas Transportation Commission (the "State"). The State deemed it necessary to make certain highway improvements which required the removal and/or relocation of certain facilities. The State agrees to reimburse the District seventy-five percent of construction and engineering costs and one-hundred percent of legal, appraisal and related acquisition costs. During the current fiscal year, the District did not record any revenue in relation to this agreement.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Water Service	$ 1,039,160	$ 1,165,070	$ 125,910
Wastewater Service	2,367,440	2,343,681	(23,759)
Regional Water Authority Fee	2,372,500	2,215,596	(156,904)
Sales Tax Revenue	1,320,000	1,287,579	(32,421)
Penalty and Interest	70,000	46,293	(23,707)
Tap Connection and Inspection Fees	73,000	32,031	(40,969)
Investment Revenues	370,000	434,929	64,929
Miscellaneous Revenues	753,000	1,103,109	350,109
TOTAL REVENUES	$ 8,365,100	$ 8,628,288	$ 263,188
EXPENDITURES			
Service Operations:			
Personnel	$ 2,705,422	$ 2,693,583	$ 11,839
Professional Fees	399,000	361,067	37,933
Contracted Services	60,000	55,072	4,928
Utilities	605,989	631,320	(25,331)
Regional Water Authority Assessment	2,352,000	2,522,233	(170,233)
Repairs and Maintenance	558,500	660,397	(101,897)
Other	1,052,940	1,236,430	(183,490)
Capital Outlay	628,000	588,769	39,231
TOTAL EXPENDITURES	$ 8,361,851	$ 8,748,871	$ (387,020)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 3,249	$ (120,583)	$ (123,832)
OTHER FINANCING SOURCES(USES)			
Transfers In	$ -0-	$ 83,584	$ 83,584
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 83,584	$ 83,584
NET CHANGE IN FUND BALANCE	$ 3,249	$ (36,999)	$ (40,248)
FUND BALANCE - JANUARY 1, 2024	6,967,050	6,967,050	
FUND BALANCE - DECEMBER 31, 2024	$ 6,970,299	$ 6,930,051	$ (40,248)

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2024

	Measurement Date 12/31/2023	Measurement Date 12/31/2022	Measurement Date 12/31/2021	Measurement Date 12/31/2020	Measurement Date 12/31/2019	Measurement Date 12/31/2018
Total Pension Liability						
Service Cost	$ 217,620	$ 191,830	$ 190,772	$ 168,496	$ 159,988	$ 167,321
Interest (on the Total Pension Liability)	106,285	80,709	61,207	43,009	26,445	13,553
Difference between expected and actual experience	26,491	42,995	3,009	2,816	13,036	(13,426)
Changes of assumptions			2,824	40,378		0
Benefit payments, including refunds of employee contributions	(4,991)	(4,619)		(5,083)	(1,950)	
Net change in total pension liability	$ 345,405	$ 310,915	$ 257,812	$ 249,616	$ 197,519	$ 167,448
Total pension liability, beginning	1,183,310	872,395	614,583	364,967	167,448	
Total pension liability, ending (a)	$ 1,528,715	$ 1,183,310	$ 872,395	$ 614,583	$ 364,967	$ 167,448
Plan Fiduciary Net Position						
Contributions - employer	$ 139,441	$ 134,236	$ 102,024	$ 102,171	$ 97,498	$ 89,534
Contributions - employee	97,397	91,629	77,782	77,901	74,331	68,260
Net investment income	122,941	(72,679)	149,021	38,206	26,780	1,762
Benefit payments, including refunds of employee contributions	(4,991)	(4,619)	0	(5,083)	(1,950)	0
Administrative Expense	(764)	(643)	(497)	(428)	(279)	(132)
Other	12,048	31,916	5,258	5,214	5,867	4,701
Net Change in plan fiduciary net position	$ 366,072	$ 179,840	$ 333,588	$ 217,981	$ 202,247	$ 164,125
Plan Fiduciary net position, beginning	1,097,781	917,941	584,353	366,372	164,125	
Plan Fiduciary net position, ending (b)	$ 1,463,853	$ 1,097,781	$ 917,941	$ 584,353	$ 366,372	$ 164,125
Net Pension Liability/(Asset), Ending = (a) - (b)	$ 64,862	$ 85,529	$ (45,546)	$ 30,230	$ (1,405)	$ 3,323
Plan fiduciary net position as a percentage of the total pension liability	95.76%	92.77%	105.22%	95.08%	100.38%	98.02%
Covered-employee payroll	$ 1,623,290	$ 1,527,147	$ 1,296,364	$ 1,298,356	$ 1,238,856	$ 1,137,665
Net pension liability as a percentage of covered employee payroll	4.00%	5.60%	-3.51%	2.33%	-0.11%	0.29%

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

See accompanying independent auditor’s report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
DECEMBER 31, 2024

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	$ 89,534	$ 89,534	$ -0-	$ 1,137,665	7.87%
2019	$ 97,498	$ 97,498	$ -0-	$ 1,238,856	7.87%
2020	$ 95,819	$ 102,171	$ (6,352)	$ 1,298,356	7.87%
2021	$ 95,542	$ 102,024	$ (6,482)	$ 1,296,364	7.87%
2022	$ 134,236	$ 134,236	$ -0-	$ 1,527,147	8.79%
2023	$ 139,441	$ 139,441	$ -0-	$ 1,623,290	8.59%
2024	$ 148,127	$ 148,127	$ -0-	$ 1,689,019	8.77%

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

See accompanying independent auditor's report.

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

Assumptions

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

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	17.6 years (based on contribution rate calculated in 12/31/23 valuation)
Asset Valuation Method	5-year, smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7%, average over career including inflation
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022:New investment return and inflation assumptions were reflected.
Changes in Plan Provisions reflected in Schedule*	2015: Not applicable, prior to TCDRS participation. 2016: Not applicable, prior to TCDRS participation. 2017: Not applicable, prior to TCDRS participation. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule.

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

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

DECEMBER 31, 2024

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2024

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

X	Retail Water	X	Wholesale Water	X	Drainage
X	Retail Wastewater	X	Wholesale Wastewater		Irrigation
	Parks/Recreation		Fire Protection		Security
	Solid Waste/Garbage	X	Flood Control		Roads

____ Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)

____ Other (specify): ________________

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective May 22, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 4.00	4,000	N	$ 1.125	4,001-10,000
				$ 1.25	10,001-20,000
				$ 1.50	20,000 and up
WASTEWATER:	$ 15.50	Flat	Y		
SURCHARGE:					
Regional Water Authority				$ 2.60	per 1,000
Commission Regulatory Assessments	0.5% of actual water and sewer				

District employs winter averaging for wastewater usage? ____ Yes X No

Total monthly charges per 10,000 gallons usage: Water: $10.75 Wastewater: $15.50 Surcharge: $26.13

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	3,705	3,659	x 1.0	3,659
1”	102	93	x 2.5	232
1½”	38	35	x 5.0	175
2”	129	127	x 8.0	1,016
3”	8	8	x 15.0	120
4”	7	7	x 25.0	175
6”	17	17	x 50.0	850
8”	15	15	x 80.0	1,200
10”	3	3	x 115.0	345
Total Water Connections	4,024	3,964		7,772
Total Wastewater Connections*	3,958	3,958	x 1.0	3,958

* Includes Municipal Utility Districts No. 69, No. 222, and No. 248. Sewer connections are reported as SFE

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

Gallons pumped into system:	752,648,000	Water Accountability Ratio: 91.8% (Gallons billed and maintenance/Gallons pumped)
Gallons billed to customers:	690,673,000	

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 extra territorial 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 FRESH WATER SUPPLY DISTRICT NO. 61
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2024

PERSONNEL EXPENDITURES (Including Benefits)	$	2,693,583
PROFESSIONAL FEES:		
Auditing	$	27,300
Engineering		129,707
Legal		204,060
TOTAL PROFESSIONAL FEES	$	361,067
CONTRACTED SERVICES:		
Bookkeeping	$	32,635
Security		22,437
TOTAL CONTRACTED SERVICES	$	55,072
UTILITIES:		
Electricity	$	600,547
Telephone		30,773
TOTAL UTILITIES	$	631,320
REPAIRS AND MAINTENANCE	$	660,397
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	34,546
Election Costs		6,804
Insurance		170,932
Office Supplies and Postage		104,620
Travel and Meetings		53,590
Other		38,325
TOTAL ADMINISTRATIVE EXPENDITURES	$	408,817
CAPITAL OUTLAY	$	588,769

See accompanying independent auditor’s report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2024

OTHER EXPENDITURES:	
Chemicals	$ 152,536
Communications	14,553
Equipment/Tools	17,109
Fuel	93,954
Laboratory Fees	96,495
Permit Fees	47,143
Regional Water Authority Assessment	2,522,233
Regulatory Assessment	14,833
Sludge Hauling	322,083
Uniforms	17,471
Other	51,436
TOTAL OTHER EXPENDITURES	$ 3,349,846
TOTAL EXPENDITURES	$ 8,748,871

Number of persons employed by the District 20 Full-Time 1 Part-Time

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
INVESTMENTS
DECEMBER 31, 2024

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexSTAR	XXXX4141	Varies	Daily	$ 5,520,428	$
TexSTAR	XXXX4140	Varies	Daily	1,401,687	
TOTAL GENERAL FUND				$ 6,922,115	$ - 0 -
DEBT SERVICE FUND					
TexPool	XXXX0009	Varies	Daily	$ 5,183,239	$
TexSTAR	XXXX7900	Varies	Daily	9,238	
TOTAL DEBT SERVICE FUND				$ 5,192,477	$ - 0 -
CAPITAL PROJECTS FUND					
TexPool	XXXX0012	Varies	Daily	$ 1,128,343	$
TexPool	XXXX0015	Varies	Daily	14,385,924	
TexPool	XXXX0019	Varies	Daily	149	
TexPool	XXXX0018	Varies	Daily	2,946,362	
TOTAL CAPITAL PROJECTS FUND				$ 18,460,778	$ - 0 -
TOTAL - ALL FUNDS				$ 30,575,370	$ - 0 -

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Debt Service Taxes	
TAXES RECEIVABLE -		
JANUARY 1, 2024	$ 2,652,397	
Adjustments to Beginning Balance	173,655	$ 2,826,052
Original 2024 Tax Levy	$ 3,613,048	
Adjustment to 2024 Tax Levy	492,166	4,105,214
TOTAL TO BE ACCOUNTED FOR		$ 6,931,266
TAX COLLECTIONS:		
Prior Years	$ 2,387,231	
Current Year	1,818,980	4,206,211
TAXES RECEIVABLE - DECEMBER 31, 2023		$ 2,725,055
TAXES RECEIVABLE BY YEAR:		
2024		$ 2,286,234
2023		166,611
2022		116,834
2021		33,705
2020		51,139
2019		21,633
2018 and Prior		48,899
TOTAL		$ 2,725,055

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023	2022	2021
PROPERTY VALUATIONS:				
Land	$ 459,072,680	$ 431,285,692	$ 397,056,307	$ 389,262,649
Improvements	1,254,261,725	1,234,958,022	1,098,427,046	954,546,872
Personal Property	111,426,582	142,066,955	116,539,360	105,706,467
Exemptions	(250,510,791)	(244,888,437)	(213,386,257)	(199,448,861)
TOTAL PROPERTY VALUATIONS	$ 1,574,250,196	$ 1,563,422,232	$ 1,398,636,456	$ 1,250,067,127
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.26	$ 0.26	$ 0.28	$ 0.29
Maintenance	0.00	0.00	0.00	0.00
TOTAL TAX RATES PER $100 VALUATION	$ 0.26	$ 0.26	$ 0.28	$ 0.29
ADJUSTED TAX LEVY*	$ 4,105,214	$ 4,054,082	$ 3,928,539	$ 3,601,447
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	44.31 %	95.89 %	97.03 %	99.06 %

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

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2024

	SERIES-2016 REFUNDING		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2025	$ 410,000	$ 33,120	$ 443,120
2026	425,000	25,248	450,248
2027	440,000	17,088	457,088
2028	450,000	8,640	458,640
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	$ 1,725,000	$ 84,096	$ 1,809,096

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2024

	SERIES-2017		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2025	$ 1,130,000	$ 256,775	$ 1,386,775
2026	1,160,000	234,175	1,394,175
2027	1,195,000	208,075	1,403,075
2028	1,230,000	178,200	1,408,200
2029	2,310,000	141,300	2,451,300
2030	2,400,000	72,000	2,472,000
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	$ 9,425,000	$ 1,090,525	$ 10,515,525

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2024

	SERIES - 2019 REFUNDING		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2025	$ 1,065,000	$ 136,975	$ 1,201,975
2026	1,100,000	105,025	1,205,025
2027	1,125,000	83,025	1,208,025
2028	1,160,000	60,525	1,220,525
2029	615,000	34,425	649,425
2030	635,000	19,050	654,050
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	$ 5,700,000	$ 439,025	$ 6,139,025

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2024

	SERIES-2020		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2025	$	$ 316,062	$ 316,062
2026		316,063	316,063
2027		316,062	316,062
2028		316,063	316,063
2029		316,062	316,062
2030		316,063	316,063
2031	1,340,000	316,062	1,656,062
2032	1,375,000	289,262	1,664,262
2033	1,405,000	261,763	1,666,763
2034	1,440,000	233,663	1,673,663
2035	1,480,000	204,863	1,684,863
2036	1,515,000	175,263	1,690,263
2037	1,555,000	143,069	1,698,069
2038	1,590,000	110,025	1,700,025
2039	1,630,000	74,250	1,704,250
2040	1,670,000	37,575	1,707,575
	$ 15,000,000	$ 3,742,170	$ 18,742,170

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2024

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending December 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	$ 2,605,000	$ 742,932	$ 3,347,932
2026	2,685,000	680,511	3,365,511
2027	2,760,000	624,250	3,384,250
2028	2,840,000	563,428	3,403,428
2029	2,925,000	491,787	3,416,787
2030	3,035,000	407,113	3,442,113
2031	1,340,000	316,062	1,656,062
2032	1,375,000	289,262	1,664,262
2033	1,405,000	261,763	1,666,763
2034	1,440,000	233,663	1,673,663
2035	1,480,000	204,863	1,684,863
2036	1,515,000	175,263	1,690,263
2037	1,555,000	143,069	1,698,069
2038	1,590,000	110,025	1,700,025
2039	1,630,000	74,250	1,704,250
2040	1,670,000	37,575	1,707,575
	$ 31,850,000	$ 5,355,816	$ 37,205,816

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2024

Description		Original Bonds Issued	Bonds Outstanding January 1, 2024
Harris County Fresh Water Supply District No. 61 Unlimited Tax Refunding Bonds - Series 2016		$ 7,390,000	$ 2,125,000
Harris County Fresh Water Supply District No. 61 Unlimited Tax Bonds - Series 2017		11,250,000	10,160,000
Harris County Fresh Water Supply District No. 61 Unlimited Tax Refunding Bonds - Series 2019		8,540,000	7,095,000
Harris County Fresh Water Supply District No. 61 Unlimited Tax Bonds - Series 2020		15,000,000	15,000,000
TOTAL		$ 42,180,000	$ 34,380,000
Bond Authority:	Tax and Refunding Bonds	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	$ 30,000,000	$ 75,545,000	$ 36,000,000
Amount Issued	15,000,000	73,935,000	22,330,000
Remaining to be Issued	$ 15,000,000	$ 1,610,000	$ 13,670,000
Debt Service Fund cash and investment balances as of December 31, 2024:			$ 6,761,499
Average annual debt service payment (principal and interest) for remaining term of all debt:			$ 2,325,364

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding December 31, 2024	Paying Agent
	$ 400,000	$ 40,592	$ 1,725,000	The Independent Bankers Bank Houston, TX
	735,000	271,475	9,425,000	Amegy Bank, N.A. Houston, TX
	1,395,000	178,825	5,700,000	The Bank of New York Mellon Trust Co., N.A. Dallas, TX
		316,063	15,000,000	Zions Bancorporation, N.A. Houston, TX
$ - 0 -	$ 2,530,000	$ 806,955	$ 31,850,000	

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Water Service	$ 1,165,070	$ 1,065,778	$ 1,029,584
Wastewater Service	2,343,681	2,350,859	2,280,821
Regional Water Authority Fee	2,215,596	2,866,022	3,178,433
Sales Tax Revenues	1,287,579	1,253,307	1,311,299
Penalty and Interest	46,293	32,519	43,317
Tap Connection and Inspection Fees	32,031	60,307	206,012
Investment Revenues	434,929	408,833	9,325
Miscellaneous Revenues	1,103,109	924,301	739,225
TOTAL REVENUES	$ 8,628,288	$ 8,961,926	$ 8,798,016
EXPENDITURES			
Personnel	$ 2,693,583	$ 2,592,235	$ 2,457,345
Professional Fees	361,067	440,817	549,253
Contracted Services	55,072	40,382	29,427
Utilities	631,320	684,188	527,323
Regional Water Authority Assessment	2,522,233	3,216,651	3,554,783
Repairs and Maintenance	660,397	620,898	693,336
Other	1,236,430	1,059,595	954,290
Capital Outlay	588,769	512,150	2,492,805
TOTAL EXPENDITURES	$ 8,748,871	$ 9,166,916	$ 11,258,562
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (120,583)	$ (204,990)	$ (2,460,546)
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ 83,584	$	$
Contributed by Other Governmental Unit		1,701,645	858,938
TOTAL OTHER FINANCING SOURCES (USES)	$ 83,584	$ 1,701,645	$ 858,938
NET CHANGE IN FUND BALANCE	$ (36,999)	$ 1,496,655	$ (1,601,608)
BEGINNING FUND BALANCE	6,967,050	5,470,395	7,072,003
ENDING FUND BALANCE	$ 6,930,051	$ 6,967,050	$ 5,470,395

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2021	2020	2024	2023	2022	2021	2020
$ 954,935	$ 975,252	13.5 %	11.8 %	11.8 %	11.7 %	12.6 %
2,222,862	2,199,906	27.2	26.2	25.9	27.5	28.6
2,831,678	2,701,076	25.7	32.0	36.1	35.0	35.1
1,154,103	1,081,209	14.9	14.0	14.9	14.3	14.1
38,465	50,615	0.5	0.4	0.5	0.5	0.7
34,078	93,112	0.4	0.7	2.3	0.4	1.2
		5.0	4.6	0.1		
855,558	591,453	12.8	10.3	8.4	10.6	7.7
$ 8,091,679	$ 7,692,623	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 2,161,049	$ 2,105,283	31.2 %	28.9 %	27.9 %	26.7 %	27.4 %
377,838	333,102	4.2	4.9	6.2	4.7	4.3
25,565	19,775	0.6	0.5	0.3	0.3	0.3
669,986	720,104	7.3	7.6	6.0	8.3	9.4
3,083,139	2,882,480	29.2	35.9	40.4	38.1	37.5
673,241	831,707	7.7	6.9	7.9	8.3	10.8
799,754	753,498	14.3	11.8	10.8	9.9	9.8
1,724,419	443,822	6.8	5.7	28.3	21.3	5.8
$ 9,514,991	$ 8,089,771	101.3 %	102.2 %	127.8 %	117.6 %	105.3 %
$ (1,423,312)	$ (397,148)	(1.3) %	(2.2) %	(27.8) %	(17.6) %	(5.3) %
$	$					
1,532,882						
$ 1,532,882	$ - 0 -					
$ 109,570	$ (397,148)					
6,962,433	7,359,581					
$ 7,072,003	$ 6,962,433					

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	$ 3,902,586	$ 3,864,236	$ 3,489,921
Penalty and Interest	51,076	126,980	46,214
Investment Revenues	327,231	251,606	24,832
Miscellaneous Revenues	59,121	24,500	10,493
TOTAL REVENUES	$ 4,340,014	$ 4,267,322	$ 3,571,460
EXPENDITURES			
Tax Collection Expenditures	$ 189,397	$ 183,021	$ 149,288
Debt Service Principal	2,530,000	2,450,000	2,380,000
Debt Service Interest and Fees	809,330	883,475	944,671
Bond Issuance Costs			
TOTAL EXPENDITURES	$ 3,528,727	$ 3,516,496	$ 3,473,959
NET CHANGE IN FUND BALANCE	$ 811,287	$ 750,826	$ 97,501
BEGINNING FUND BALANCE	4,127,411	3,376,585	3,279,084
ENDING FUND BALANCE	$ 4,938,698	$ 4,127,411	$ 3,376,585
TOTAL ACTIVE RETAIL WATER CONNECTIONS	3,964	3,979	3,970
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	3,958	3,979	3,970

See accompanying independent auditor's report.

			Percentage of Total Revenue				
	2021	2020	2024	2023	2022	2021	2020
	$ 3,346,338	$ 3,107,730	89.9 %	90.5 %	97.7 %	95.8 %	96.2 %
	69,704	36,556	1.2	3.0	1.3	2.0	1.1
	1,289	15,367	7.5	5.9	0.7		0.5
	76,918	72,154	1.4	0.6	0.3	2.2	2.2
	$ 3,494,249	$ 3,231,807	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	$ 168,711	$ 119,286	4.4 %	4.3 %	4.2 %	4.8 %	3.7 %
	2,320,000	2,260,000	58.3	57.4	66.6	66.4	69.9
	933,993	797,442	18.6	20.7	26.5	26.7	24.7
	$ 3,422,704	$ 3,176,728	81.3 %	82.4 %	97.3 %	97.9 %	98.3 %
	$ 71,545	$ 55,079	18.7 %	17.6 %	2.7 %	2.1 %	1.7 %
	3,207,539	3,152,460					
	$ 3,279,084	$ 3,207,539					
	3,957	3,965					
	3,957	3,965					

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2024

District Mailing Address - Harris County Fresh Water Supply District No. 61
c/o Smith, Murdaugh, Little & Bonham, LLP
2727 Allen Parkway, Suite 1100, Houston, Texas 77019

District Telephone Number - (281) 469-9405

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended December 31, 2024	Expense Reimbursements for the year ended December 31, 2024	Title
Jon Morgan	05/24 05/28 (Elected)	$ 7,200	$ 109	President
Ben Solis	05/24 05/28 (Elected)	$ 7,200	$ 561	Vice President
Darrell A. Barroso	05/22 05/26 (Elected)	$ 7,200	$ 197	Secretary
Mike Kelley	05/22 05/26 (Elected)	$ 7,200	$ 666	Treasurer
Lary J. Cangelose	05/24 05/28 (Elected)	$ 5,746	$ -0-	Assistant Secretary

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

Submission date of most recent District Registration Form: August 19, 2024

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

See accompanying independent auditor's report.

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2024

Consultants:	Date Hired	Fees for the year ended December 31, 2024	Title
Smith, Murdaugh, Little & Bonham, LLP	05/22/67	$ 266,166 $ 15,565	General Counsel Delinquent Tax Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	12/17/14	$ 27,300	Auditor
Myrtle Cruz	05/18/22	$ 25,682	District Funds Manager
Robert W. Baird & Company	02/18/15	$ -0-	Financial Advisor
Lockwood Andrews & Newnam, Inc.	09/93	$ 1,086,484	Engineer
Key Personnel:			
Jerry Homan	10/13/94	Salaried Employee	General Manager/ Investment Officer
Brian Breeding	03/21/11	Salaried Employee	Assistant General Manager
Pam Magee	09/27/88	Salaried Employee	Office Manager/ Investment Officer

See accompanying independent auditor's report.