NOTICE OF MEETING
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

TO: THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Harris County Improvement District No. 3 will hold a **REGULAR MEETING**, open to the public, on **TUESDAY, JUNE 23, 2026,** at **9:00 a.m.,** at 3120 Southwest Freeway, Houston, Texas 77098**,** within the boundaries of the District***.**
At the meeting the following items will be considered and acted on:

1. **Approve minutes of February 17, 2026, meeting;**
2. **Receive comments or questions from the public;**
3. **Receive security and patrol services report;**
4. **Receive report on federal/state/local funding development and management** [The Goodman Corporation ("TGC")];
5. **Receive property tax advisor report:**
   a) Receive general report;
   b) Authorize other appropriate action;
6. **Project design, acquisition, and construction:**
   a) **Shepherd Drive Improvements** [T-1914]:
      i) Update on UKRA construction progress and finalization;
   b) **West Alabama Street Improvements** [T-1920]:
      i) Update on design progress;
   c) **Kirby Drive Improvements (US 59 to Bissonnet)** [T-1926]:
      i) Update on planning progress;
   d) **Buffalo Speedway Improvements (US 59 to Westheimer)** [T-1918]:
      i) Update on planning progress;
   e) **Bissonnet Reconstruction (Buffalo Speedway to Edloe)** [T-1922]:
      i) Update on planning progress;
   f) Authorize appropriate action;
7. **Facilities and grounds maintenance:**
   a) Receive general report;
   b) Authorize appropriate action;
8. **Financial and administrative matters:**
   a) Receive bookkeeping report, and authorize payment of invoices;
   b) Authorize limited use of Upper Kirby phone booth for marketing purposes [UKDF - The Color Factory];
   c) Approve Agreement for Custom Holiday Décor and Lighting [Always in Season Decorating Services, Inc.];
   d) Cybersecurity and Artificial Intelligence Training;
   e) Authorize other appropriate action;
9. **Consider adjournment.**

***The Board will conduct an in-person meeting at its physical meeting location with a quorum of the Board present; provided that some Board members may participate by videoconference as provided in Section 551.127, Government Code.**

(SEAL)

Executive Director for the District

ATTEND VIA VIDEO:https://us02web.zoom.us/j/82351859125?pwd=aVNBxRjBUF1eU0iEBC5FbwxUmGbuzf.1
ATTEND VIA AUDIO: 1-346-248-7799
MEETING ID: 823 5185 9125 | **PASSCODE:** 159889

MINUTES OF REGULAR MEETING
OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

February 17, 2026

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Improvement District No. 3 (the "District") met in regular session, open to the public, on the 17th day of February, 2026, at the regular meeting place, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Patricia Ann Chesnick	President
Cort King	Vice President
Andrew Rice	Secretary/Treasurer
Chris Gibbs	Director
Barrett Webster	Director

and all of the said persons were present, except Directors Chesnick and King.

Also attending all or portions of the meeting were Travis Younkin, Sharon Haynie, and Lee Cisneros of the District; Captain Paul Martinez of Houston Metro Coordinators ("HMC"); Jim Webb of The Goodman Corporation ("TGC"); Lita Lemus of Utility Tax Service, LLC; Melissa Morton of The Morton Accounting Services; and John Kuhl and Audrey Lyons of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

Secretary Rice presided over the meeting, noting that a quorum of Board members was present and called the meeting to order.

APPROVE MINUTES

The Board considered approving the minutes of the January 20, 2026, meeting. Upon motion by Director Gibbs, seconded by Director Webster, and after full discussion, the Board voted unanimously to approve the minutes, and to authorize execution by the Secretary, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

The next item on the agenda was to receive comments or questions from the public. There were no comments or questions from the public.

RECEIVE SECURITY AND PATROL SERVICES REPORT

Captain Martinez reviewed the patrol services activity and statistics report for the month of January. He noted a 1% decrease in January for overall crime. He advised that the patrol team continues with an additional officer to be proactive, highly visible, and vigilant in order to prevent and deter criminal activity. noted the continuing relative safety of the area when contrasted with surrounding areas.

The Board discussed environmental factors that may contribute to crime at certain locations, including bus stop visibility and surrounding landscaping. The Board also expressed concern regarding potential vandalism or stripping of materials at vacant properties.

Director Gibbs queried on the nature of certain assault calls and the challenges associated with responding to disturbances that are resolved prior to officer arrival. Captain Martinez reviewed the protocols.

The Board also discussed nuisance-level criminal activity and vagrant-related issues. Directors expressed the importance of balancing supportive services with enforcement measures. The Board also discussed future City initiatives and funding programs addressing homelessness, which may warrant District

review and potential financial participation, subject to analysis of effectiveness and alignment with District priorities.

Captain Martinez advised that a new reporting category for fraud and forgery has been added to the monthly statistics. He also discussed common check fraud schemes and preventative measures for businesses and residents.

The Board took the security and patrol services report under advisement.

Captain Martinez then exited the meeting.

REVIEW REPORT ON FEDERAL/STATE/LOCAL FUNDING DEVELOPMENT AND MANAGEMENT

Mr. Webb updated the Board on federal funding pursuit matters.

Mr. Webb advised that approximately $7.4 million has been awarded through HGAC for the West Alabama project. He advised that funds have been transferred to FTA, and coordination with FTA is ongoing. He noted that processing has been delayed due to increased HGAC activity, but that the timing aligns appropriately with the project design schedule. He noted that the project manual has been updated to include all required federal language. He advised that given the total funding amount and the bifurcation of the project, it is anticipated that funds will be disbursed across both Phase 1 and Phase 2.

Mr. Webb then discussed FTA-eligible activities for Buffalo Speedway and Kirby Drive. He advised that applications are currently in development and that coordination with the City of Houston is ongoing.

Mr. Webb further advised that the FY27 earmark cycle is forthcoming. He stated that funding will again be pursued for the Kirby Drive and Buffalo Speedway projects, with the goal of securing additional federal support.

RECEIVE PROPERTY TAX ADVISOR REPORT

The Board then received the Property Tax Advisor Report.

Receive general report

Ms. Lemus reviewed the Property Tax Advisor's report, advising that approximately 72.02% of the 2025 taxes have been collected to date. She also reviewed a historical recap of property valuations and prior taxes levied, and answered questions.

Director Webster inquired regarding certain historical data and the tax levy figure reflected in the report, noting a discrepancy. Ms. Lemus advised that the variance was the result of a typographical error and stated that she would revise and reissue the report.

Upon motion by Director Webster, seconded by Director Gibbs, and after full discussion, the Board voted unanimously to approve the Property Tax Advisor's report, subject to correction of the tax levy figure, as discussed.

PROJECTS REPORT

Mr. Cisneros then reviewed the general project status report.

Shepherd Drive Streetscape/Landscape Improvements

Mr. Cisneros advised that the project remains in close-out, with minor punch list items outstanding. He reported that minor deviations were identified in two sections of sidewalk, and that the contractor is re-mobilizing to the site to correct the deficiencies. He advised that upon submission of all required close-out documentation, the remaining retainage will be released by UKRA.

West Alabama

Mr. Cisneros advised that the final roadway alignment has been revised to accommodate City requests. He reported that utility relocation agreements are in progress and that terminal pole locations have been identified

and submitted for review. He further noted that the design team continues to address other City requests. Construction is currently anticipated to commence in the next several months, pending receipt of final approvals.

Kirby Drive & Buffalo Speedway

Mr. Cisneros advised that preliminary engineering for the Buffalo Speedway and Kirby Drive South projects has been submitted to the City for review. He stated that comments on Buffalo Speedway are anticipated in the near term, while review of Kirby Drive South will take longer.

Mr. Cisneros further advised that the City recently implemented a staged review process requiring submission of both a primary proposed improvement plan and an alternate concept. The City has indicated preliminary approval of the proposed concepts, subject to completion of final staged approvals.

Mr. Cisneros reported that the Buffalo Speedway project will include infrastructure improvements, drainage components, and traffic-related considerations impacting development activity. The Kirby Drive South project involves greater complexity due to its roadway and easement consideration, and the design team for that project has not yet been finalized.

The Board discussed project sequencing considerations in order to avoid overlapping roadway construction that could adversely impact traffic.

Bissonnet Reconstruction

Mr. Younkin advised that preliminary engineering has not yet commenced, but will likely begin in the coming months.

The Board took the projects report under advisement.

FACILITIES AND GROUNDS MAINTENANCE REPORT

Receive General Report

Mr. Younkin next updated the Board on facilities and grounds maintenance matters for January.

He advised that streetscape work continues to be the primary focus. He advised that preparation and response associated with the recent freeze event was successful, noting that irrigation systems and landscaping performed well, with no significant damage reported. He advised that spring seasonal plantings are underway, pending additional extreme weather events.

Mr. Younkin advised that the newly retained landscape maintenance contractor has commenced, and transition efforts are proceeding smoothly.

Mr. Younkin also provided an update on the rollout of the new interactive reporting platform (CCA Alerts), which will allow residents and businesses to report maintenance and security issues via app, website, text, or voice. He advised that District staff is currently completing internal testing and training, with public launch anticipated in the coming weeks.

The Board took the facilities and grounds maintenance report under advisement.

FINANCIAL MATTERS

Receive Bookkeeping Report

The Board next received the Bookkeeping Report. Mr. Younkin reviewed with the Board the bookkeeping report for January.

Adopt Order Evidencing Review of Investment Policy

The Board then considered the adoption of an Order Evidencing Review of Investment Policy [GO 2026-5]. Mr. Kuhl reviewed with the Board the terms of the Investment Policy, noting that the District is required by the Public Funds Investment Act to review said Policy annually. The Board concurred to make no changes to such Policy at this time.

Adopt Order Adopting List of Qualified Brokers

The next item on the agenda was to adopt an Order Adopting List of Qualified Brokers [GO 2026-6]. The Board reviewed a list of all qualified brokers with which the District may engage in investment transactions, in compliance with Section 2256.025 of the Texas Government Code.

Upon motion by Director Gibbs, seconded by Director Webster, and after full discussion, the Board voted unanimously to 1) approve the Bookkeeping Report, 2) confirm the payment of invoices as presented, 3) adopt the Order Evidencing Review of Investment Policy [GO 2026-5], and 4) adopt the Order Adopting List of Qualified Brokers [GO 2026-6] as presented.

Cybersecurity and Artificial Intelligence Training

Mr. Kuhl advised that the memorandum regarding mandated Cybersecurity Awareness Training and Artificial Intelligence ("AI") Training requirements is being re-circulated in anticipation of certified AI training programs becoming available in the near future. He reminded the Board that Directors and impacted staff are required to annually complete a certified Cybersecurity Training Program and a certified AI Training Program, and to submit the applicable completion forms to the Texas Department of Information Resources.

Ms. Lyons advised that she will coordinate with the Board and provide a list of recommended certified training programs for consideration once available.

CONSIDER ADJOURNMENT

The next item on the agenda was to consider adjournment.

There being no further business to come before the Board, the meeting was adjourned.

_____
Secretary, Board of Directors

(SEAL)

DRAFT

Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (February 2026)

	January-26	February-26	Plus / Minus	Increase / Decrease
Homicides	0	0	0%	No Change
Sexual Assault	0	0	0%	No Change
Robbery (Comm/Person)	1	1	0%	No Change
Aggravated Assault / Assaults	26	20	-30%	Decrease
Burglaries (Comm / Resident)	3	8	63%	Increase
Thefts	41	35	-17%	Decrease
Burglary Motor Vehicle	61	57	-7%	Decrease
Auto Theft	7	4	-75%	Decrease
Forgery / Fraud	3	2	-50%	Decrease
Totals:	142	127	-12%	Decrease

NOTE: Part 1 reported criminal incidents for February 2026 demonstrate a decrease of approximately 12% or 127 reported incidents within the Upper Kirby Management District. A majority of the incidents are attributed to vehicle burglaries and theft cases. The team is adding an additonal reporting tool of Elerts App to help identify criminal in progress which coould help capture suspects and or better reporting of incidents.

Summary:

Sexual Assaults: NO Sexual Assaults reported

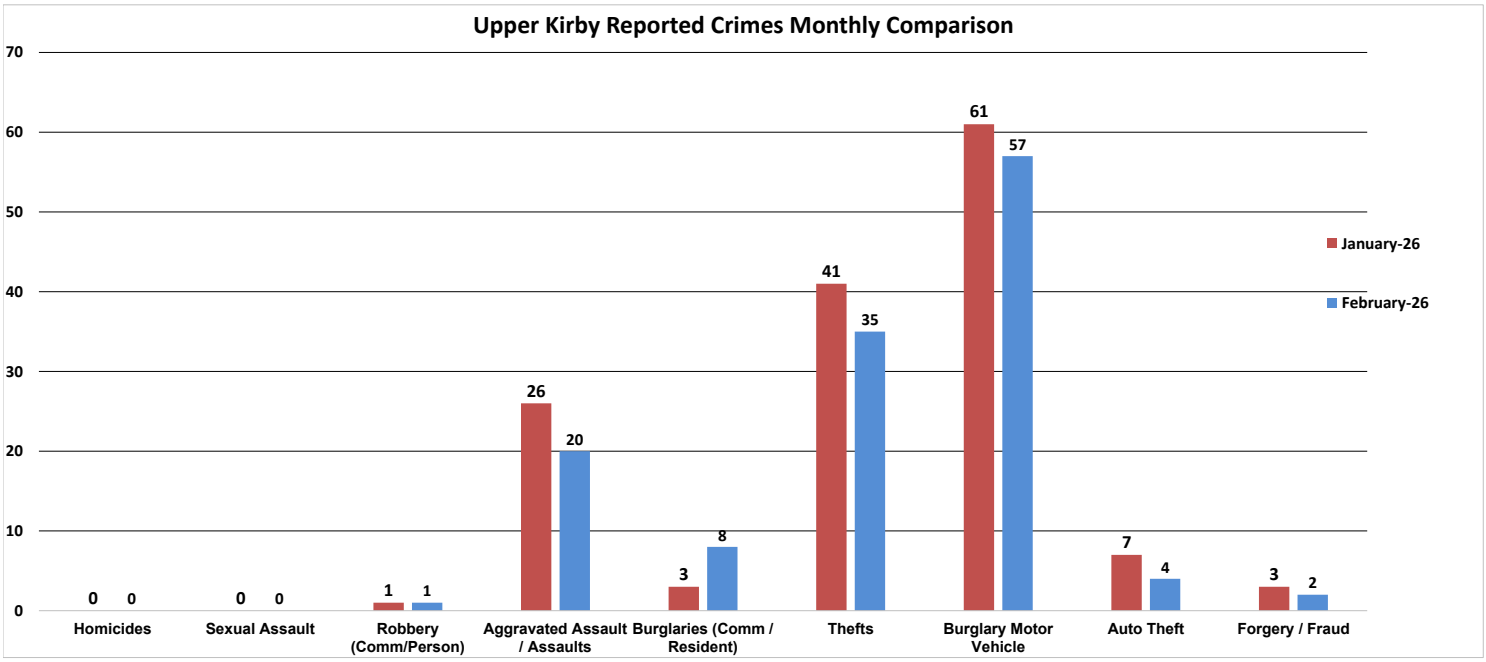
Robberies: 2/23/26 - 2300 SW Frwy (Extended Stay) Guest robbed in parking lot.

BMV: Guad Rest.|Olive Garden|Lupe Tortilla|Kirby Icehouse|House of Pies|Christian's Tailgate

Assaults: 2300 Richmond x 2 (Sante Bar: 2/9 & 2/15) | 3500 S./ Shepherd (Rock & Roll lt) | 2700 SW Frwy (Crown Plaza) | 5100 Buffalo Spwy (Los Tios Resturant)

Thefts: Walgreens - Buffalo Spwy (18) | Arrive Apt - Kirby (5)

Date:	Event Type:	Locations	# of Events:
Homicides			
2/1-28/26	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
2/1-28/26	Sexual Assault	No Reported Incidents	0
Total Sexual Assaults:			**0**
Robberies			
02/23/2026	Robbery	2300 SW Freeway (Extended Stay)	1
Total Robberies:			**1**
Assaults / Aggravated Assaults			
2/1-28/26	Assaults	Various UK Locations	20
Total Assaults:			**20**
Burglaries (Residence / Commercial)			
2/1-28/26	Burglaries	Various UK Locations	8
Total Burglaries:			**8**
Thefts (Shoplifting, Theft from Person, Etc)			
2/1-28/26	Thefts	Various UK Locations	35
Total Thefts:			**35**
Burglary of Vehicles			
2/1-28/26	Burglary Motor Vehicles	Various UK Locations	57
Total Theft from Vehicle:			**57**
Motor Vehicle Thefts			
2/1-28/26	Motor Vehicle Thefts	Various UK Locations	4
Total Theft of Vehicles:			**4**
Forgery / Fraud			
2/1-28/26	Forgery / Fraud	Various UK Locations	2
Total Theft of Vehicles:			**2**



Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (March 2026)

	February-26	March-26	Plus / Minus	Increase / Decrease
Homicides	0	0	#DIV/0!	No Change
Sexual Assault	0	1	100%	Increase
Robbery (Comm/Person)	1	3	67%	Increase
Aggravated Assault / Assaults	20	15	-33%	Decrease
Burglaries (Comm / Resident)	8	9	11%	Increase
Thefts	35	38	8%	Increase
Burglary Motor Vehicle	57	34	-68%	Decrease
Auto Theft	4	8	50%	Increase
Forgery / Fraud	3	9	67%	Increase
Totals:	128	117	-9%	Decrease

NOTE: Part 1 reported criminal incidents for March 2026 has a decrease of approximately 9% or 117 reported incidents within the Upper Kirby Management District. With the addition of a second patrol unit on the evening shift, coverage of the district has become wider with more visibility. The roll-out of the Elerts App is anticipated to assist in the reporting of active incidents and potentially a shorter response time from the patrol team.

Summary:

Sexual Assaults: 3/18/26 at Hanover Riveroaks (Forced Rape)

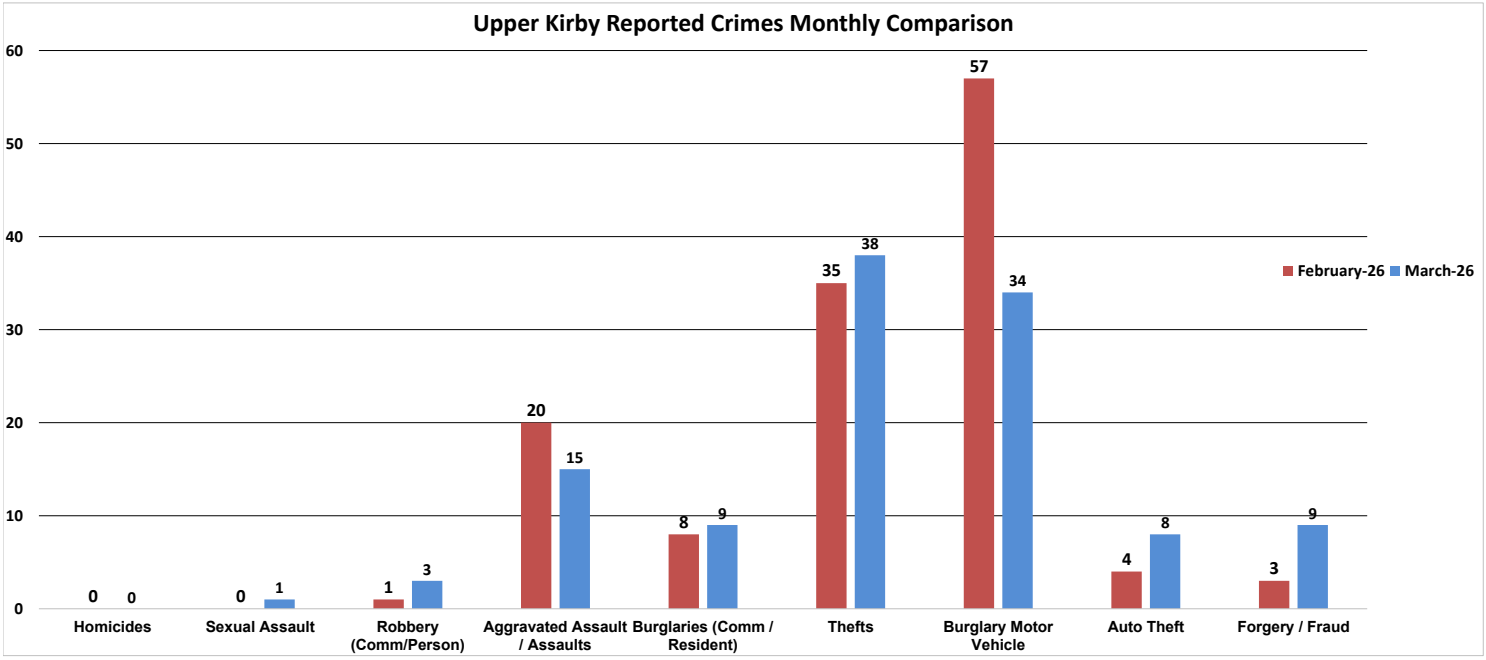
Robberies: 3/6/26: 3800 S. Shepherd (Parking Lot) | 3/8/26: 5200 Buffalo Spwy (Walgreens) | 3/17/26: 3800 Audley (Camden Parking Garage)

BMV: HEB| Twin Peaks | Twin Peaks | Extended Stay

Assaults: 3500 S. Shepherd x 3 (Food Truck Lot (3/22/26), Valero (3/15/26), Bus Stop (3/25/26))

Thefts: Walgreens - Buffalo Spwy (12) | CVS - Kirby (3) | Food Trucks (4)

Date:	Event Type:	Locations	# of Events:
Homicides			
3/1-31/26	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
03/18/2026	Sexual Assault	2600 Kipling (Hanover RiverOaks)	1
Total Sexual Assaults:			**1**
Robberies			
3/1-31/26	Robbery	Various UK Locations	3
Total Robberies:			**3**
Assaults / Aggravated Assaults			
3/1-31/26	Assaults	Various UK Locations	15
Total Assaults:			**15**
Burglaries (Residence / Commercial)			
3/1-31/26	Burglaries	Various UK Locations	9
Total Burglaries:			**9**
Thefts (Shoplifting, Theft from Person, Etc)			
3/1-31/26	Thefts	Various UK Locations	38
Total Thefts:			**38**
Burglary of Vehicles			
3/1-31/26	Burglary Motor Vehicles	Various UK Locations	34
Total Theft from Vehicle:			**34**
Motor Vehicle Thefts			
3/1-31/26	Motor Vehicle Thefts	Various UK Locations	8
Total Theft of Vehicles:			**8**
Forgery / Fraud			
3/1-31/26	Forgery / Fraud	Various UK Locations	9
Total Theft of Vehicles:			**9**



Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (April 2026)

	March-26	April-26	Plus / Minus	Increase / Decrease
Homicides	0	0	#DIV/0!	No Change
Sexual Assault	1	0	-100%	Decrease
Robbery (Comm/Person)	3	2	-50%	Decrease
Aggravated Assault / Assaults	15	16	6%	Increase
Burglaries (Comm / Resident)	9	5	-80%	Decrease
Thefts	38	25	-52%	Decrease
Burglary Motor Vehicle	34	51	33%	Increase
Auto Theft	8	6	-33%	Decrease
Forgery / Fraud	9	3	-200%	Decrease
Totals:	117	108	-8%	Decrease

NOTE: Part 1 reported criminal incidents for April 2026 had a decrease of approximately 8% or 108 reported incidents within the Upper Kirby Management District. The patrol vehicles have a new, larger patrol graphic which provides better visibility and presence for the patrol during business checks and patrol activities. The Elerts App is providing real-time reports of incidents with response times and arrivals, potentially having a greater effect on stopping and or deterring unwanted activity.

Summary:

Sexual Assaults: NO Reported Incidents

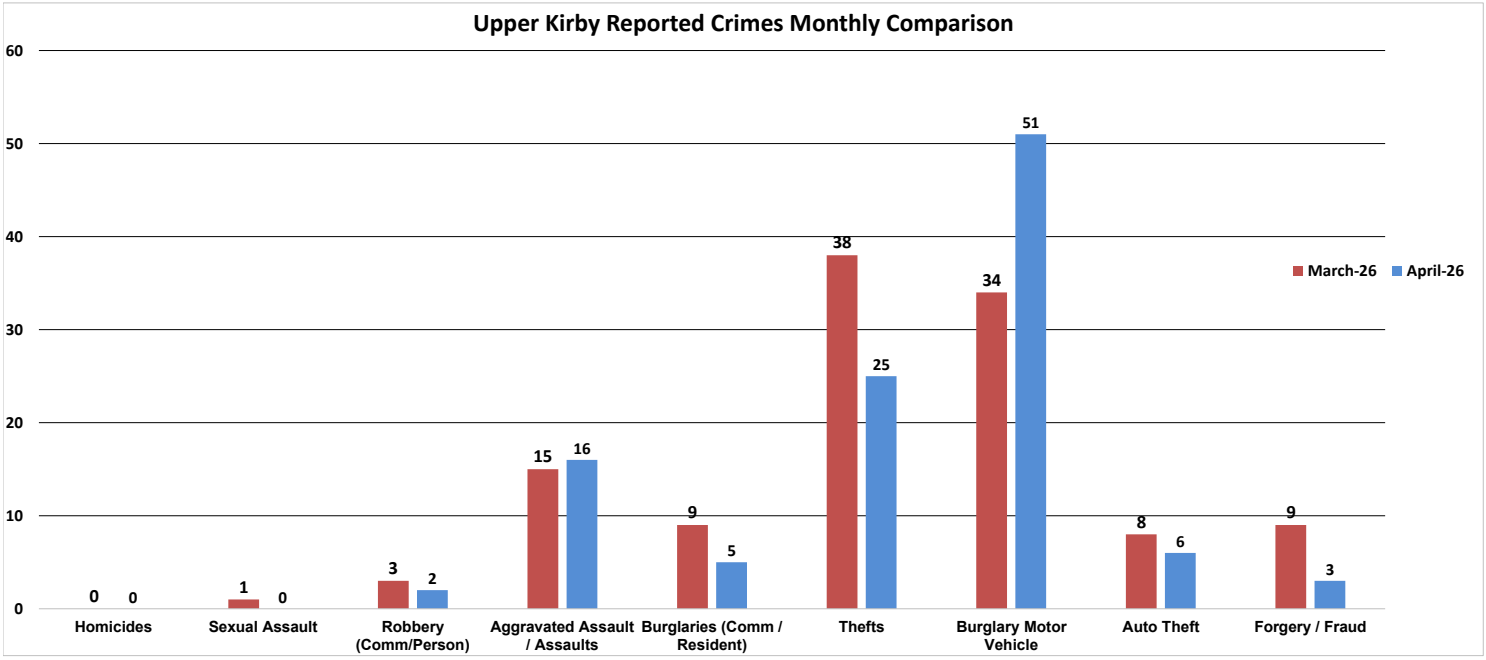
Robberies: Two robberies reported in the District occurred at Walgreens on Buffalo Spwy. Staff assaulted during theft, increasing incidents to robberies.

BMV: Arrive Apts| Guad / Olive Garden| Former ATM Station (Twins Peaks Patrons)| Empty Strip Center (Davenport Patrons) | Goode Co.

Assaults: 5200 Buffalo Spwy (Walgreens x 3) | 2300 Richmond (Sante Bar x 2)

Thefts: Walgreens - Buffalo Spwy (4) | CVS - Kirby (6) | Ulta Beauty (3) | Arrive Apts (2)

Date:	Event Type:	Locations	# of Events:
Homicides			
4/1-30/2026	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
4/1-30/2026	Sexual Assault	No Reported Incidents	0
Total Sexual Assaults:			**0**
Robberies			
4/6 & 25/2026	Robbery	Walgreens x 2	2
Total Robberies:			**2**
Assaults / Aggravated Assaults			
4/1-30/2026	Assaults	Walgreens x 2/ Sante Bar x 2	16
Total Assaults:			**16**
Burglaries (Residence / Commercial)			
4/1-30/2026	Burglaries	Various UK Locations	5
Total Burglaries:			**5**
Thefts (Shoplifting, Theft from Person, Etc)			
4/1-30/2026	Thefts	Various UK Locations	25
Total Thefts:			**25**
Burglary of Vehicles			
4/1-30/2026	Burglary Motor Vehicles	Various UK Locations	51
Total Theft from Vehicle:			**51**
Motor Vehicle Thefts			
4/1-30/2026	Motor Vehicle Thefts	Various UK Locations	6
Total Theft of Vehicles:			**6**
Forgery / Fraud			
4/1-30/2026	Forgery / Fraud	Various UK Locations	9
Total Theft of Vehicles:			**9**



Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (May 2026)

	April-26	May-26	Plus / Minus	Increase / Decrease
Homicides	0	0	#DIV/0!	No Change
Sexual Assault	0	0	#DIV/0!	No Change
Robbery (Comm/Person)	2	4	50%	Increase
Aggravated Assault / Assaults	16	15	-7%	Decrease
Burglaries (Comm / Resident)	5	2	-150%	Decrease
Thefts	25	31	19%	Increase
Burglary Motor Vehicle	51	57	11%	Increase
Auto Theft	6	9	33%	Increase
Forgery / Fraud	3	6	50%	Increase
Totals:	108	124	13%	Increase

NOTE: Part 1 reported criminal incidents for May 2026 demonstrate an increase of approximately 13% or 124 reported incidents within the Upper Kirby Management District. The Elerts App is providing real-time reports of incidents with response times and arrivals, potentially having a greater effect on stopping and or deterring unwanted activity. With the FIFA Soccer events in the Houston for June, the patrol coverage has been covered thru fill-ins and Harris County units.

Summary:

Sexual Assaults: NO Reported Incidents

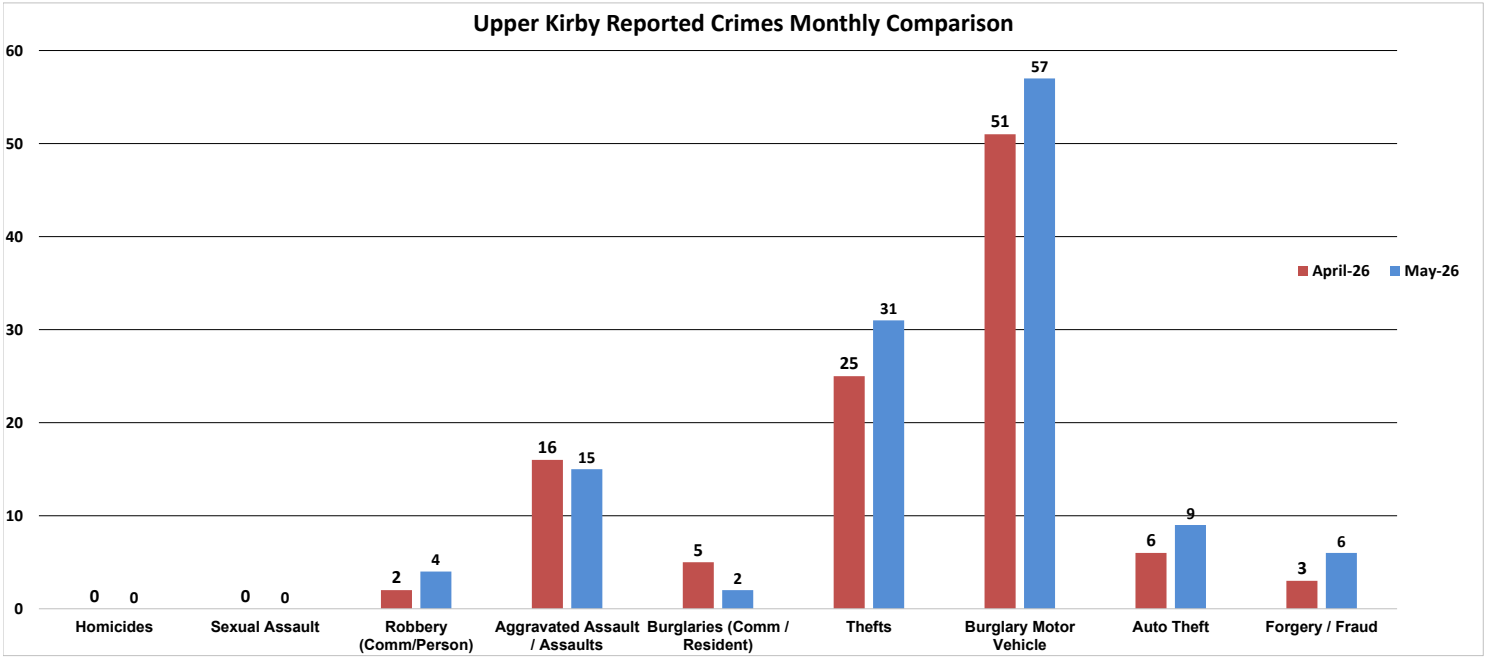
Robberies: Walgreen on Buffalo Spwy (Theft into robbery) | Exxon (SW Frwy) patron rob at pump \ Wingbay & Whataburger patron rob in lots.

BMV: Kirby Icehouse \ Academy | Christian Tailgaters \ Strip Center (Kirby / Richmond led the events for the district.

Assaults: 2300 Richmond (Sante Bar x 3) continues to have events each month.

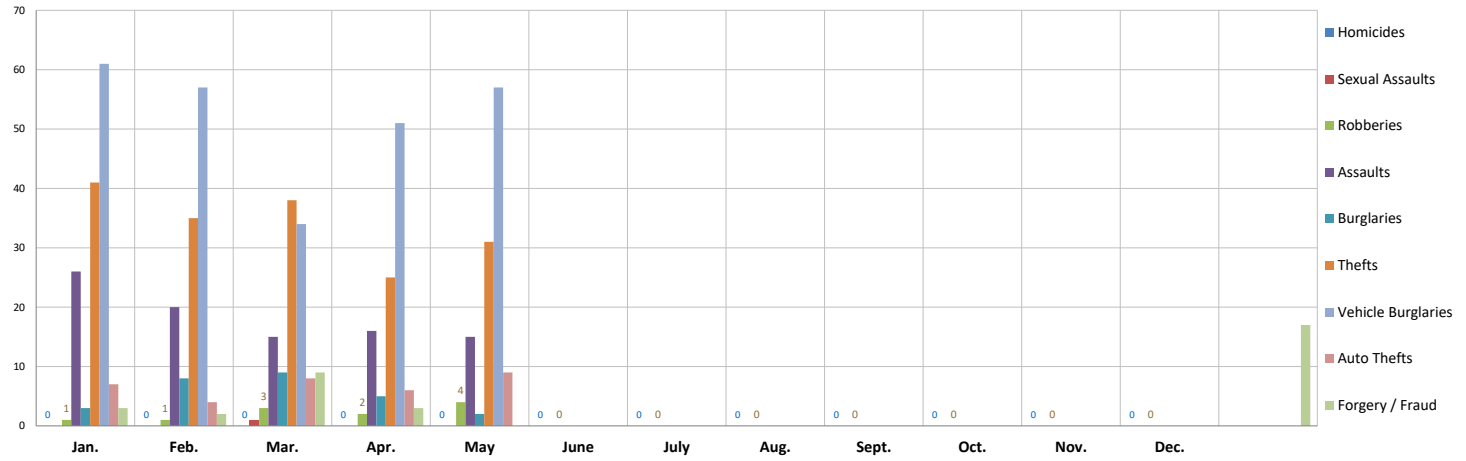
Thefts: Walgreens - Buffalo Spwy (11) | CVS - Kirby (3) | Ulta Beauty (3)

Date:	Event Type:	Locations	# of Events:
Homicides			
5/1-31/26	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
5/1-31/26	Sexual Assault	No Reported Incidents	0
Total Sexual Assaults:			**0**
Robberies			
5/1-31/26	Robbery	Various UK Locations	4
Total Robberies:			**4**
Assaults / Aggravated Assaults			
5/1-31/26	Assaults	Various UK Locations	15
Total Assaults:			**15**
Burglaries (Residence / Commercial)			
5/1-31/26	Burglaries	Various UK Locations	2
Total Burglaries:			**2**
Thefts (Shoplifting, Theft from Person, Etc)			
5/1-31/26	Thefts	Various UK Locations	31
Total Thefts:			**31**
Burglary of Vehicles			
5/1-31/26	Burglary Motor Vehicles	Various UK Locations	57
Total Theft from Vehicle:			**57**
Motor Vehicle Thefts			
5/1-31/26	Motor Vehicle Thefts	Various UK Locations	9
Total Theft of Vehicles:			**9**
Forgery / Fraud			
5/1-31/26	Forgery / Fraud	Various UK Locations	6
Total Theft of Vehicles:			**6**



Upper Kirby Management Part 1 Crimes - 2026 Summary

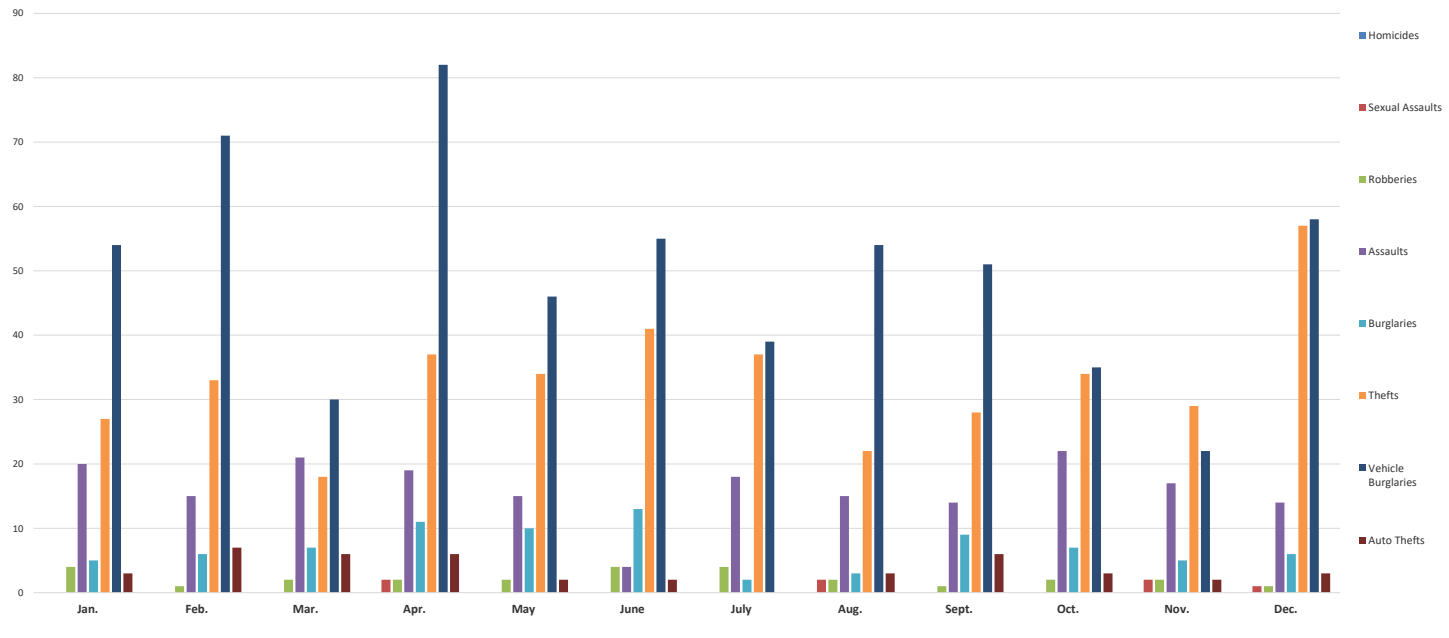
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	0	0	1	0	0	0	0	0	0	0	0	0	1
Robberies	1	1	3	2	4	0	0	0	0	0	0	0	11
Assaults	26	20	15	16	15	0	0	0	0	0	0	0	92
Burglaries	3	8	9	5	2	0	0	0	0	0	0	0	27
Thefts	41	35	38	25	31	0	0	0	0	0	0	0	170
Vehicle Burglaries	61	57	34	51	57	0	0	0	0	0	0	0	260
Auto Thefts	7	4	8	6	9	0	0	0	0	0	0	0	34
Forgery / Fraud	3	2	9	3	0	0	0	0	0	0	0	0	17



Prior Year Crime Activity Comparison

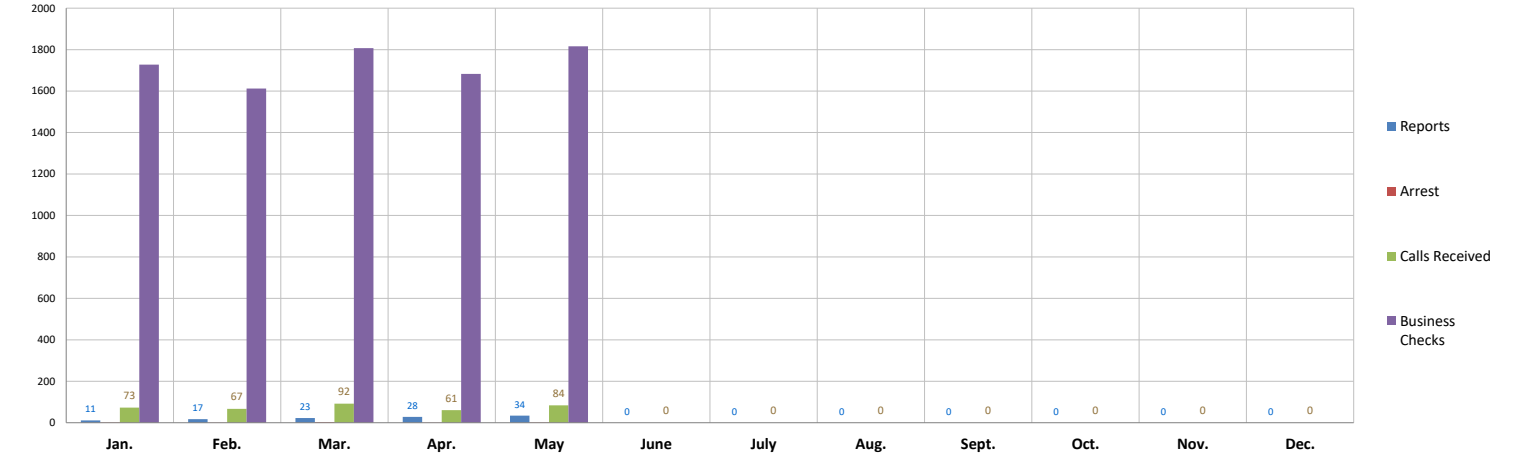
Upper Kirby Management Part 1 Crimes - 2025 Summary

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	0	0	0	2	0	0	0	2	0	0	2	1	7
Robberies	4	1	2	2	2	4	4	2	1	2	2	1	27
Assaults	20	15	21	19	15	4	18	15	14	22	17	14	194
Burglaries	5	6	7	11	10	13	2	3	9	7	5	6	84
Thefts	27	33	18	37	34	41	37	22	28	34	29	57	397
Vehicle Burglaries	54	71	30	82	46	55	39	54	51	35	22	58	597
Auto Thefts	3	7	6	6	2	2	0	3	6	3	2	3	43



Upper Kirby Management Patrol - 2026 Summary

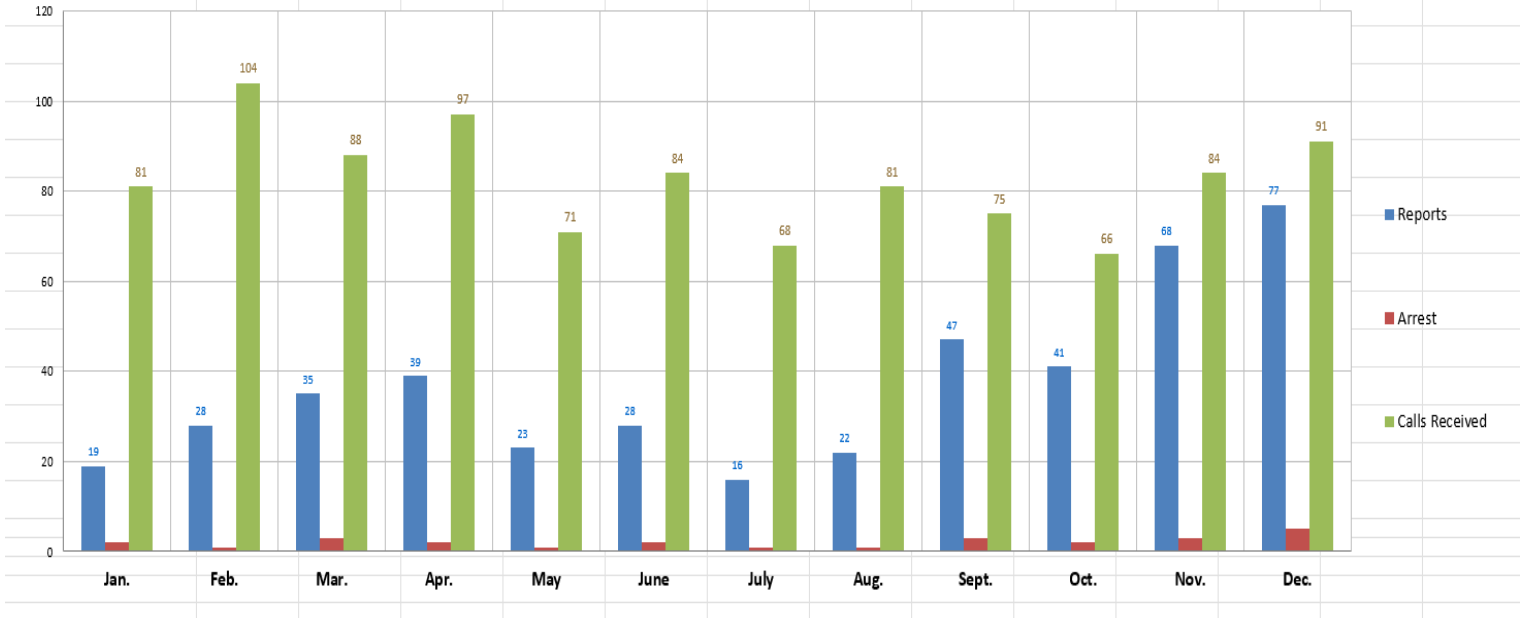
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	11	17	23	28	34	0	0	0	0	0	0	0	113
Arrest	2	1	3	1	2	0	0	0	0	0	0	0	9
Business Checks	1728	1612	1807	1683	1816	0	0	0	0	0	0	0	8646
Calls Received	73	67	92	61	84	0	0	0	0	0	0	0	377



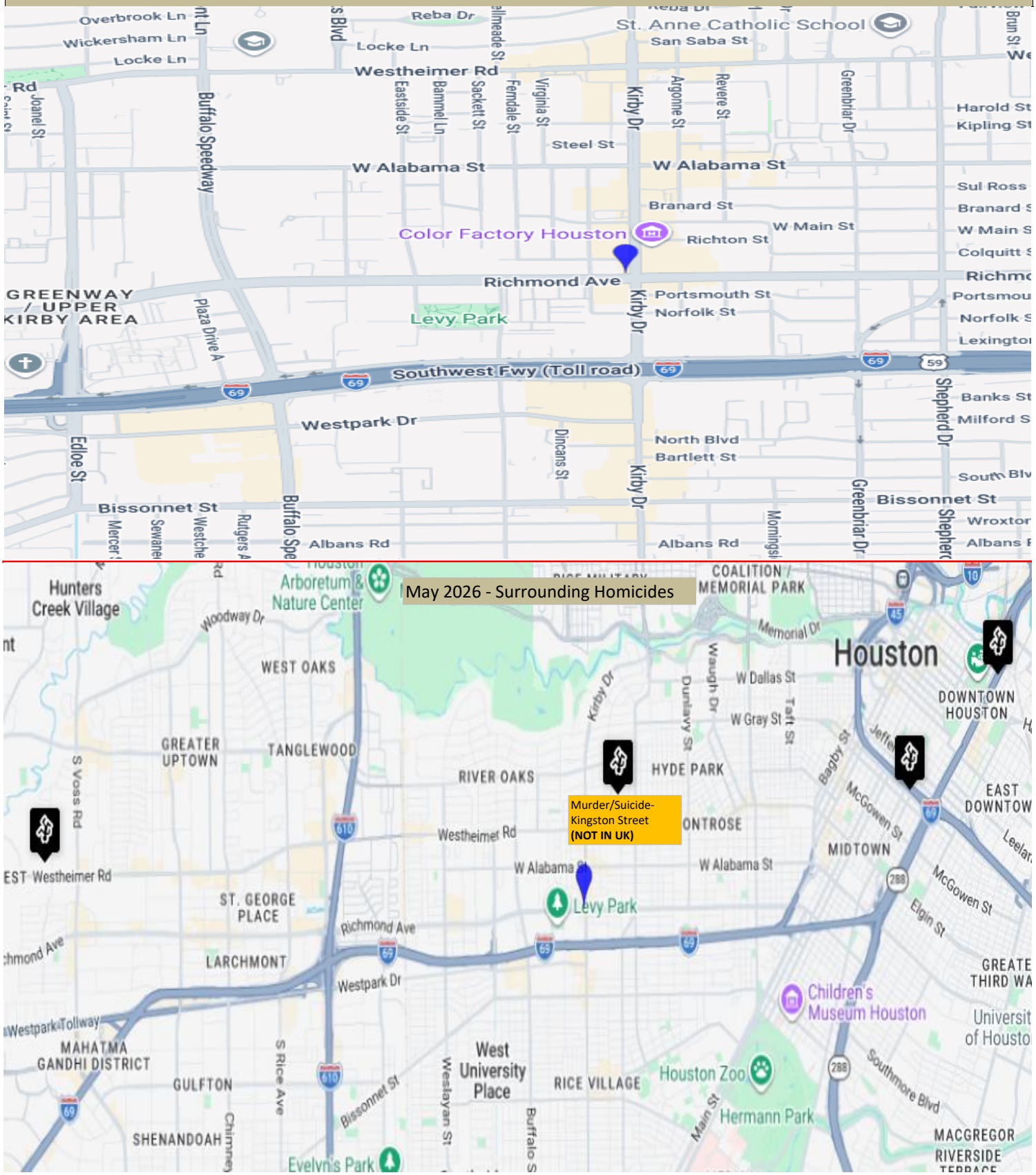
Prior Year Activity Comparison

Upper Kirby Management Patrol - 2025 Summary

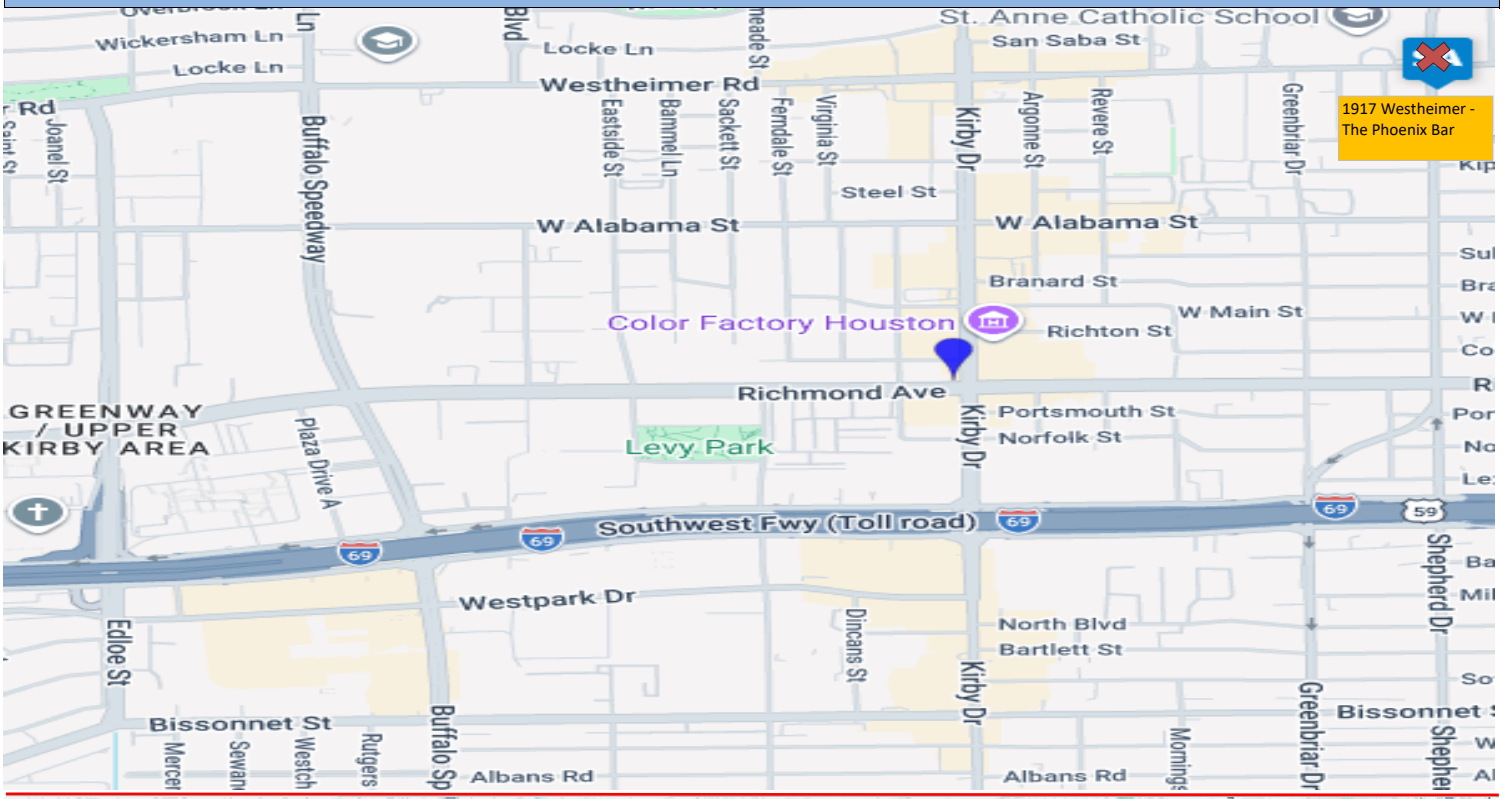
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	19	28	35	39	23	28	16	22	47	41	68	77	443
Arrest	2	1	3	2	1	2	1	1	3	2	3	5	26
Calls Received	81	104	88	97	71	84	68	81	75	66	84	91	990



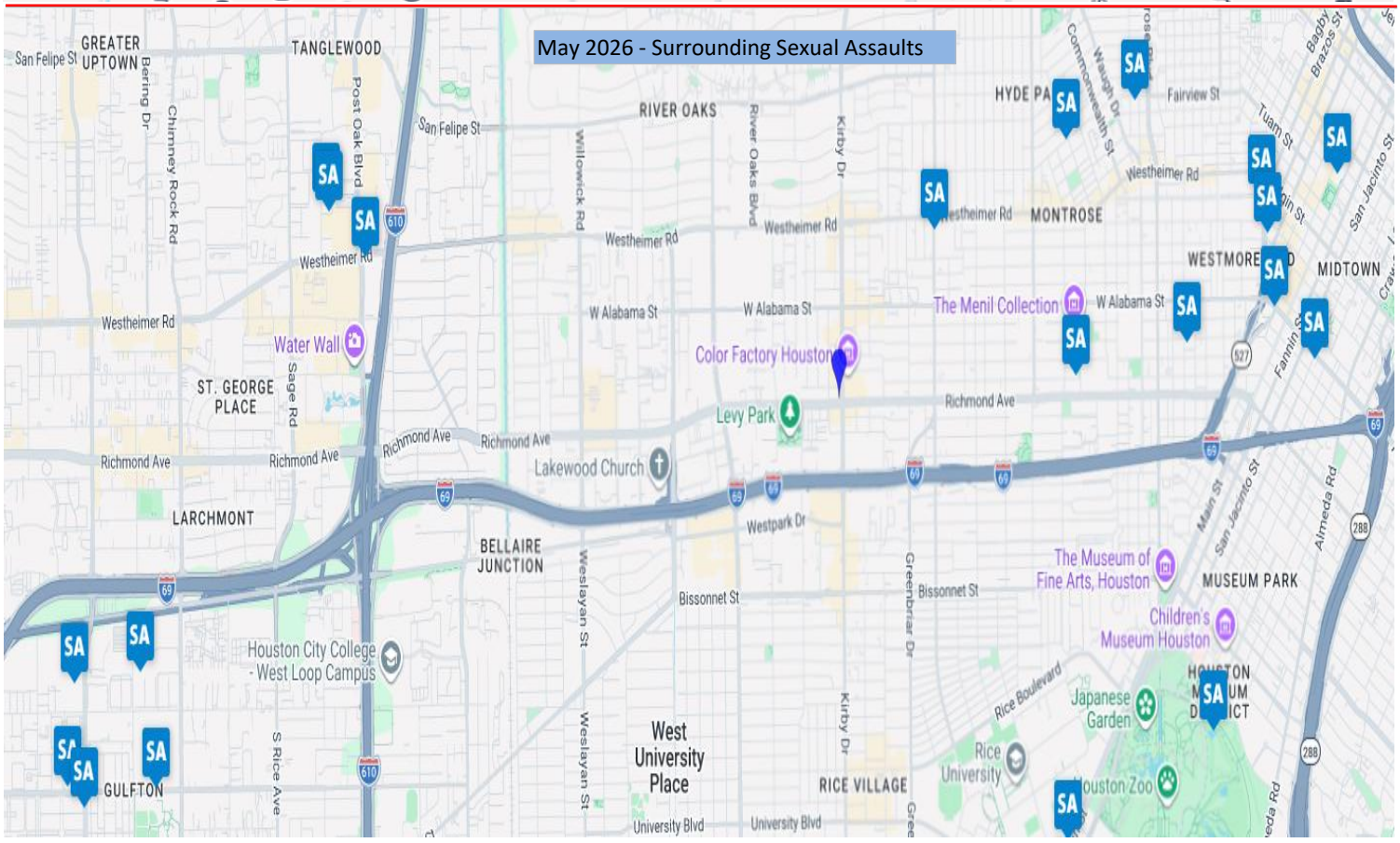
Upper Kirby Crime Map: Homicides (0)



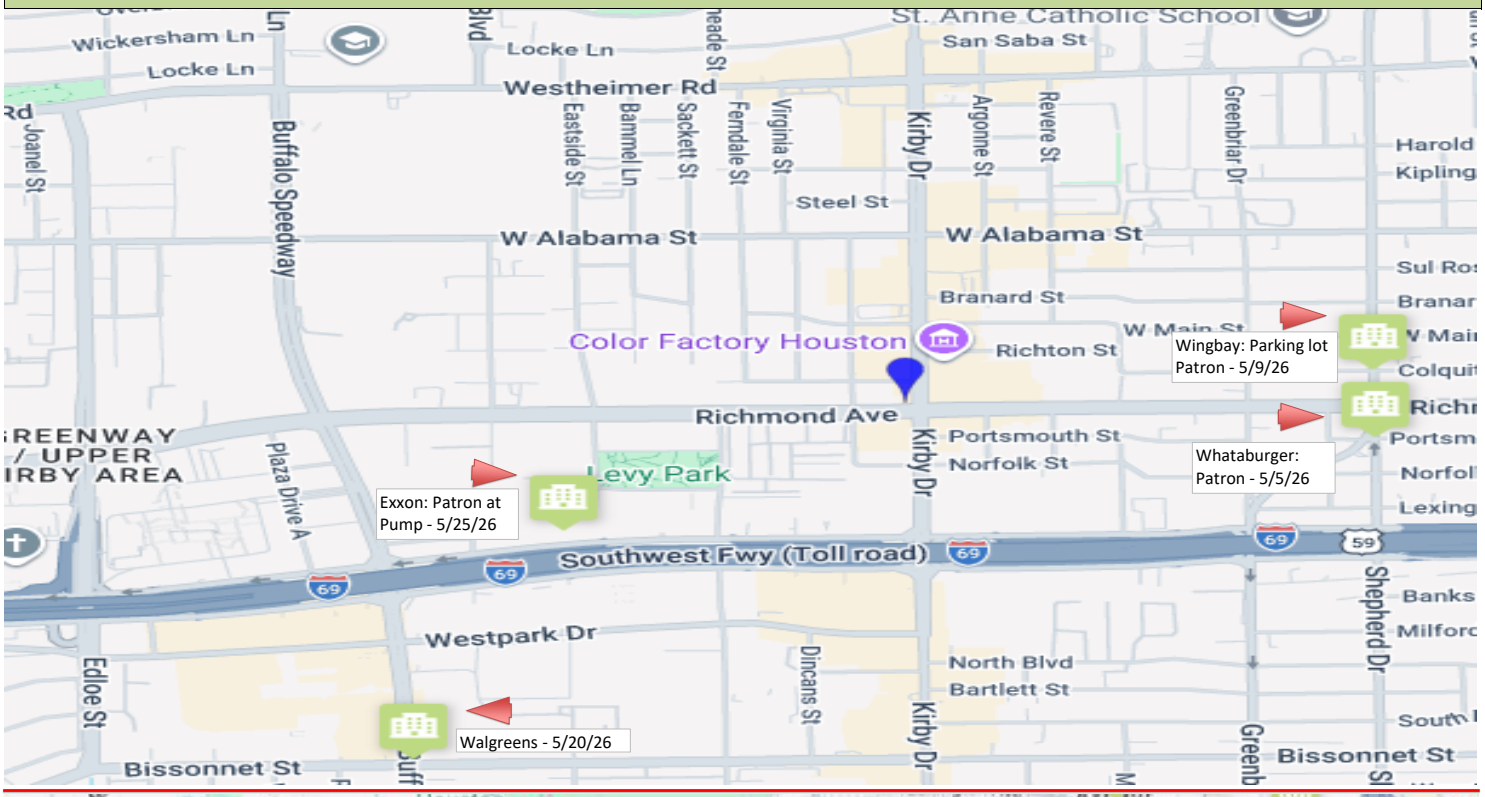
Upper Kirby Crime Map: Sexual Assaults (0)

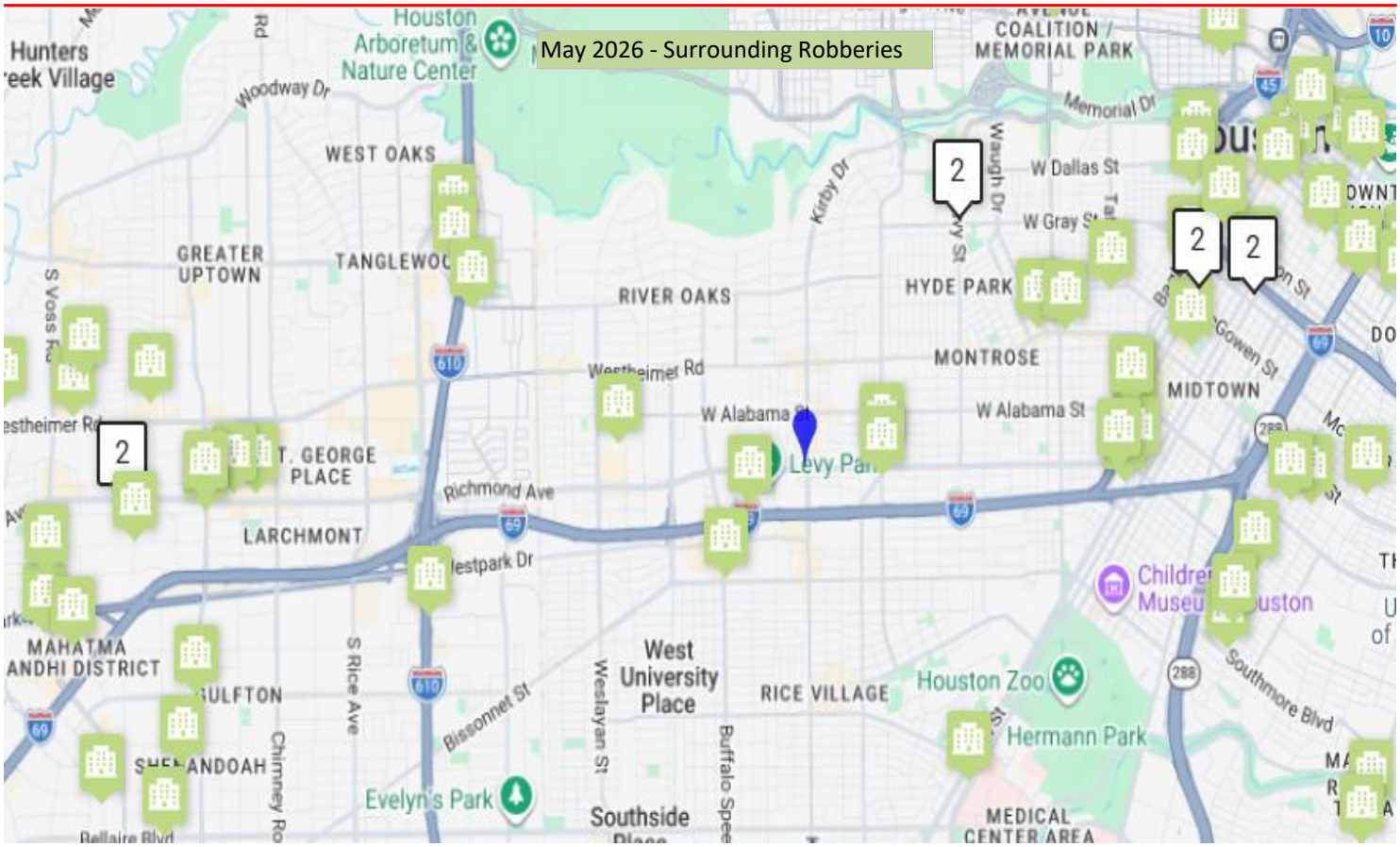


May 2026 - Surrounding Sexual Assaults

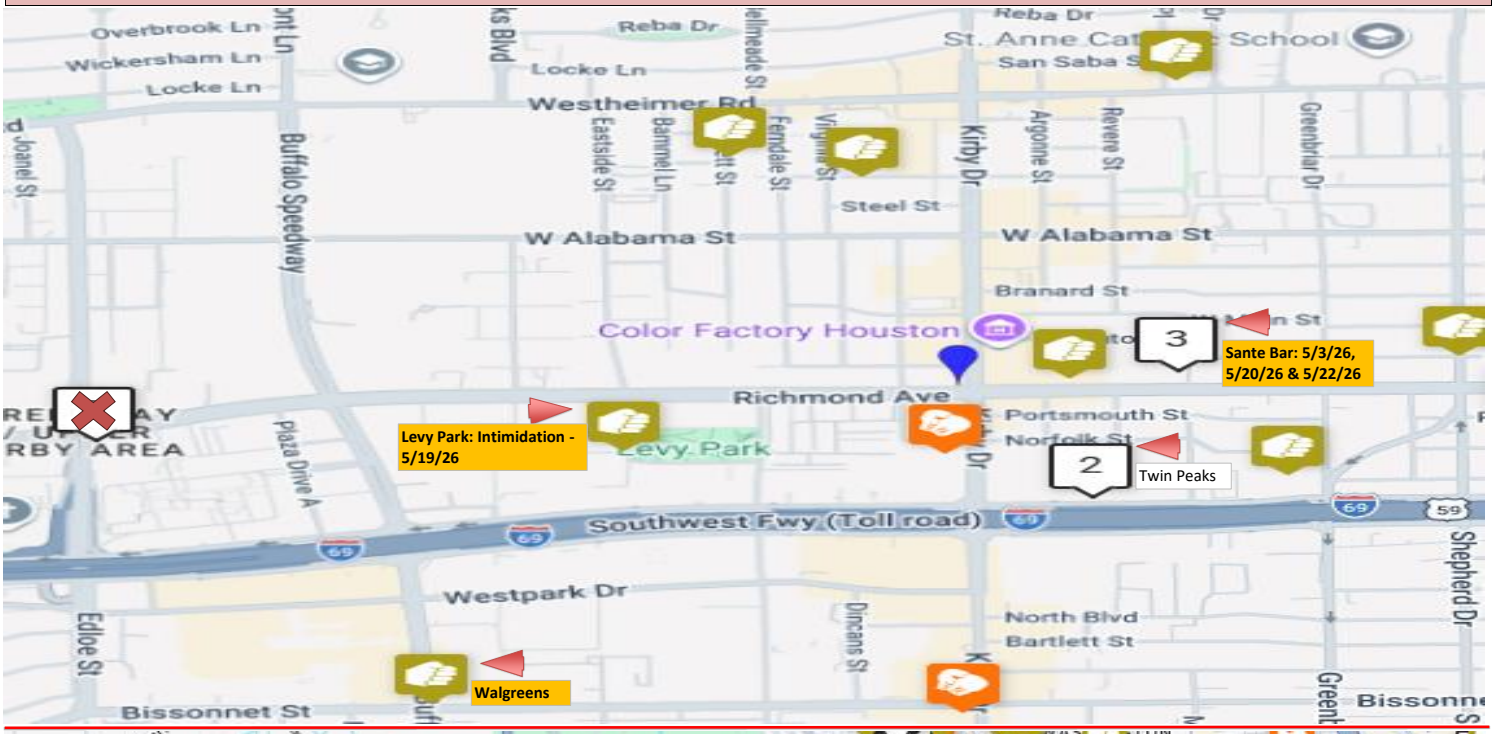


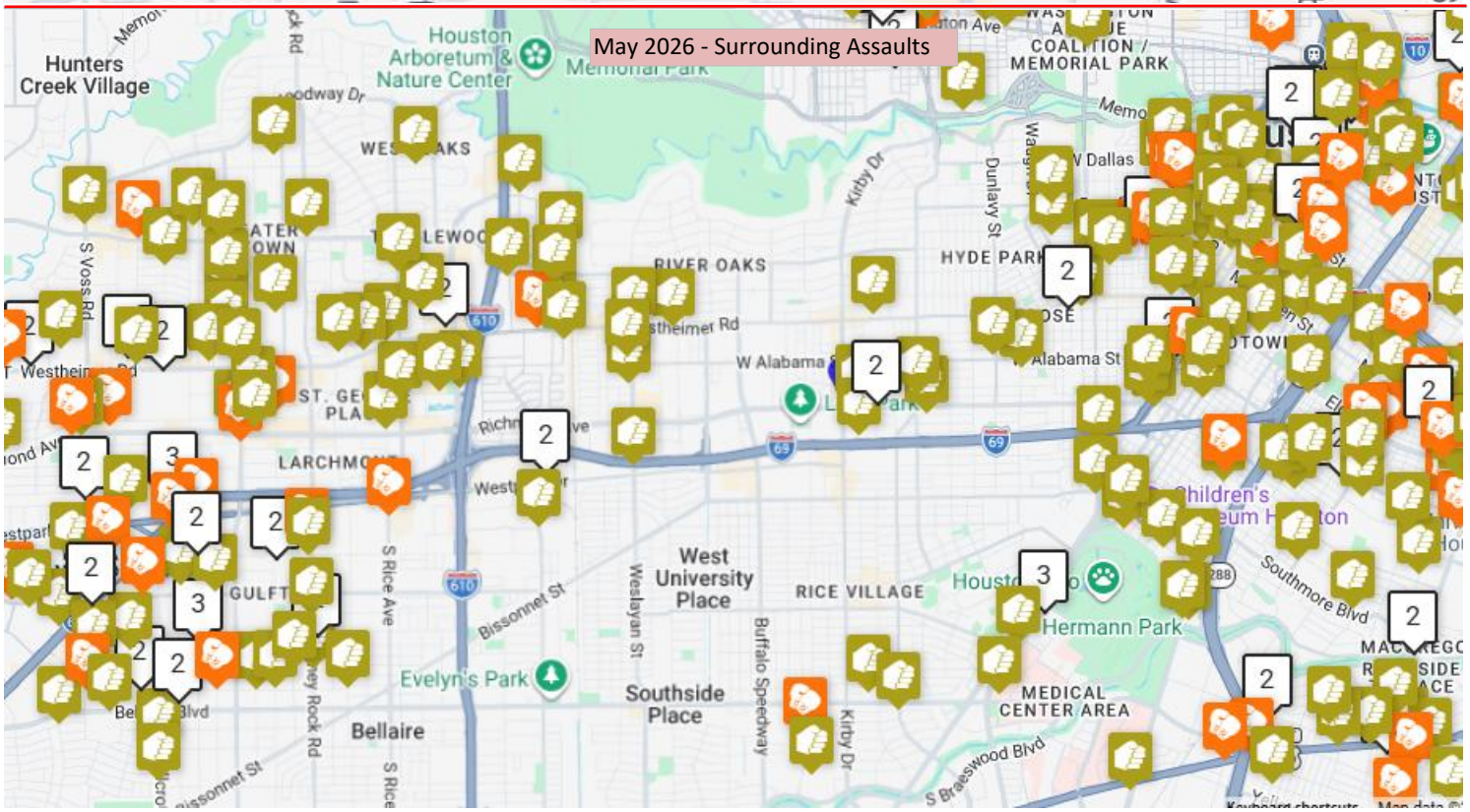
Upper Kirby Crime Map: Robberies (4)



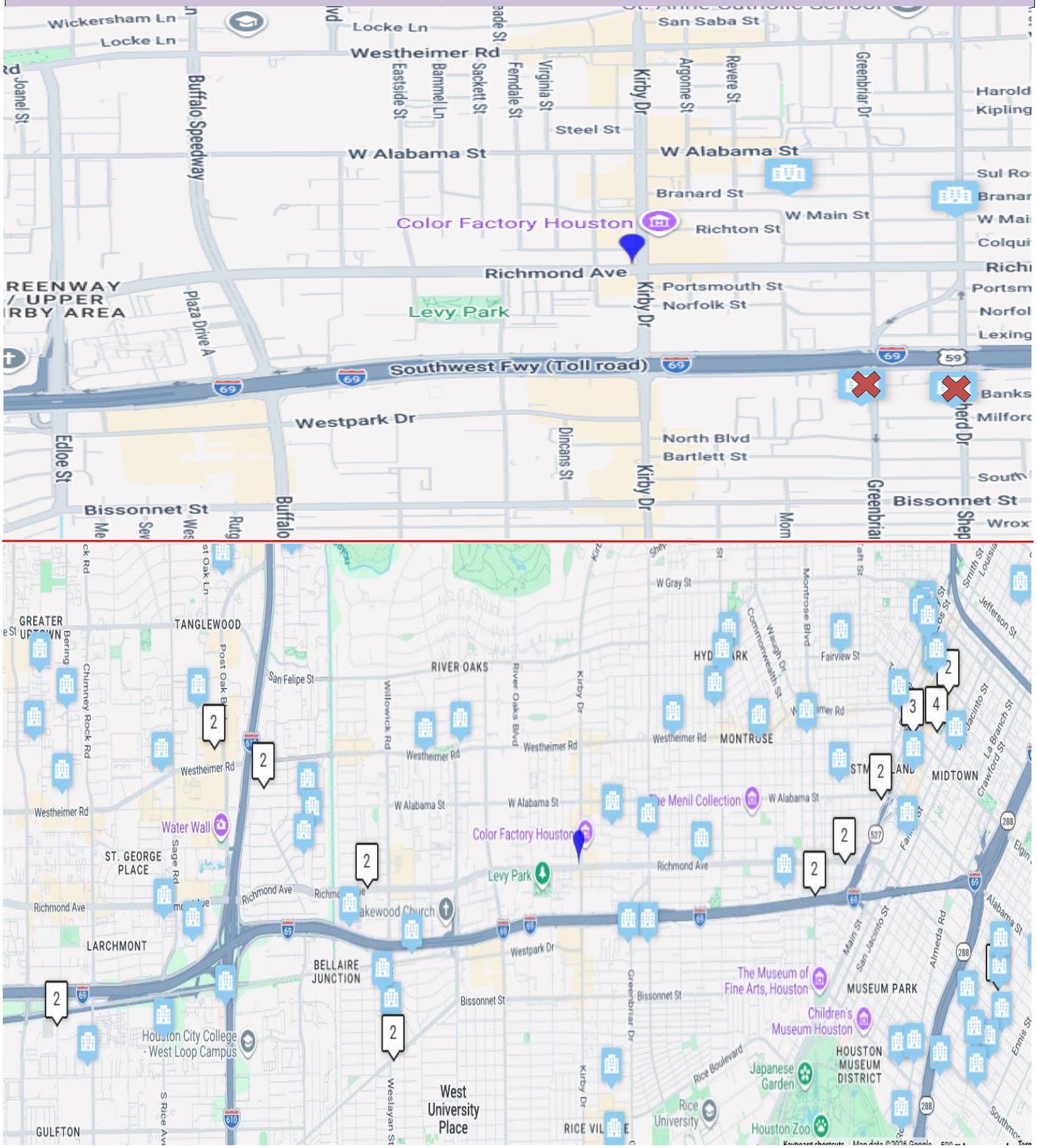


Upper Kirby Crime Map: Assaults (15)

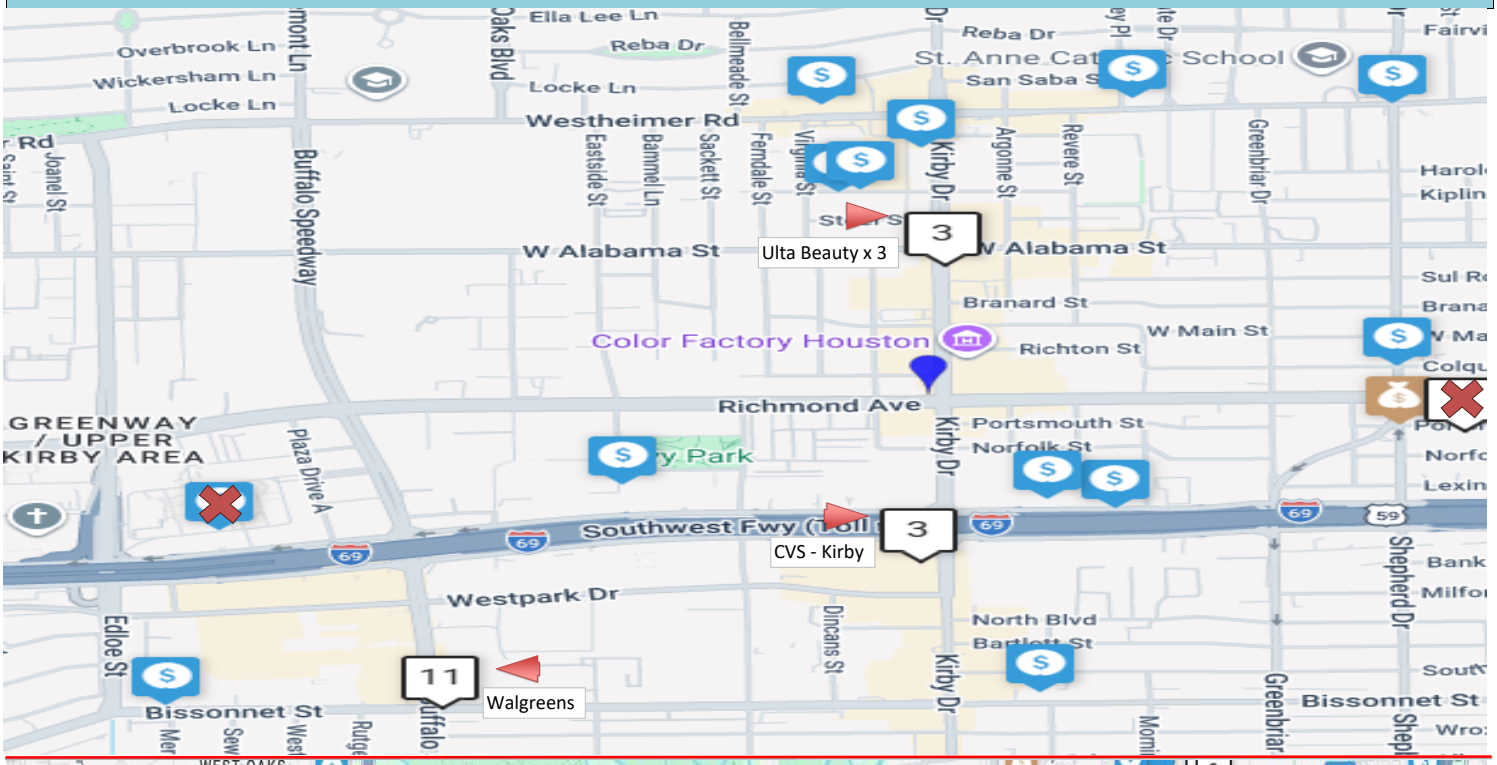




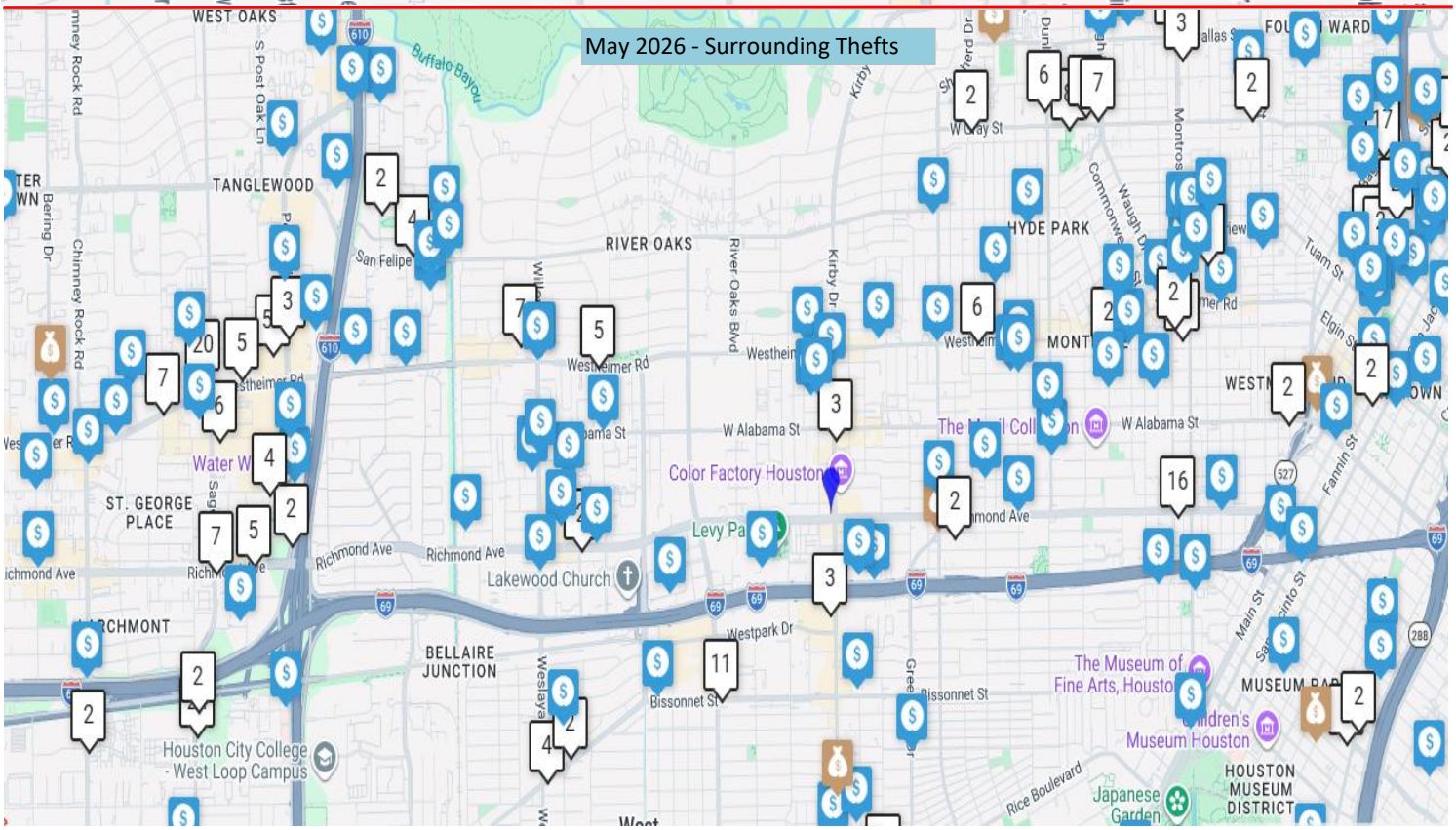
Upper Kirby Crime Map: Commercial / Residential Burglaries (2)



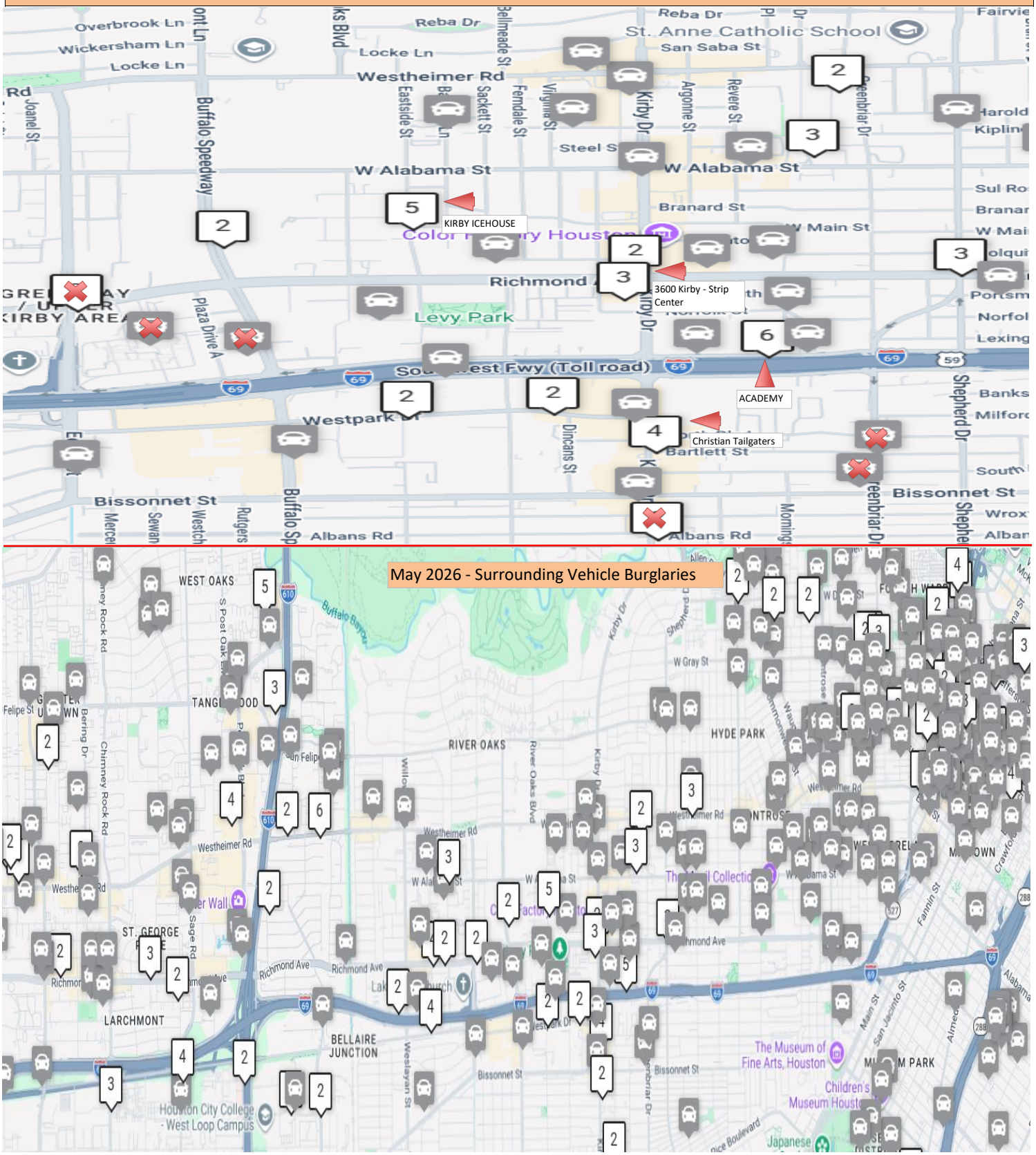
Upper Kirby Crime Map: Thefts (31)



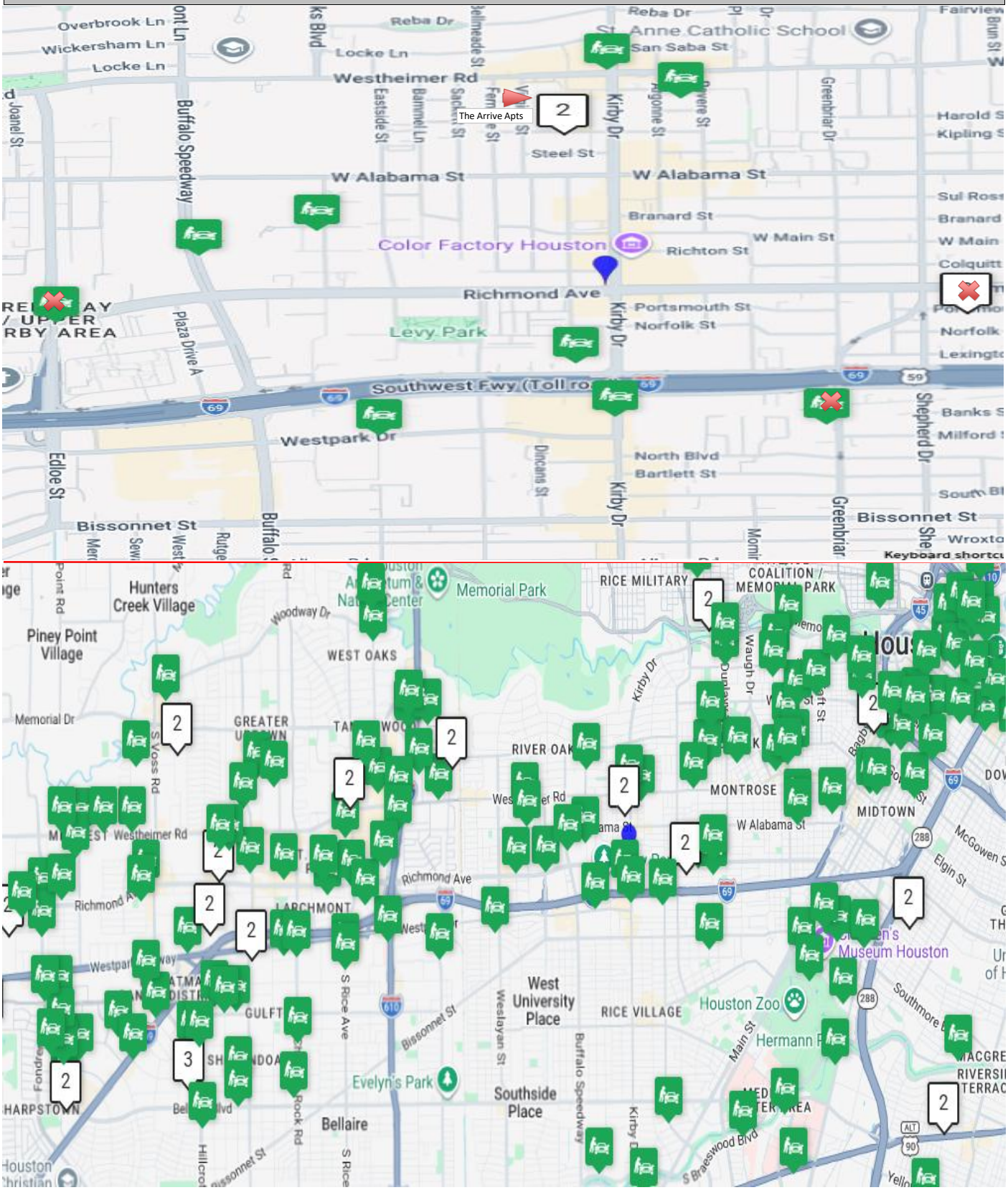
May 2026 - Surrounding Thefts



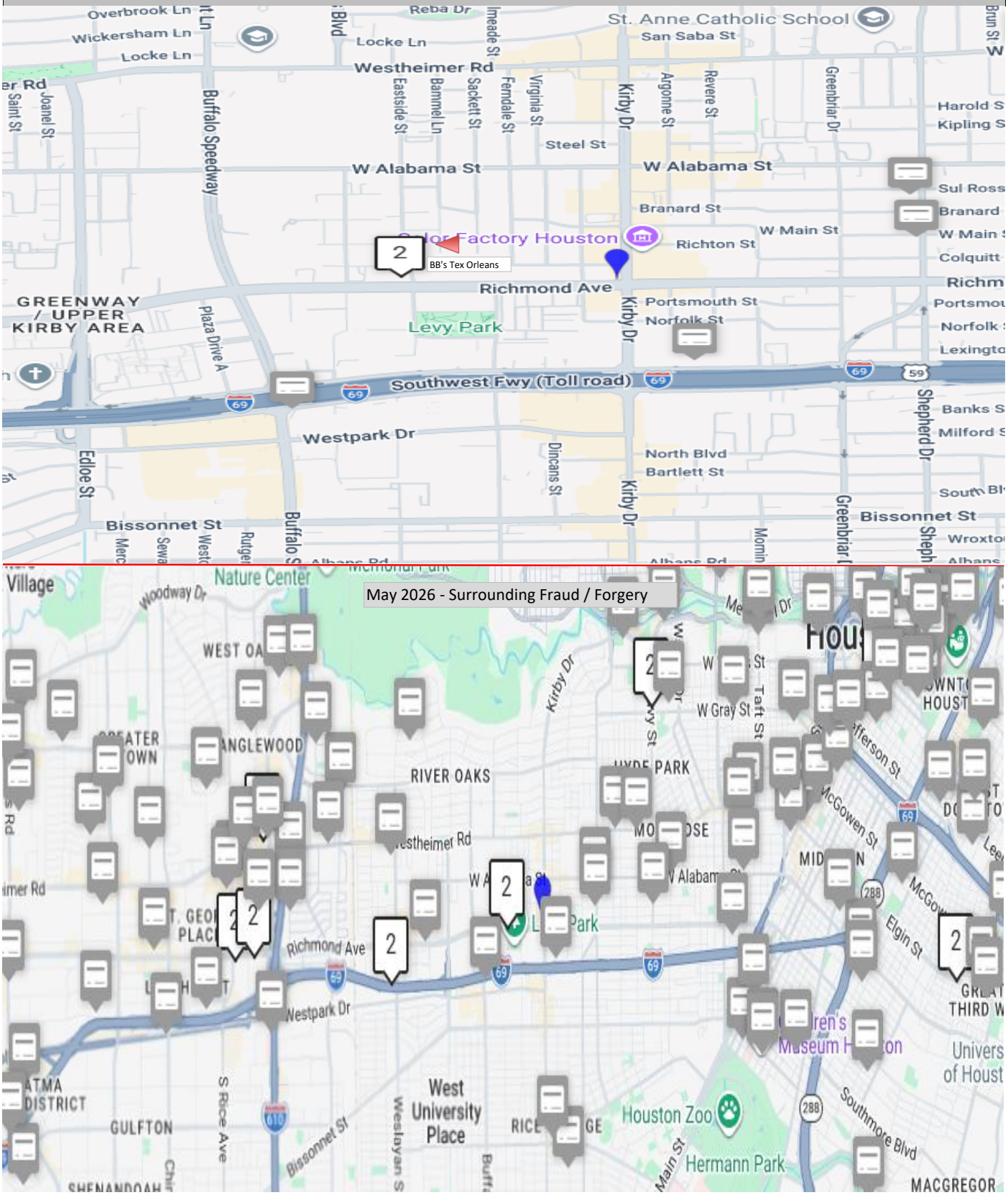
Upper Kirby Crime Map: Motor Vehicle Burglaries (57)



Upper Kirby Crime Map: Auto Theft (9)



Upper Kirby Crime Map: Fraud / Forgery (6)



UTILITY TAX SERVICE, LLC
TAX ASSESSOR - COLLECTORS
1750 W 43rd Street I Houston, Texas 77018 I Voice: 713-688-3855

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
5/31/2026

	Current:	$	131,488.26	
	Prior Years:	$	59,536.31	
Total Receivables as of	5/31/2026	**$**	**191,024.57**	pg 2

May Receipts	**$**	**86,335.38**	pg 3
May Disbursements	**$**	**69,298.19**	pg 3

CURRENT COLLECTIONS & 4 YEAR HISTORICAL DATA

Year	Collections 5/31/2026	Adjustments 5/31/2026	Collections 9/1/21-5/31/2026	Receivables 5/31/2026	Percent Collected
2025	80,935.66	(59,398.55)	5,036,726.13	131,488.26	97.46
2024	1,661.93	(5,795.75)	5,004,359.45	19,078.35	99.62
2023	11.83		5,064,145.77	6,968.95	99.86
2022	28.59		4,747,021.72	5,383.05	99.89
2021			4,467,848.91	4,222.02	99.91

Last Year's Collections as of 5/31/2025: 98.54%

CURRENT CERTIFIED VALUES & 4 YEAR HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2025	0.00371	0.12629	0.13000	4,059,273,631	(83,724,100)	3,975,549,531	5,168,214.39
2024	0.00371	0.12879	0.13250	3,975,020,438	(183,746,626)	3,791,273,812	5,023,437.80
2023	0.00371	0.13129	0.13500	3,904,886,305	(148,505,034)	3,756,381,271	5,071,114.72
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,919,167)	3,520,299,830	4,752,404.77
2021	0.00437	0.13063	0.13500	3,242,603,904	70,041,231	3,312,645,135	4,472,070.93

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
5/31/2026

Receivable at 8/31/2025		$ 104,677.46	
	Uncollectibles	$ (3,064.15)	
	Prior Adjustments:	$ (151,174.09)	$ (49,560.78)
2025 Tax Levy		$ 5,277,055.72	
Adjustments		$ (108,841.33)	$ 5,168,214.39

Tax Collections From: 9/1/2025 - 5/31/2026

2025	$	5,036,726.13
2024	$	(99,483.96)
2023	$	(9,450.66)
2022	$	(17.26)
2021	$	(72.34)
2020	$	(109.68)
2019	$	18.25
2018	$	5.97
2017	$	6.65
2016	$	5.51
2014	$	0.43

($ 4,927,629.04)

TOTAL RECEIVABLE AS OF 5/31/2026 **$ 191,024.57**

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
5/31/2026

		Month of 5/31/2026		Fiscal YTD 10/1/2025-5/31/2026
Receipts:				
Current/Prior Taxes		17,445.33		4,921,031.64
Penalty & Interest		(782.33)		11,999.72
Atty's Fee - Delinquent Coll		689.41		2,641.47
Adjustments		16,415.99		201,695.68
Returned Items/Payment Reversals		52,192.79		187,210.72
Unclaimed Overpayments		216.47		216.47
Bank Interest		157.72		6,949.76
Special Inventory Tax				35,861.12
TOTAL RECEIPTS:	**$**	**86,335.38**	**$**	**5,367,606.58**
Disbursements:				
Adjustment Refunds		(16,415.99)		(201,695.68)
Returned Items/Payment Reversals		(52,192.79)		(187,210.72)
County A/C Fee				(4,875.92)
Atty's Fee-Delinquent Coll		(689.41)		(2,641.47)
TOTAL DISBURSEMENTS:	$	(69,298.19)	$	(396,423.79)

County A/C Fees Paid

Fiscal Year 7/1/2025 thru 5/31/2026	4,005.15	($3,985.69 Estimate)

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
5/31/2026

CURRENT COLLECTIONS & HISTORICAL DATA

Year	Collections 5/31/2026	Adjustments 5/31/2026	Uncollectibles 5/31/2026	Collections 9/1/02-5/31/2026	Receivables 5/31/2026	Percent Collected
2025	80,935.66	(59,398.55)		5,036,726.13	131,488.26	97.46
2024	1,661.93	(5,795.75)		5,004,359.45	19,078.35	99.62
2023	11.83			5,064,145.77	6,968.95	99.86
2022	28.59			4,747,021.72	5,383.05	99.89
2021				4,467,848.91	4,222.02	99.91
2020	1.62			4,427,490.87	10,038.76	99.77
2019				4,143,903.00	3,344.23	99.92
2018				3,972,819.12	3,094.06	99.92
2017				3,946,151.61	3,997.24	99.90
2016				4,094,379.62	2,625.48	99.94
2015				3,562,186.76	286.62	99.99
2014				3,185,055.44	251.67	99.99
2013				2,709,337.70	144.08	99.99
2012				2,362,777.87	49.76	99.99
2011				2,212,265.82	50.65	99.99
2010				2,128,342.91	1.39	99.99
2009				2,116,045.06		100.00
2008				2,023,101.50		100.00
2007				1,551,089.74		100.00
2006				1,295,895.63		100.00
2005				1,234,450.30		100.00
2004				1,183,763.58		100.00
2003				1,176,492.84		100.00
2002			3,064.15	1,137,294.72		100.00
Total				**72,782,946.07**	**191,024.57**	**99.73**

CURRENT CERTIFIED VALUES & HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2025	0.00371	0.12629	0.13000	4,059,273,631	(83,724,100)	3,975,549,531	5,168,214.39
2024	0.00371	0.12879	0.13250	3,975,020,438	(183,746,626)	3,791,273,812	5,023,437.80
2023	0.00371	0.13129	0.13500	3,904,886,305	(148,505,034)	3,756,381,271	5,071,114.72
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,919,167)	3,520,299,830	4,752,404.77
2021	0.00437	0.13063	0.13500	3,242,603,904	70,041,231	3,312,645,135	4,472,070.93
2020	0.00420	0.13080	0.13500	3,240,353,904	46,705,084	3,287,058,988	4,437,529.63
2019	0.00452	0.13048	0.13500	3,093,900,525	(21,865,535)	3,072,034,990	4,147,247.23
2018	0.00487	0.13013	0.13500	2,927,322,899	17,797,979	2,945,120,878	3,975,913.18
2017	0.00520	0.13480	0.14000	2,845,085,595	(23,550,701)	2,821,534,894	3,950,148.85
2016	0.00595	0.14405	0.15000	2,726,739,654	4,597,080	2,731,336,734	4,097,005.10
2015	0.00595	0.14405	0.15000	2,295,134,148	79,848,106	2,374,982,254	3,562,473.38
2014	0.00680	0.14320	0.15000	2,053,214,277	70,323,794	2,123,538,071	3,185,307.11
2013	0.00830	0.14170	0.15000	1,706,691,342	99,629,844	1,806,321,186	2,709,481.78
2012	0.00000	0.15000	0.15000	1,484,341,651	90,876,767	1,575,218,418	2,362,827.63
2011	0.00000	0.15000	0.15000	1,324,980,717	149,896,928	1,474,877,645	2,212,316.47
2010	0.00000	0.15000	0.15000	1,288,477,923	130,418,278	1,418,896,201	2,128,344.30
2009	0.00000	0.15000	0.15000	1,364,387,616	46,309,090	1,410,696,706	2,116,045.06
2008	0.00000	0.15000	0.15000	1,285,194,487	63,539,843	1,348,734,330	2,023,101.50
2007	0.00000	0.13500	0.13500	1,092,363,596	56,591,767	1,148,955,363	1,551,089.74
2006	0.00000	0.12600	0.12600	910,413,139	118,075,454	1,028,488,593	1,295,895.63
2005	0.00000	0.12959	0.12959	729,921,507	222,659,945	952,581,452	1,234,450.30
2004	0.00000	0.12959	0.12959	913,468,310		913,468,310	1,183,763.58
2003	0.00000	0.13000	0.13000	904,994,490		904,994,490	1,176,492.84
2002	0.00000	0.13000	0.13000	877,199,130		877,199,130	1,140,358.87
Total							**72,977,034.79**

UTILITY TAX SERVICE, LLC
TAX ASSESSOR - COLLECTORS
1750 W 43rd Street I Houston, Texas 77018 I Voice: 713-688-3855

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
3/31/2026

	Current:	$	195,340.37	
	Prior Years:	$	65,684.23	
Total Receivables as of	3/31/2026	**$**	**261,024.60**	pg 2

March Receipts **$ 140,557.23** pg 3

March Disbursements **$ 71,603.35** pg 3

CURRENT COLLECTIONS & 4 YEAR HISTORICAL DATA

Year	Collections 3/31/2026	Adjustments 3/31/2026	Collections 9/1/21-3/31/2026	Receivables 3/31/2026	Percent Collected
2025	132,813.04	(66,162.37)	5,011,653.82	195,340.37	96.25
2024	1,704.04	(3,597.71)	5,008,049.32	22,383.90	99.56
2023	21.82		5,064,107.64	7,007.08	99.86
2022			4,746,929.72	5,475.05	99.88
2021	33.16		4,467,837.15	4,233.78	99.91

Last Year's Collections as of 3/31/2025: 98.23%

CURRENT CERTIFIED VALUES & 4 YEAR HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2025	0.00371	0.12629	0.13000	4,059,273,631	(53,893,485)	4,005,380,146	5,206,994.19
2024	0.00371	0.12879	0.13250	3,975,020,438	(178,467,064)	3,796,553,374	5,030,433.22
2023	0.00371	0.13129	0.13500	3,904,886,305	(148,505,034)	3,756,381,271	5,071,114.72
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,919,167)	3,520,299,830	4,752,404.77
2021	0.00437	0.13063	0.13500	3,242,603,904	70,041,231	3,312,645,135	4,472,070.93

$530,182.74 Estimated Refunds due to Unsettled Lawsuits at HCAD

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
3/31/2026

Receivable at 8/31/2025		$ 104,677.46	
	Uncollectibles	$ (3,064.15)	
	Prior Adjustments:	$ (141,484.93)	$ (39,871.62)
2025 Tax Levy		$ 5,277,055.72	
Adjustments		$ (70,061.53)	$ 5,206,994.19

Tax Collections From: 9/1/2025 - 3/31/2026

2025	$	5,011,653.82
2024	$	(95,794.09)
2023	$	(9,488.79)
2022	$	(109.26)
2021	$	(84.10)
2020	$	(116.42)
2019	$	18.25
2018	$	5.97
2017	$	6.65
2016	$	5.51
2014	$	0.43

($ 4,906,097.97)

TOTAL RECEIVABLE AS OF 3/31/2026 **$ 261,024.60**

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
3/31/2026

		Month of 3/31/2026		Fiscal YTD 10/1/2025-3/31/2026
Receipts:				
Current/Prior Taxes		64,811.98		4,899,500.57
Penalty & Interest		1,123.83		15,371.03
Atty's Fee - Delinquent Coll		97.20		1,535.66
Adjustments		16,497.35		164,010.10
Returned Items/Payment Reversals		55,008.80		80,069.30
Unclaimed Overpayments				
Bank Interest		3,018.07		6,568.46
Special Inventory Tax				35,861.12
TOTAL RECEIPTS:	**$**	**140,557.23**	**$**	**5,202,916.24**
Disbursements:				
Adjustment Refunds		(16,497.35)		(164,010.10)
Returned Items/Payment Reversals		(55,008.80)		(80,069.30)
County A/C Fee				(4,875.92)
Atty's Fee-Delinquent Coll		(97.20)		(1,535.66)
TOTAL DISBURSEMENTS:	$	(71,603.35)	$	(250,490.98)

County A/C Fees Paid

Fiscal Year 7/1/2025 thru 3/31/2026	4,005.15	($3,985.69 Estimate)

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
3/31/2026

CURRENT COLLECTIONS & HISTORICAL DATA

Year	Collections 3/31/2026	Adjustments 3/31/2026	Uncollectibles 3/31/2026	Collections 9/1/02-3/31/2026	Receivables 3/31/2026	Percent Collected
2025	132,813.04	(66,162.37)		5,011,653.82	195,340.37	96.25
2024	1,704.04	(3,597.71)		5,008,049.32	22,383.90	99.56
2023	21.82			5,064,107.64	7,007.08	99.86
2022				4,746,929.72	5,475.05	99.88
2021	33.16			4,467,837.15	4,233.78	99.91
2020				4,427,484.13	10,045.50	99.77
2019				4,143,903.00	3,344.23	99.92
2018				3,972,819.12	3,086.08	99.92
2017				3,946,151.61	3,997.24	99.90
2016				4,094,379.62	2,625.48	99.94
2015				3,562,186.76	2,407.89	99.93
2014				3,185,055.44	780.75	99.98
2013				2,709,337.70	149.56	99.99
2012				2,362,777.87	49.76	99.99
2011				2,212,265.82	50.65	99.99
2010				2,128,342.91	1.39	99.99
2009				2,116,045.06		100.00
2008				2,023,101.50	45.89	99.99
2007				1,551,089.74		100.00
2006				1,295,895.63		100.00
2005				1,234,450.30		100.00
2004				1,183,763.58		100.00
2003				1,176,492.84		100.00
2002			3,064.15	1,137,294.72		100.00
Total				**72,761,415.00**	**261,024.60**	**99.64**

CURRENT CERTIFIED VALUES & HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2025	0.00371	0.12629	0.13000	4,059,273,631	(53,893,485)	4,005,380,146	5,206,994.19
2024	0.00371	0.12879	0.13250	3,975,020,438	(178,467,064)	3,796,553,374	5,030,433.22
2023	0.00371	0.13129	0.13500	3,904,886,305	(148,505,034)	3,756,381,271	5,071,114.72
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,919,167)	3,520,299,830	4,752,404.77
2021	0.00437	0.13063	0.13500	3,242,603,904	70,041,231	3,312,645,135	4,472,070.93
2020	0.00420	0.13080	0.13500	3,240,353,904	46,705,084	3,287,058,988	4,437,529.63
2019	0.00452	0.13048	0.13500	3,093,900,525	(21,865,535)	3,072,034,990	4,147,247.23
2018	0.00487	0.13013	0.13500	2,927,322,899	17,792,067	2,945,114,966	3,975,905.20
2017	0.00520	0.13480	0.14000	2,845,085,595	(23,550,701)	2,821,534,894	3,950,148.85
2016	0.00595	0.14405	0.15000	2,726,739,654	4,597,080	2,731,336,734	4,097,005.10
2015	0.00595	0.14405	0.15000	2,295,134,148	81,262,286	2,376,396,434	3,564,594.65
2014	0.00680	0.14320	0.15000	2,053,214,277	70,676,514	2,123,890,791	3,185,836.19
2013	0.00830	0.14170	0.15000	1,706,691,342	99,633,498	1,806,324,840	2,709,487.26
2012	0.00000	0.15000	0.15000	1,484,341,651	90,876,767	1,575,218,418	2,362,827.63
2011	0.00000	0.15000	0.15000	1,324,980,717	149,896,928	1,474,877,645	2,212,316.47
2010	0.00000	0.15000	0.15000	1,288,477,923	130,418,278	1,418,896,201	2,128,344.30
2009	0.00000	0.15000	0.15000	1,364,387,616	46,309,090	1,410,696,706	2,116,045.06
2008	0.00000	0.15000	0.15000	1,285,194,487	63,570,437	1,348,764,924	2,023,147.39
2007	0.00000	0.13500	0.13500	1,092,363,596	56,591,767	1,148,955,363	1,551,089.74
2006	0.00000	0.12600	0.12600	910,413,139	118,075,454	1,028,488,593	1,295,895.63
2005	0.00000	0.12959	0.12959	729,921,507	222,659,945	952,581,452	1,234,450.30
2004	0.00000	0.12959	0.12959	913,468,310		913,468,310	1,183,763.58
2003	0.00000	0.13000	0.13000	904,994,490		904,994,490	1,176,492.84
2002	0.00000	0.13000	0.13000	877,199,130		877,199,130	1,140,358.87
Total							**73,025,503.75**

Project Status Report as of June 19, 2026

CONSTRUCTION PROJECTS

Shepherd Drainage and Roadway Improvements: Construction contractor is Harper Brothers Construction, LLC. The construction start date was March 20, 2021, and the total contract time is 912 days. The contract completion date was September 17, 2023, and was extended to January 24, 2024, by Change Order. The contractor is over 100% complete due to several quantity over-runs and the contractor is substantially complete as of January 23, 2024.

Project progress is as follows.

1. All work is complete.

DESIGN PROJECTS:

West Alabama Improvements: LAN is providing final design services for West Alabama. 100% design plans for West Alabama from Kirby to Buffalo Speedway were submitted to City of Houston. The design team addressed all the comments from HPW's review. It is back at City of Houston for approval. The estimated construction start is now October.

1. Package 1 – Buffalo Speedway to Kirby
    a. At City of Houston for final approval.
2. Package 2 – Kirby to Shepherd
    a. Estimated at 55% completion.
    b. Expect 60% submittal by June 30, 2026.

Buffalo Speedway DCR: Ardurra finalized the DCR for Buffalo Speedway between Westheimer and US59. Ardurra prepared the Stage 1 (existing conditions), Stage 2 and Stage 3 DCR to City of Houston and conducted the DCR presentation to City of Houston. The DCR was approved by City of Houston and RDAI is being prepared for City of Houston signatures.

Buffalo Speedway Design Management: Halff Associates will start working on the design of Buffalo Speedway and the first phase will be between Richmond and West Alabama.

Kirby Drive DCR: Ardurra is currently working on the DCR for Kirby Drive between US59 and Bissonnet Street. Ardurra prepared the Stage 1 (existing conditions) DCR and presented to the City of Houston. Ardurra is submitting the Stage 2 and Stage 3 DCR report to HPW next week and will schedule a presentation with Houston Public Works.

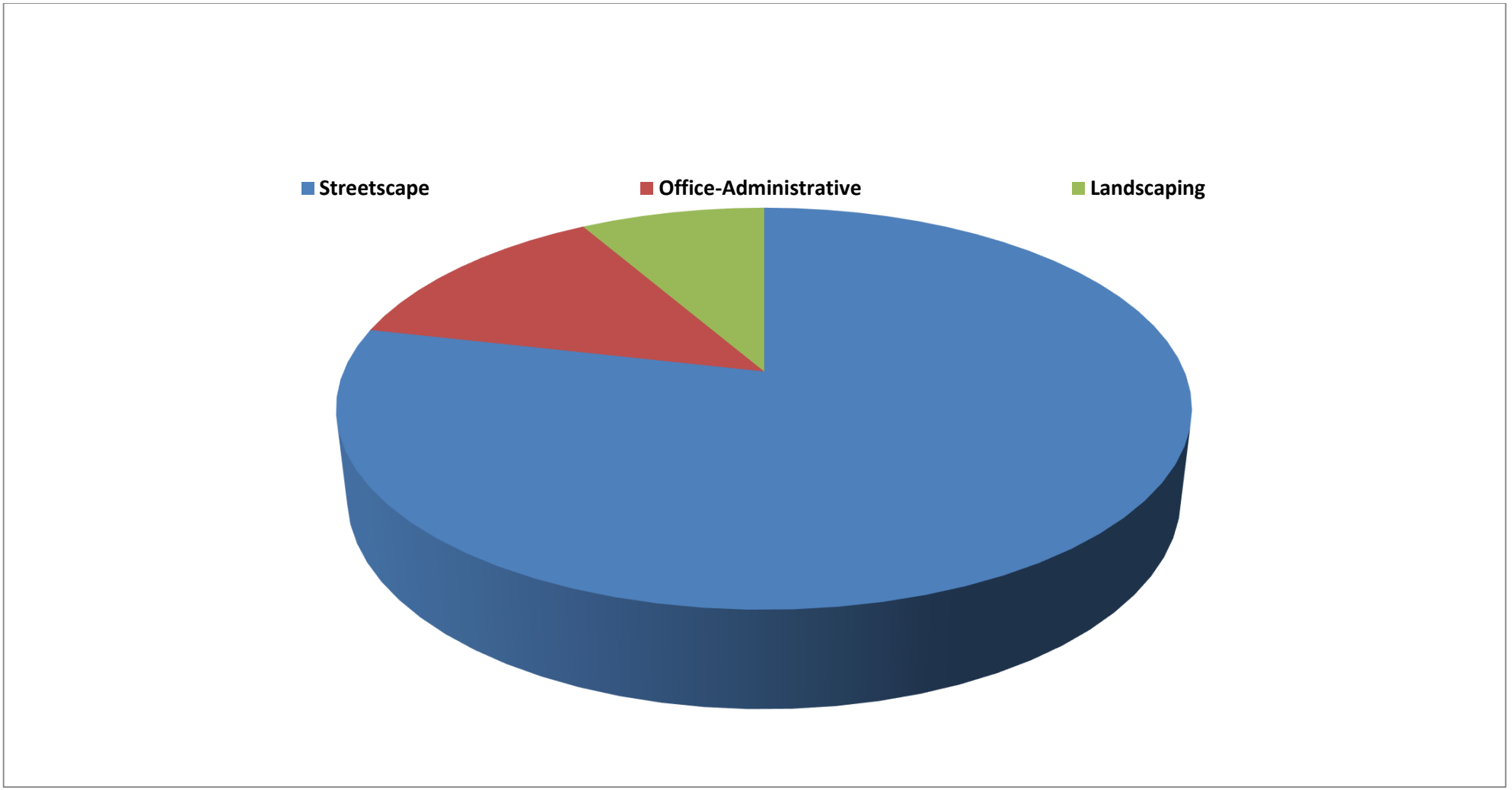
Bissonnet between Buffalo Speedway and Edloe DCR: Ardurra has started work on the DCR for the project and will initiate the traffic counts once the schools open after the summer break.

Upper Kirby Projects - 12 month look ahead

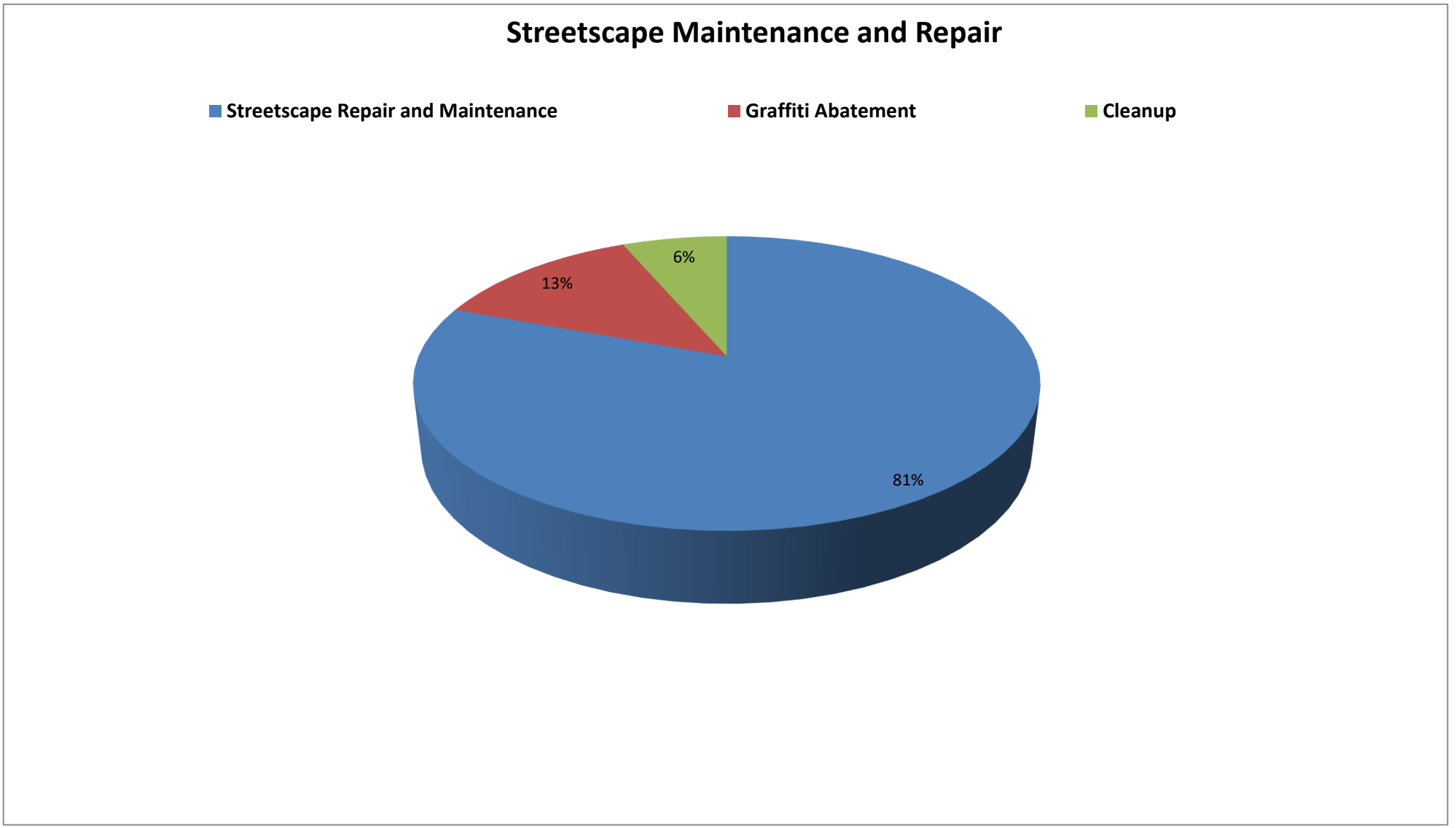
June, 2026

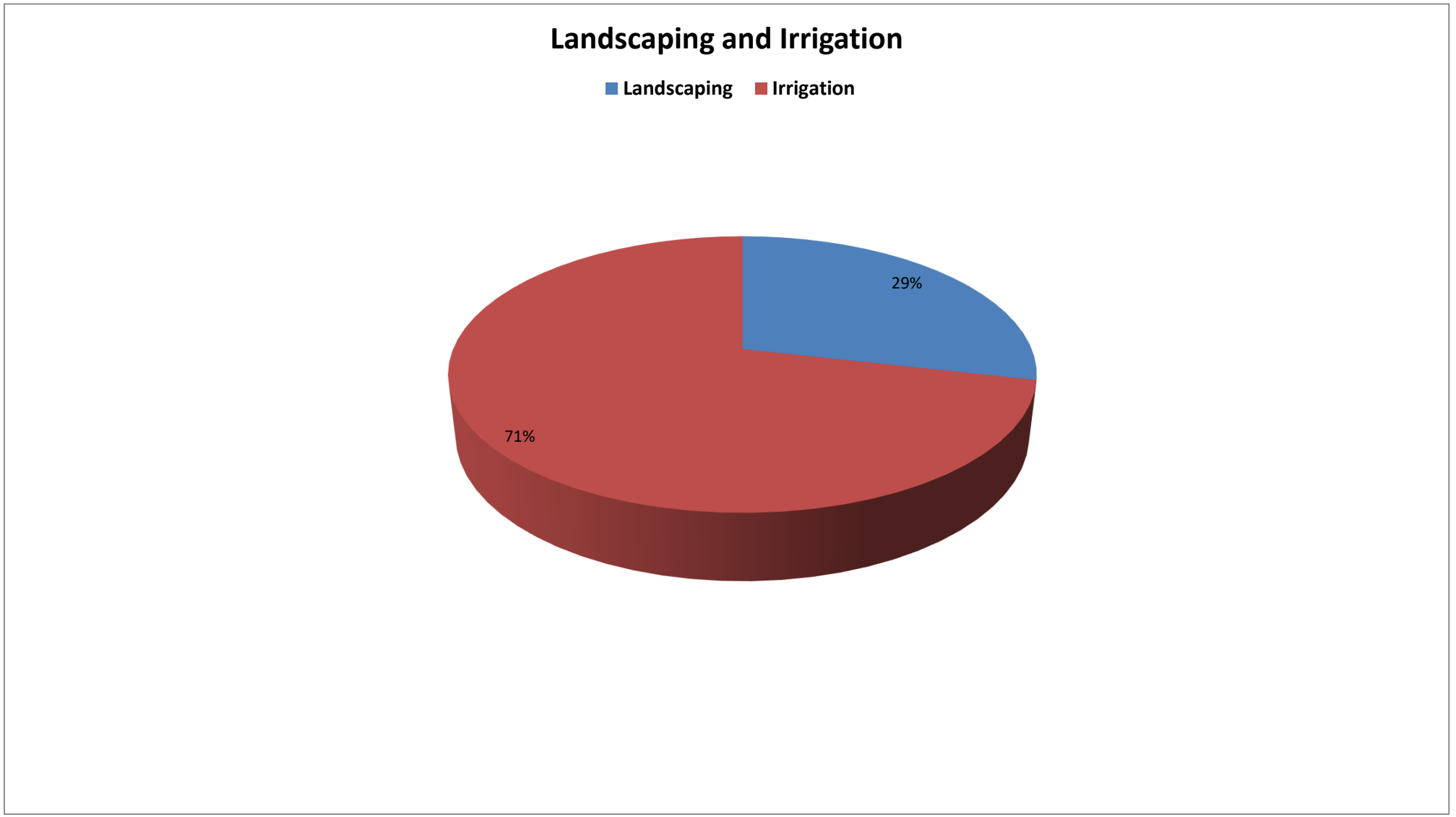
		Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27
Shepherd Reconstruction Westheimer to US 59	Design												
	Bid Phase												
	Construction												
West Alabama - Buffalo Speedway to Kirby	Design												
	Bid Phase												
	Construction												
West Alabama - Kirby to Shepherd	Design												
	Bid Phase												
	Construction												
Buffalo Speedway - Westheimer to US 59 Design	Design												
	Bid Phase												
	Construction												
Kirby - US59 to Bissonnet Design Concept Report	Design												
	Bid Phase												
	Construction												

Upper Kirby Work Order Summary
May 2026

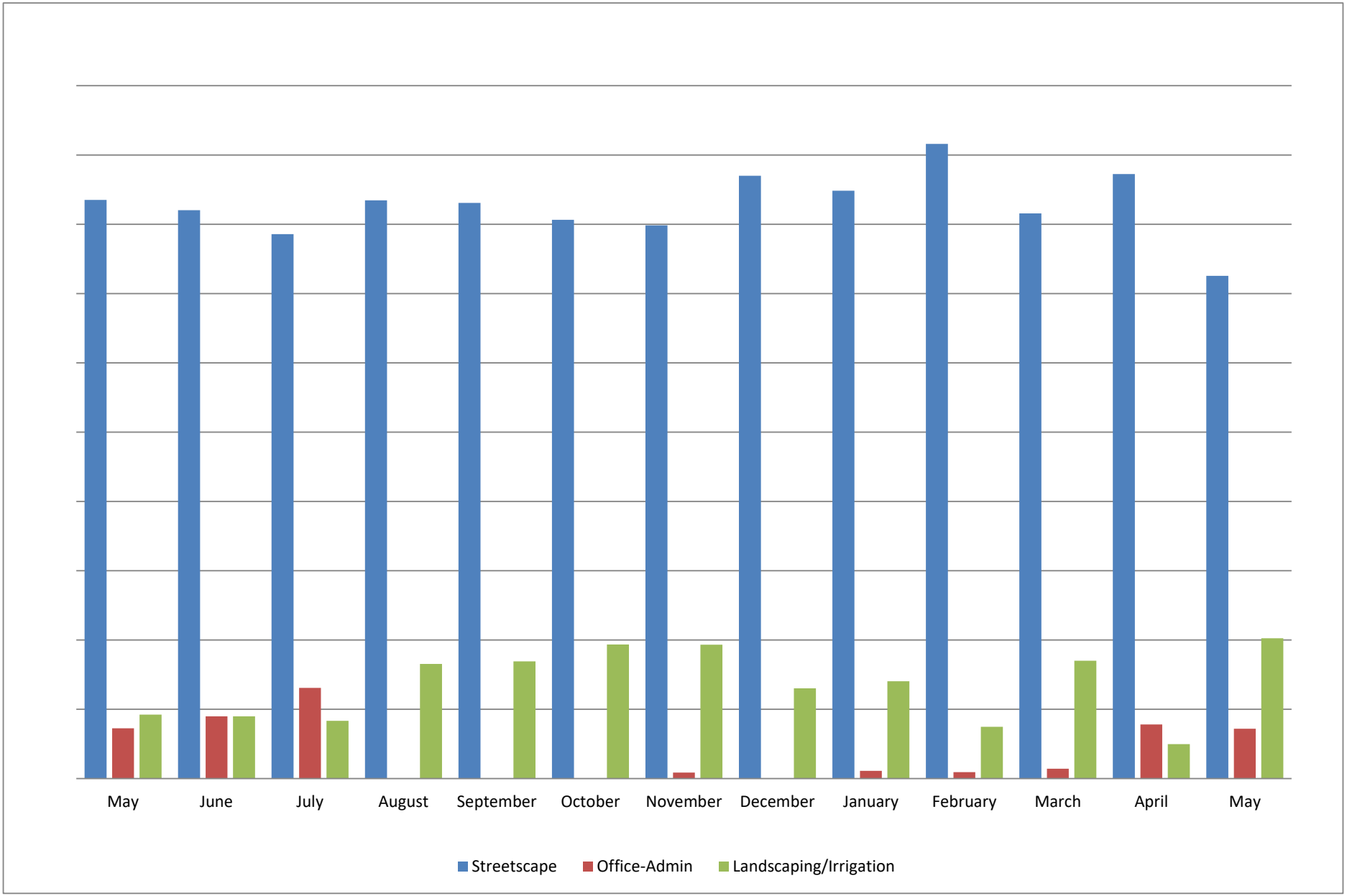


Zone	Labor Hours	Materials	Labor Cost
Streetscape	66.00	$ -	$ 1,914.00
Office-Administrative	11.00	$ -	$ 319.00
Landscaping	7.00	$ -	$ 203.00
Total	**84.00**	**$ -**	**$ 2,436.00**


Streetscape Maintenance and Repair
Streetscape Repair and Maintenance
Graffiti Abatement
Cleanup
6%
13%
81%


Landscaping and Irrigation
Landscaping
Irrigation
29%
71%

Monthly Work Order Summary
May 2025 - May 2026



Monthly Work Order Summary
Streetscape Maintenance

Address/ Intersection	Date Created	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	5/1/26	District Drive	2.00		
UK District	5/1/26	Litter/Trash	1.00		
UK District	5/2/26	District Drive	2.00		
UK District	5/2/26	Graffiti	2.00		Posters on bus Shelter/Shephard
UK District	5/2/26	Litter/Trash	1.00		
UK District	5/2/26	Phone Booths	1.00		
UK District	5/4/26	Company Truck	1.00		
UK District	5/4/26	District Drive	2.00		
UK District	5/4/26	Litter/Trash	1.00		
UK District	5/5/26	Company Truck	1.00		
UK District	5/5/26	District Drive	1.00		
UK District	5/9/26	District Drive	2.00		
UK District	5/9/26	Signage	1.00		
UK District	5/9/26	Street Repairs	1.00		
UK District	5/10/26	Company Truck	1.00		
UK District	5/10/26	District Drive	1.00		
UK District	5/10/26	Signage	1.00		
UK District	5/11/26	Company Truck	1.00		
UK District	5/11/26	District Drive	2.00		
UK District	5/11/26	Street Repairs	1.00		
UK District	5/12/26	Company Truck	1.00		
UK District	5/12/26	District Drive	1.00		
UK District	5/12/26	Litter/Trash	1.00		
UK District	5/12/26	Signage	1.00		
UK District	5/15/26	District Drive	1.00		
UK District	5/16/26	District Drive	2.00		
UK District	5/16/26	Litter/Trash	1.00		
UK District	5/17/26	District Drive	1.00		
UK District	5/17/26	Phone Booths	1.00		
UK District	5/18/26	Company Truck	1.00		
UK District	5/18/26	District Drive	2.00		
UK District	5/19/26	Company Truck	1.00		
UK District	5/19/26	District Drive	1.00		
UK District	5/19/26	Street Repairs	1.00		
UK District	5/23/26	District Drive	2.00		
UK District	5/23/26	Litter/Trash	1.00		
UK District	5/24/26	Company Truck	1.00		
UK District	5/24/26	District Drive	1.00		
UK District	5/24/26	Litter/Trash	1.00		
UK District	5/25/26	Company Truck	1.00		
UK District	5/25/26	District Drive	2.00		
UK District	5/26/26	Company Truck	1.00		
UK District	5/26/26	District Drive	1.00		
UK District	5/29/26	District Drive	2.00		
UK District	5/30/26	Company Truck	1.00		
UK District	5/30/26	District Drive	1.00		

Monthly Work Order Summary
Streetscape Maintenance

UK District	5/30/26	Graffiti	3.00		
UK District	5/31/26	Company Truck	1.00		
UK District	5/31/26	District Drive	2.00		
UK District	5/31/26	Graffiti	3.00		Large graffiti on boxes at Kirby, Richmond and
		Sum:	**66.00**	**0.00**	

Monthly Work Order Summary

Landscape and Irrigation

Address/ Intersection	Date Created	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	5/9/26	Irrigation	1.00		
UK District	5/9/26	Landscaping	1.00		
UK District	5/15/26	Irrigation	1.00		
UK District	5/16/26	Irrigation	1.00		
UK District	5/17/26	Landscaping	1.00		
UK District	5/18/26	Irrigation	1.00		
UK District	5/23/26	Irrigation	1.00		
		Sum:	**7.00**	**0.00**	

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet
Governmental Fund Type and Account Group
April 30, 2026

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 1,935,541				$ 1,935,541
Texpool	7,086,312	188,216	15,167,370		22,441,898
Accounts Receivable - Other	331,748				331,748
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 9,456,379**	**$ 188,216**	**$ 15,167,370**	**$ -**	**$ 24,811,965**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 261,776				$ 261,776
Total Liabilities	261,776	-	-	-	261,776
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		188,216			188,216
Restricted for Capital Projects			15,167,370		15,167,370
Fund Balance:					
Assigned	9,194,603			-	9,194,603
Total Equity	9,194,603	188,216	15,167,370	-	24,550,189
Total Liabilities and Equity	**$ 9,456,379**	**$ 188,216**	**$ 15,167,370**	**$ -**	**$ 24,811,965**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Six Months Ended
April 30, 2026

	Month April 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 11,024	$ 4,767,494	$ 4,943,986	96.4%
Contract Patrol	1,080	8,911	13,500	66.0%
Interest	21,343	92,463	250,000	37.0%
Misc Income/Other	3,000	16,566	-	0.0%
Total Revenues	**36,447**	**4,885,434**	**5,207,486**	**93.8%**
Expenditures				
Security & Public Safety	57,254	387,786	761,502	50.9%
Planning & Urban Design	369,851	958,525	5,029,890	19.1%
Public Relations & Business Development	17,622	186,631	492,794	37.9%
Program Support Services	32,276	407,947	455,471	89.6%
Total Expenditures	**477,003**	**1,940,889**	**6,739,656**	**28.8%**
Other Funding Sources				
Other Income	-		-	
Reserve for Litigated Taxes			-	
Unrestricted Contributions to Capital	-	-	2,650,000	
Long Term Debt			148,765	
Total Other Fund Sources	**-**	**-**	**2,798,765**	
Revenues Over (Under) Expenditures	**$ (440,556)**	**$ 2,944,545**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	45,472	276,609	200,000	
Total Revenue	**45,472**	**276,609**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 45,472**	**$ 276,609**	**$ 200,000**	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Five Months Ended
March 31, 2026

	Month April 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	564	3,468	15,000	23.1%
Total Revenue	564	3,468		
Expenditures				
Administrative Fee	-		1,000	0.0%
Interest - Bond	40,083	40,083	83,765	47.9%
Principal payments- Bond	70,000	70,000	65,000	107.7%
Total Debt Service Expenses	110,083	110,083	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ (109,518)**	**$ (106,614)**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ (504,602)	3,114,541		
Consolidated Fund Balances Beginning	$ 24,731,699	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 24,227,097**	**$ 24,227,097**	-	
			-	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Six Months Ended
April 30, 2026

	Month April 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	16,764	110,994	260,000	42.7%
Irrigation Repair/Replacement	1,398	17,456	65,000	26.9%
Plant Replacement	4,486	4,486	100,000	4.5%
Landscape Maint - Other	13,111	33,980	-	100.0%
Park Maintenance	15,000	90,000	180,000	50.0%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	1,818	44,187	245,000	18.0%
Tree Preservation	11,476	15,976	40,000	39.9%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	5,660	23,143	75,000	30.9%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant	45,821	116,882	205,000	57.0%
Program Management Consultants	-	368	20,000	1.8%
Streetscape Planning & Design	19,078	70,424	275,000	25.6%
Capital Improvements				
West Alabama Utility Relocation	208,258	253,657	3,000,000	8.5%
Wayfinding	547	547	100,000	0.5%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**343,417**	**782,100**	**4,835,000**	**16.2%**
Allocation of Program Support Services	26,434	176,425	408,218	43.2%
Total Expenditures	369,851	958,525	5,243,218	18.3%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Six Month Ended
April 30, 2026

	Month April 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	-	69,014	280,000	24.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**-**	**69,014**	**327,500**	**21.1%**
Allocation of Program Support Services	17,622	117,617	272,145	43.2%
Total Expenditures	17,622	186,631	599,645	31.1%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Six Month Ended
April 30, 2026

	Month April 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	90,517	543,696	1,158,950	46.9%
Levy Park Conservancy Payroll	49,396	315,526	995,000	31.7%
Legal - general and meeting	4,609	27,672	40,000	69.2%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	14,779	88,111	175,000	50.3%
Audit Fees			26,000	0.0%
Insurance	-	54,702	30,000	182.3%
Bank Fees	1,334	3,973	6,500	61.1%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	11,997	79,384	150,000	52.9%
Office Supplies	471	2,528	4,000	63.2%
Other Office	2,858	16,290	35,000	46.5%
Professional Development			3,000	0.0%
Travel	79	1,111	3,000	37.0%
Records Storage	105	644	2,000	32.2%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	-	20,854	50,000	41.7%
Tax Consultant	-	-	6,000	0.0%
Vehicle	78	292	1,500	19.4%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**176,224**	**1,176,167**	**2,721,450**	**43.2%**
Support Allocations				
TIRZ Reimbursement - Admin	(38,160)	(76,320)	(296,640)	25.7%
UKDF/LPC Reimbursement	(49,396)	(315,526)	(1,067,600)	29.6%
Programs				
Security & Public Safety	(12,336)	(82,332)	(190,502)	43.2%
Planning & Urban Design	(26,434)	(176,425)	(408,218)	43.2%
Public Relations & Business Development	(17,622)	(117,617)	(272,145)	43.2%
Total Expenditures	**32,276**	**407,947**	**486,346**	**83.9%**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Six Month Ended
April 30, 2026

	Month April 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	44,918	283,954	545,000	52.1%
Total Direct Expenditures	**44,918**	**305,454**	**571,000**	**53.5%**
Allocation of Program Support Services	12,336	82,332	190,502	43.2%
Total Expenditures	57,254	387,786	761,502	50.9%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet
Governmental Fund Type and Account Group
March 31, 2026

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 2,321,416				$ 2,321,416
Texpool	7,174,035	187,651	15,121,898		22,483,585
Accounts Receivable - Other	260,681				260,681
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 9,858,910**	**$ 187,651**	**$ 15,121,898**	**$ -**	**$ 25,168,459**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 223,751				$ 223,751
Total Liabilities	223,751	-	-	-	223,751
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		187,651			187,651
Restricted for Capital Projects			15,121,898		15,121,898
Fund Balance:					
Assigned	9,635,159			-	9,635,159
Total Equity	9,635,159	187,651	15,121,898	-	24,944,708
Total Liabilities and Equity	**$ 9,858,910**	**$ 187,651**	**$ 15,121,898**	**$ -**	**$ 25,168,459**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Five Months Ended
March 31, 2026

	Month March 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 106,130	$ 4,756,470	$ 4,943,986	96.2%
Contract Patrol	540	7,831	13,500	58.0%
Interest	13,357	71,121	250,000	28.4%
Misc Income/Other	-	13,566	-	0.0%
Total Revenues	**120,028**	**4,848,987**	**5,207,486**	**93.1%**
Expenditures				
Security & Public Safety	59,136	330,532	761,502	43.4%
Planning & Urban Design	129,590	588,674	5,029,890	11.7%
Public Relations & Business Development	20,451	169,009	492,794	34.3%
Program Support Services	52,955	375,671	455,471	82.5%
Total Expenditures	**262,133**	**1,463,886**	**6,739,656**	**21.7%**
Other Funding Sources				
Other Income	-		-	
Reserve for Litigated Taxes			-	
Unrestricted Contributions to Capital	-	-	2,650,000	
Long Term Debt			148,765	
Total Other Fund Sources	**-**	**-**	**2,798,765**	
Revenues Over (Under) Expenditures	**$ (142,105)**	**$ 3,385,101**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	47,019	231,137	200,000	
Total Revenue	**47,019**	**231,137**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 47,019**	**$ 231,137**	**$ 200,000**	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Five Months Ended
March 31, 2026

	Month March 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	583	2,904	15,000	19.4%
Total Revenue	583	2,904		
Expenditures				
Administrative Fee	-		1,000	0.0%
Interest - Bond	-		83,765	0.0%
Principal payments- Bond	-		65,000	0.0%
Total Debt Service Expenses	-	-	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ 583**	**$ 2,904**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ (94,503)	3,619,142		
Consolidated Fund Balances Beginning	$ 24,826,201	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 24,731,699**	**$ 24,731,699**	-	
			-	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Five Months Ended
March 31, 2026

	Month March 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	16,764	94,230	260,000	36.2%
Irrigation Repair/Replacement	13,167	16,058	65,000	24.7%
Plant Replacement			100,000	0.0%
Landscape Maint - Other	6,456	20,868	-	100.0%
Park Maintenance	15,000	75,000	180,000	41.7%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	46	42,370	245,000	17.3%
Tree Preservation	4,500	4,500	40,000	11.3%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	4,680	17,484	75,000	23.3%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant	29,263	71,061	205,000	34.7%
Program Management Consultants	-	368	20,000	1.8%
Streetscape Planning & Design	9,036	51,345	275,000	18.7%
Capital Improvements				
West Alabama Utility Relocation	-	45,399	3,000,000	1.5%
Wayfinding			100,000	0.0%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**98,913**	**438,683**	**4,835,000**	**9.1%**
Allocation of Program Support Services	30,677	149,991	408,218	36.7%
Total Expenditures	129,590	588,674	5,243,218	11.2%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Five Month Ended
March 31, 2026

	Month March 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	-	69,014	280,000	24.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**-**	**69,014**	**327,500**	**21.1%**
Allocation of Program Support Services	20,451	99,994	272,145	36.7%
Total Expenditures	20,451	169,009	599,645	28.2%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Five Month Ended
March 31, 2026

	Month March 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	92,981	453,179	1,158,950	39.1%
Levy Park Conservancy Payroll	47,954	266,130	995,000	26.7%
Legal - general and meeting	11,883	23,063	40,000	57.7%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	29,522	73,332	175,000	41.9%
Audit Fees			26,000	0.0%
Insurance	-	54,702	30,000	182.3%
Bank Fees	534	2,639	6,500	40.6%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	18,041	67,387	150,000	44.9%
Office Supplies	131	2,057	4,000	51.4%
Other Office	3,078	13,432	35,000	38.4%
Professional Development			3,000	0.0%
Travel	228	1,032	3,000	34.4%
Records Storage	105	539	2,000	27.0%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	-	20,854	50,000	41.7%
Tax Consultant	-	-	6,000	0.0%
Vehicle	57	214	1,500	14.3%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**204,513**	**999,943**	**2,721,450**	**36.7%**
Support Allocations				
TIRZ Reimbursement - Admin	(38,160)	(38,160)	(296,640)	12.9%
UKDF/LPC Reimbursement	(47,954)	(266,130)	(1,067,600)	24.9%
Programs				
Security & Public Safety	(14,316)	(69,996)	(190,502)	36.7%
Planning & Urban Design	(30,677)	(149,991)	(408,218)	36.7%
Public Relations & Business Development	(20,451)	(99,994)	(272,145)	36.7%
Total Expenditures	**52,955**	**375,671**	**486,346**	**77.2%**

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Five Month Ended
March 31, 2026

	Month March 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	44,821	239,036	545,000	43.9%
Total Direct Expenditures	**44,821**	**260,536**	**571,000**	**45.6%**
Allocation of Program Support Services	14,316	69,996	190,502	36.7%
Total Expenditures	59,136	330,532	761,502	43.4%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet
Governmental Fund Type and Account Group
February 28, 2026

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 5,385,116				$ 5,385,116
Texpool	4,234,229	187,068	15,074,879		19,496,177
Accounts Receivable - Other	281,755				281,755
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 10,003,878**	**$ 187,068**	**$ 15,074,879**	**$ -**	**$ 25,265,825**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 174,455				$ 174,455
Total Liabilities	174,455	-	-	-	174,455
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		187,068			187,068
Restricted for Capital Projects			15,074,879		15,074,879
Fund Balance:					
Assigned	9,829,423			-	9,829,423
Total Equity	9,829,423	187,068	15,074,879	-	25,091,371
Total Liabilities and Equity	**$ 10,003,878**	**$ 187,068**	**$ 15,074,879**	**$ -**	**$ 25,265,825**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Four Months Ended
February 28, 2026

	Month February 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 3,363,636	$ 4,650,339	$ 4,943,986	94.1%
Contract Patrol	1,314	7,291	13,500	54.0%
Interest	12,004	57,763	250,000	23.1%
Misc Income/Other	-	13,566	-	0.0%
Total Revenues	**3,376,954**	**4,728,959**	**5,207,486**	**90.8%**
Expenditures				
Security & Public Safety	58,718	271,396	761,502	35.6%
Planning & Urban Design	140,541	459,084	5,029,890	9.1%
Public Relations & Business Development	20,117	148,557	492,794	30.1%
Program Support Services	89,447	322,716	455,471	70.9%
Total Expenditures	**308,823**	**1,201,753**	**6,739,656**	**17.8%**
Other Funding Sources				
Other Income	-		-	
Reserve for Litigated Taxes			-	
Unrestricted Contributions to Capital	-	-	2,650,000	
Long Term Debt			148,765	
Total Other Fund Sources	**-**	**-**	**2,798,765**	
Revenues Over (Under) Expenditures	**$ 3,068,131**	**$ 3,527,206**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	42,443	184,118	200,000	
Total Revenue	**42,443**	**184,118**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 42,443**	**$ 184,118**	**$ 200,000**	

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and Changes in Fund Balance
Month and Four Months Ended
February 28, 2026

	Month February 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	527	2,321	15,000	15.5%
Total Revenue	527	2,321		
Expenditures				
Administrative Fee	750		1,000	0.0%
Interest - Bond	-		83,765	0.0%
Principal payments- Bond	-		65,000	0.0%
Total Debt Service Expenses	750	-	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	**-**	**-**	**-**	-
Revenue Over (Under) Exps - DSF	**$ (223)**	**$ 2,321**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ 3,110,352	3,713,645		
Consolidated Fund Balances Beginning	$ 21,715,850	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 24,826,201**	**$ 24,826,201**	**-**	
			-	

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Four Months Ended
February 28, 2026

	Month February 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	16,764	77,466	260,000	29.8%
Irrigation Repair/Replacement	2,626	2,891	65,000	4.4%
Plant Replacement			100,000	0.0%
Landscape Maint - Other	6,456	14,412	-	100.0%
Park Maintenance	30,000	60,000	180,000	33.3%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	2	42,323	245,000	17.3%
Tree Preservation			40,000	0.0%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	1,547	12,803	75,000	17.1%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant	10,661	41,798	205,000	20.4%
Program Management Consultants	-	368	20,000	1.8%
Streetscape Planning & Design	42,309	42,309	275,000	15.4%
Capital Improvements				
West Alabama Utility Relocation	-	45,399	3,000,000	1.5%
Wayfinding			100,000	0.0%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**110,366**	**339,770**	**4,835,000**	**7.0%**
Allocation of Program Support Services	30,176	119,315	408,218	29.2%
Total Expenditures	140,541	459,084	5,243,218	8.8%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Four Month Ended
February 28, 2026

	Month February 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	-	69,014	280,000	24.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**-**	**69,014**	**327,500**	**21.1%**
Allocation of Program Support Services	20,117	79,543	272,145	29.2%
Total Expenditures	20,117	148,557	599,645	24.8%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Four Month Ended
February 28, 2026

	Month February 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	78,483	360,198	1,158,950	31.1%
Levy Park Conservancy Payroll	47,350	218,176	995,000	21.9%
Legal - general and meeting	9,326	11,180	40,000	28.0%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	-	43,810	175,000	25.0%
Audit Fees			26,000	0.0%
Insurance	39,702	54,702	30,000	182.3%
Bank Fees	1,019	2,106	6,500	32.4%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	11,345	49,346	150,000	32.9%
Office Supplies	1,099	1,926	4,000	48.2%
Other Office	2,551	10,354	35,000	29.6%
Professional Development			3,000	0.0%
Travel	-	804	3,000	26.8%
Records Storage	105	434	2,000	21.7%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	10,191	20,854	50,000	41.7%
Tax Consultant	-	-	6,000	0.0%
Vehicle	-	157	1,500	10.5%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**201,171**	**795,430**	**2,721,450**	**29.2%**
Support Allocations				
TIRZ Reimbursement - Admin	-	-	(296,640)	0.0%
UKDF/LPC Reimbursement	(47,350)	(218,176)	(1,067,600)	20.4%
Programs				
Security & Public Safety	(14,082)	(55,680)	(190,502)	29.2%
Planning & Urban Design	(30,176)	(119,315)	(408,218)	29.2%
Public Relations & Business Development	(20,117)	(79,543)	(272,145)	29.2%
Total Expenditures	**89,447**	**322,716**	**486,346**	**66.4%**

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Four Month Ended
February 28, 2026

	Month February 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	44,636	194,216	545,000	35.6%
Total Direct Expenditures	**44,636**	**215,716**	**571,000**	**37.8%**
Allocation of Program Support Services	14,082	55,680	190,502	29.2%
Total Expenditures	58,718	271,396	761,502	35.6%

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
2ND QUARTER FISCAL YEAR 2026
FEBRUARY 1, 2026 to
APRIL 30, 2026

Transaction Date		General Fund	Capital Project Fund	Debt Service Fund
		TexPool	TexPool	TexPool
2/1/2026	Beginning Bal	$ 4,340,506.10	$ 15,032,435.70	$ 186,541.33
Feb 26	Withdrawals	(118,280.97)		
Feb 26	Deposits			
Feb 26	Interest 3.6806%	12,004.36	42,443.46	526.68
Mar 26	Withdrawals	(73,551.60)		
Mar 26	Deposits	3,000,000.00		
Mar 26	Interest 3.6724%	13,357.16	47,018.86	583.48
		-		
Apr 26	Withdrawals	(109,066.03)		
Apr 26	Deposits	-	45,472.38	564.28
Apr 26	Interest 3.6586%	21,342.80		
4/30/2026	**Balance**	**$ 7,086,311.82**	**$ 15,167,370.40**	**$ 188,215.77**

The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
1ST QUARTER FISCAL YEAR 2026
NOVEMBER 1, 2025 to
JANUARY 31, 2026

Transaction Date		General Fund	Capital Project Fund	Debt Service Fund
		TexPool	TexPool	TexPool
11/1/2025	Beginning Bal	$ 9,787,421.18	$ 9,640,760.98	$ 184,747.32
Nov 25	Withdrawals	(5,328,108.08)		
Nov 25	Deposits		5,250,000.00	
Nov 25	Interest 4.1418%	17,616.24	45,909.44	605.63
Dec 25	Withdrawals	(61,675.76)		
Dec 25	Deposits	-		-
Dec 25	Interest 3.9885%	14,393.92	48,549.57	602.46
		-		
Jan 26	Withdrawals	(102,890.24)		
Jan 26	Deposits	-	-	-
Jan 26	Interest 3.7098%	13,748.84	47,215.71	585.92
1/31/2026	**Balance**	**$ 4,340,506.10**	**$ 15,032,435.70**	**$ 186,541.33**

The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
4TH QUARTER FISCAL YEAR 2025
NOVEMBER 1, 2025 to
JANUARY 31, 2026



The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
4TH QUARTER FISCAL YEAR 2025
NOVEMBER 1, 2025 to
JANUARY 31, 2026

The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
4TH QUARTER FISCAL YEAR 2025
NOVEMBER 1, 2025 to
JANUARY 31, 2026

The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
4TH QUARTER FISCAL YEAR 2025
NOVEMBER 1, 2025 to
JANUARY 31, 2026



The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: _____

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

OCTOBER 31, 2025

DRAFT SUBJECT TO CHANGE

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DRAFT SUBJECT TO CHANGE

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 Improvement District No. 3
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Improvement District No. 3 (the "District") as of and for the year ended October 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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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 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
Certified Public Accountants
Houston, Texas

June 23, 2026

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HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2025

Management's discussion and analysis of Harris County Improvement District No. 3's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended October 31, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the District's assets, liabilities, and deferred 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 two governmental fund types. The General Fund accounts for resources not accounted for in another fund, property tax and other revenues, 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.

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FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by $19,831,197 as of October 31, 2025.

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

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 26,762,146	$ 24,269,417	$ 2,492,729
Right-to-Use Assets (Net of Amortization)	126,296	215,447	(89,151)
Capital Assets (Net of Accumulated Depreciation)	644,794	668,688	(23,894)
Total Assets	$ 27,533,236	$ 25,153,552	$ 2,379,684
Bonds Payable	$ 1,830,000	$ 1,895,000	$ 65,000
Lease Payable	139,925	235,682	95,757
Other Liabilities	455,058	391,153	(63,905)
Total Liabilities	$ 2,424,983	$ 2,521,835	$ 96,852
Deferred Inflows of Resources	$ 5,277,056	$ 5,266,902	$ (10,154)
Net Position:			
Net Investment in Capital Assets	$ 8,441,926	$ (1,246,547)	$ 9,688,473
Restricted	192,383	183,540	8,843
Unrestricted	11,196,888	18,427,822	(7,230,934)
Total Net Position	$ 19,831,197	$ 17,364,815	$ 2,466,382

The following table provides a summary of the District's operations for the years ended October 31, 2025, and October 31, 2024. The District's net position increased by $2,466,382.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 4,872,735	$ 5,102,004	$ (229,269)
Other Revenues	815,387	838,584	(23,197)
Total Revenues	$ 5,688,122	$ 5,940,588	$ (252,466)
Expenses for Services	3,221,740	2,807,926	(413,814)
Change in Net Position	$ 2,466,382	$ 3,132,662	$ (666,280)
Net Position, Beginning of Year	17,364,815	14,232,153	3,132,662
Net Position, End of Year	$ 19,831,197	$ 17,364,815	$ 2,466,382

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FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of October 31, 2025, were $20,955,392, an increase of $2,414,444 from the prior year.

The General Fund fund balance increased by $2,406,577, primarily due to current year investment revenues and property tax revenues exceeding current year expenditures.

The Debt Service Fund fund balance increased by $7,867, primarily due to the structure of the District's debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were $106,324 more than budgeted revenues, actual expenditures were $7,114,728 less than budgeted expenditures, and transfers out of $10,816 were not budgeted, which resulted in a positive budget variance of $7,210,236.

CAPITAL ASSETS

The District's capital assets as of October 31, 2025, amount to $644,794 (net of accumulated depreciation). This investment in capital assets includes furniture and equipment, a vehicle and art.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2025	2024	Change Positive (Negative)
Capital Assets, Net of Accumulated Depreciation:			
Furniture and Equipment	$	$ 27	$ (27)
Vehicle		6,493	(6,493)
Art	644,794	689,856	(45,062)
Total Net Capital Assets	$ 644,794	$ 696,376	$ (51,582)

Additional information on the District's capital assets can be found in Note 6 of this report.

The District also entered into a lease agreement for office space which is recorded as a right-of-use asset in the government-wide financial statements. See Note 8 for further disclosure.

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LONG-TERM DEBT ACTIVITY

As of October 31, 2025, the District had total bond debt payable of $1,830,000. The changes in the debt position of the District during the fiscal year ended October 31, 2025, are summarized as follows:

Bond Debt Payable, November 1, 2024	$	1,895,000
Less: Bond Principal Paid		65,000
Bond Debt Payable, October 31, 2025	$	1,830,000

The District's bonds carry an underlying rating of "AA" by Standard and Poor's Financial Services LLC.

The District also entered into a lease agreement for office space which is recorded as a lease liability in the government-wide financial statements. See Note 8 for further disclosure.

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 Improvement District No. 3, 3120 Southwest Freeway, Suite 102, Houston, Texas 77098.

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HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
OCTOBER 31, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 1,543,458	$
Investments	19,428,182	184,747
Receivables:		
Property Taxes (Less Reserve for Uncollectible Taxes $139,434)	5,054,026	152,750
Penalty and Interest on Delinquent Taxes		
Other	361,456	
Prepaid Costs	16,453	
Right-to-Use Assets (Net of Accumulated Amortization)		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 26,403,575	$ 337,497

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

Total	Adjustments	Statement of Net Position
$ 1,543,458	$	$ 1,543,458
19,612,929		19,612,929
5,206,776		5,206,776
	21,074	21,074
361,456		361,456
16,453		16,453
	126,296	126,296
	644,794	644,794
$ 26,741,072	$ 792,164	$ 27,533,236

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

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
OCTOBER 31, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 439,470	$
Accrued Interest Payable		
Long-Term Liabilities:		
Lease Payable, Due Within One Year		
Lease Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 439,470	$ - 0 -
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 5,193,460	$ 152,750
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 16,453	$
Assigned for Capital Improvements	9,640,761	
Restricted for Debt Service		184,747
Assigned to 2026 Budget Deficit	1,331,989	
Unassigned	9,781,442	
TOTAL FUND BALANCES	$ 20,770,645	$ 184,747
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 26,403,575	$ 337,497
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Total	Adjustments	Statement of Net Position
$ 439,470	$	$ 439,470
	15,588	15,588
	98,117	98,117
	41,808	41,808
	70,000	70,000
	1,760,000	1,760,000
$ 439,470	$ 1,985,513	$ 2,424,983
$ 5,346,210	$ (69,154)	$ 5,277,056
$ 16,453	$ (16,453)	$
9,640,761	(9,640,761)	
184,747	(184,747)	
1,331,989	(1,331,989)	
9,781,442	(9,781,442)	
$ 20,955,392	$ (20,955,392)	$ - 0 -
$ 26,741,072		
	$ 8,441,926	$ 8,441,926
	192,383	192,383
	11,196,888	11,196,888
	$ 19,831,197	$ 19,831,197

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

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
OCTOBER 31, 2025

Total Fund Balances - Governmental Funds		$ 20,955,392
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and leased assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		771,090
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		90,228
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	$ (15,588)	
Lease Payable	(139,925)	
Bonds Payable Within One Year	(70,000)	
Bonds Payable After One Year	(1,760,000)	(1,985,513)
Total Net Position - Governmental Activities		$ 19,831,197

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

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED OCTOBER 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 4,733,057	$ 136,399
Penalty and Interest	10,850	
Contract Patrol	14,438	
Investment Revenues	761,492	7,867
Miscellaneous Revenues	20,298	
TOTAL REVENUES	$ 5,540,135	$ 144,266
EXPENDITURES/EXPENSES		
Service Operations:		
Depreciation and Amortization	$	$
Security and Public Safety	570,467	
Planning and Urban Design	1,310,167	
Public Relations and Business Development	420,002	
Program Support Services	713,756	750
Debt Service:		
Lease Principal	95,757	
Lease Interest	12,593	
Bond Principal		65,000
Bond Interest		81,465
TOTAL EXPENDITURES/EXPENSES	$ 3,122,742	$ 147,215
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 2,417,393	$ (2,949)
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ (10,816)	$ 10,816
NET CHANGE IN FUND BALANCES	$ 2,406,577	$ 7,867
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - NOVEMBER 1, 2024	18,364,068	176,880
FUND BALANCES/NET POSITION - OCTOBER 31, 2025	$ 20,770,645	$ 184,747

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

Total	Adjustments	Statement of Activities
$ 4,869,456	$ 3,279	$ 4,872,735
10,850	442	11,292
14,438		14,438
769,359		769,359
20,298		20,298
$ 5,684,401	$ 3,721	$ 5,688,122
$	$ 113,045	$ 113,045
570,467		570,467
1,310,167		1,310,167
420,002		420,002
714,506		714,506
95,757	(95,757)	
12,593		12,593
65,000	(65,000)	
81,465	(505)	80,960
$ 3,269,957	$ (48,217)	$ 3,221,740
$ 2,414,444	$ 51,938	$ 2,466,382
$ -0-	$ -0-	$ -0-
$ 2,414,444	$ (2,414,444)	$
	2,466,382	2,466,382
18,540,948	(1,176,133)	17,364,815
$ 20,955,392	$ (1,124,195)	$ 19,831,197

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

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED OCTOBER 31, 2025

Net Change in Fund Balances - Governmental Funds	$	2,414,444
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		3,279
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.		442
Governmental funds do not account for depreciation and amortization. However, in the Statement of Net Position, capital assets are depreciated and leased assets are amortized over the estimated useful lives.		(113,045)
Governmental funds report bond and lease principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		160,757
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.		505
Change in Net Position - Governmental Activities	$	2,466,382

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

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2025

NOTE 1. CREATION OF DISTRICT

The Harris County Improvement District No. 3, (the "District") was created, effective May 26, 1997, by the Texas Legislature under provisions of Senate Bill No. 1750, now governed by Chapter 3805 of the Texas Special District Local Laws Code. The District's boundaries were modified (enlarged to conform to the boundaries of Reinvestment Zone No. 19 of the City of Houston) by a subsequent act of the Texas Legislature. Pursuant to the provisions of the Act creating the District, the District is empowered to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, arts and entertainment, economic development, safety, and the public welfare within the District's boundaries. The Board of Directors held its first meeting on June 24, 1997 and sold its first bonds on August 22, 2013.

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 Texas Commission on Environmental Quality (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").

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

- Unrestricted Net Position – This component of net position consists of Net Position 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.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

The District has two governmental funds and considers these funds to be major funds.

General Fund - To account for resources not required to be accounted for in another fund, property tax and other revenues 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.

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.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Property taxes considered available by the District and included in revenue include the 2024 tax levy collections during the period October 1, 2024, to October 31, 2025, and taxes collected from November 1, 2024, to October 31, 2025, for the 2023 and prior tax levies. The 2025 tax levy has been fully deferred to meet the cost of operations for the 2026 fiscal year.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of October 31, 2025, the General Fund transferred $10,816 to the Debt Service Fund for maintenance tax collections.

Capital Assets

Capital assets, which include office equipment and fixtures and vehicles, 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. Furniture and equipment are depreciated over period ranging from 3 to 5 years. Vehicles and leasehold improvements are depreciated over a period of 5 years. Art is depreciated over a period of 40 years.

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.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The District provides benefits to its employees under simple IRA plans. During the current fiscal year, the District contributed $59,077 to the employee's simple IRA plans. Employees are also provided social security benefits.

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. The District assigned $1,331,989 of its General Fund fund balance to offset a budgeted deficit in 2026.

Unassigned: all other spendable amounts in the General Fund.

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NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

	Series 2013
Amount Outstanding – October 31, 2025	$ 1,830,000
Interest Rates	4.00% - 4.70%
Maturity Dates – Beginning/Ending	February 15, 2026/2043
Interest Payment Dates	February 15/ August 15
Callable Dates	February 15, 2021*

* Or on any date thereafter, in whole or in part, at the option of the District, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2013 term bonds maturing on February 15, 2028, February 15, 2031, February 15, 2034, February 15, 2037, February 15, 2040 and February 15, 2043, are subject to mandatory redemption on February 15, 2026, February 15, 2029, February 15, 2032, February 15, 2035, February 15, 2038, and February 15, 2041, respectively.

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

The following is a summary of transactions regarding bonds payable for the year ended October 31, 2025:

	November 1, 2024	Additions	Retirements	October 31, 2025
Bonds Payable	$ 1,895,000	$ -0-	$ 65,000	$ 1,830,000

Amount Due Within One Year	$ 70,000
Amount Due After One Year	1,760,000
Bonds Payable	$ 1,830,000

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

Fiscal Year	Principal	Interest	Total
2026	$ 70,000	$ 78,765	$ 148,765
2027	70,000	75,965	145,965
2028	75,000	73,065	148,065
2029	75,000	70,065	145,065
2030	80,000	66,965	146,965
2031-2035	455,000	281,395	736,395
2036-2040	580,000	168,900	748,900
2041-2043	425,000	30,667	455,667
	$ 1,830,000	$ 845,787	$ 2,675,787

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. The District has authorized but unissued tax bonds totaling $27,500,000 for economic development and road facilities. During the year ended October 31, 2025, the District levied an ad valorem debt service tax at the rate of $0.00371 per $100 of assessed valuation, which resulted in a tax levy of $150,599 on the adjusted taxable valuation of $4,059,273,631 for the 2025 tax year. The bond order requires the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for maintenance tax levy.

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

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NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148 (f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5th-year anniversary of each issue.

The bond order states that the District is required to annually provide continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $1,543,458 and the bank balance was $1,626,133. The District was not exposed to custodial credit risk at fiscal year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at October 31, 2025, as listed below:

	Cash
GENERAL FUND	$ 1,543,458

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NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

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

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

Fund and Investment Type	Fair Value	Maturities in Less Than 1 Year
GENERAL FUND		
TexPool	$ 19,428,182	$ 19,428,182
DEBT SERVICE FUND		
TexPool	184,747	184,747
TOTAL INVESTMENTS	$ 19,612,929	$ 19,612,929

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NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At October 31, 2025, the District's investment in TexPool was 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 investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2025:

	November 1, 2024	Increases	Decreases	October 31, 2025
Capital Assets Subject to Depreciation				
Furniture and Equipment	$ 80,984	$	$	$ 80,984
Vehicle	25,426			25,426
Art	900,000			900,000
Total Capital Assets Subject to Depreciation	$ 1,006,410	$ - 0 -	$ - 0 -	$ 1,006,410
Accumulated Depreciation				
Furniture and Equipment	$ 80,984	$	$	$ 80,984
Vehicle	24,032	1,394		25,426
Art	232,706	22,500		255,206
Total Accumulated Depreciation	$ 337,722	$ 23,894	$ - 0 -	$ 361,616
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 668,688	$ (23,894)	$ - 0 -	$ 644,794

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NOTE 7. MAINTENANCE TAXES

At an election held August 9, 1997, voters authorized a maintenance tax at a rate to be determined by the Board of Directors per $100 valuation on all property within the District, subject to taxation. In addition, at an election held September 14, 2002, voters authorized the assumption and payment of the maintenance taxes for areas added by the Texas Legislature in 2001. During the year ended October 31, 2025, the District levied an ad valorem tax rate of $0.12629 per $100 of assessed valuation, which resulted in a tax levy of $5,126,457 on the adjusted taxable valuation of $4,059,273,631 for the 2025 tax year. The 2025 tax levy has been fully deferred.

NOTE 8. LEASE AGREEMENT

Effective November 1, 2021, the District executed an office lease agreement for the lease of the office space at 3120 Southwest Freeway, Suites 101 and 102. Right-of-use assets, current year amortization expense and accumulated amortization is summarized below:

	November 1, 2024	Increases	Decreases	October 31, 2025
Right-to-Use Assets Subject to Amortization				
Office Space	$ 482,900	$ - 0 -	$ - 0 -	$ 482,900
Accumulated Amortization				
Office Space	$ 267,453	$ 89,151	$ - 0 -	$ 356,604
Total Right-to-Use Assets, Net of Accumulated Amortization	$ 215,447	$ (89,151)	$ - 0 -	$ 126,296

The first five months of base rent is abated. The security deposit is $13,025. The office lease accrues interest at 4.25% annually with monthly payments of $7,646 in year one, $7,847 in year two, $8,048 in year three, $8,250 in year four, and $8,451 in year five. The District made 12 lease payments during the current fiscal year which totaled $108,350, of which $95,757 applied to principal and $12,593 applied to interest and the District's proportionate share of operating costs. The changes in lease liability during the current fiscal year are summarized as follows:

Lease Payable, November 1, 2024	$ 235,682
Less: Lease Principal Paid	(95,757)
Lease Payable, October 31, 2025	$ 139,925

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NOTE 8. LEASE AGREEMENT (Continued)

Future lease payments are summarized below:

Fiscal Year	Principal	Interest	Total
2026	$ 98,117	$ 2,286	$ 100,403
2027	41,808	445	42,253
	$ 139,925	$ 2,731	$ 142,656

NOTE 9. RELATED PARTY ACTIVITY

Pursuant to the City of Houston Ordinance No. 1999-767, the City (acting under the provisions of Chapter 311 of the Texas Tax Code) designated a reinvestment zone within the Upper Kirby area to be known as Reinvestment Zone No. 19 (the TIRZ). The function of the TIRZ is to promote development of the area pursuant to a project and financing plan (as set forth in City of Houston ordinance No. 1999-773) using monies derived from a related tax increment fund collected and maintained by the City. The TIRZ plan specifies projects that include utility system improvements, safety and security improvements, traffic mobility improvements, and public recreation and public service improvements.

The Upper Kirby Redevelopment Authority (the UKRA) is a Texas local government nonprofit corporation created to assist and act on behalf of the TIRZ in the implementation of the TIRZ plan. The Texas Secretary of State Certificate of Incorporation for the UKRA was effective March 27, 2002. Pursuant to a tri-party agreement between the UKRA, the TIRZ and the City (approved by City of Houston ordinance 2002-709), the UKRA has assumed administrative, management, and financial activities and function on behalf of the TIRZ. Pursuant to a management agreement (revised on November 21, 2002) between the District and UKRA, the District, in turn, has undertaken certain administrative and management services on behalf of UKRA. As part of its responsibilities, the District will provide central coordination for the design, planning, construction and implementation of the UKRA/TIRZ projects and activities to be undertaken. The management agreement provides that the UKRA will pay the District $96,000 per year (prorated monthly) for such services, including the provision of certain management and operating personnel, office space, office equipment and supplies, and other related operating costs. Effective November 1, 2013, this amount increased to $120,000 per year. Effective July 1, 2015, this amount increased to $144,000 per year.

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NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide general liability, property coverage, pollution liability, auto liability, law enforcement liability, public officials liability and workers compensation coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise, they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11. CONTRIBUTION OF ARTWORK

Upper Kirby District Foundation (UKDF) commissioned and acquired a sculpture known as *Tree and Three Flowers* which was installed and incorporated into a City-of-Houston-owned road median in public right-of-way on Kirby Drive within the District. UKDF transferred ownership of the artwork installation to the District. This is reflected in the capital assets at $900,000, which is the cost of the sculpture plus transportation and installation costs. Although the artwork is virtually indestructible, the District has chosen to depreciate the value over a period of 40 years.

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HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

REQUIRED SUPPLEMENTARY INFORMATION

OCTOBER 31, 2025

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED OCTOBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 5,117,811	$ 4,733,057	$ (384,754)
Penalty and Interest		10,850	10,850
Contract Patrol	16,000	14,438	(1,562)
Investment Revenues	300,000	761,492	461,492
Miscellaneous Revenues		20,298	20,298
TOTAL REVENUES	$ 5,433,811	$ 5,540,135	$ 106,324
EXPENDITURES			
Service Operations:			
Security and Public Safety	$ 658,072	$ 570,467	$ 87,605
Planning and Urban Design	4,354,011	1,310,167	3,043,844
Public Relations and Business Development	591,174	420,002	171,172
Program Support Services	487,748	713,756	(226,008)
Capital Outlay	4,000,000		4,000,000
Debt Service:			
Lease, Principal and Interest	146,465	108,350	38,115
TOTAL EXPENDITURES	$ 10,237,470	$ 3,122,742	$ 7,114,728
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (4,803,659)	$ 2,417,393	$ 7,221,052
OTHER FINANCING SOURCES(USES)			
Transfers (Out)	$ -0-	$ (10,816)	$ (10,816)
NET CHANGE IN FUND BALANCE	$ (4,803,659)	$ 2,406,577	$ 7,210,236
FUND BALANCE - NOVEMBER 1, 2024	18,364,068	18,364,068	
FUND BALANCE - OCTOBER 31, 2025	$ 13,560,409	$ 20,770,645	$ 7,210,236

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See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

OCTOBER 31, 2025

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED OCTOBER 31, 2025

PERSONNEL EXPENDITURES (Including Benefits)	$	936,575
PROFESSIONAL FEES:		
Auditing	$	16,250
Legal		64,338
Delinquent Tax Attorney		2,658
TOTAL PROFESSIONAL FEES	$	83,246
CONTRACTED SERVICES:		
Appraisal District	$	36,808
Bookkeeping		161,917
Tax Consultant		4,853
TOTAL CONTRACTED SERVICES	$	203,578
ADMINISTRATIVE EXPENDITURES:		
Insurance	$	13,486
Office Expenses		73,736
Vehicle		959
Other		814
TOTAL ADMINISTRATIVE EXPENDITURES	$	88,995
PLANNING AND URBAN DESIGN	$	1,310,167
PUBLIC RELATIONS AND BUSINESS DEVELOPMENT	$	420,002

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See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED OCTOBER 31, 2025

SECURITY AND PUBLIC SAFETY	$ 570,467
SUPPORT ALLOCATIONS FROM:	
TIRZ No. 19 - Administrative Reimbursement	$ (144,000)
ALLOCATION TO:	
Security and Public Safety	$ (99,452)
Planning and Urban Design	(213,112)
Public Relations and Business Development	(142,074)
TOTAL OTHER EXPENDITURES	$ (454,638)
DEBT SERVICE:	
Lease Principal	95,757
Lease Interest	12,593
TOTAL DEBT SERVICE	$ 108,350
TOTAL EXPENDITURES	$ 3,122,742

Number of persons employed by the District 5 Full-Time 26 Part-Time

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
INVESTMENTS
OCTOBER 31, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexPool	0001	Varies	Daily	$ 9,787,421	$
TexPool	0002	Varies	Daily	9,640,761	
TOTAL GENERAL FUND				$ 19,428,182	$ - 0 -
DEBT SERVICE FUND					
TexPool	0003	Varies	Daily	184,747	
TOTAL - ALL FUNDS				$ 19,612,929	$ - 0 -

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED OCTOBER 31, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - NOVEMBER 1, 2024	$ 5,183,183		$ 149,594	
Adjustments to Beginning Balance	(383,123)	$ 4,800,060	(11,045)	$ 138,549
Original 2025 Tax Levy	$ 5,126,457		$ 150,599	
Adjustment to 2025 Tax Levy		5,126,457		150,599
TOTAL TO BE ACCOUNTED FOR		$ 9,926,517		$ 289,148
TAX COLLECTIONS:				
Prior Years	$ 4,733,057		$ 136,399	
Current Year		4,733,057		136,399
TAXES RECEIVABLE - OCTOBER 31, 2025		$ 5,193,460		$ 152,749
TAXES RECEIVABLE BY YEAR:				
2025		$ 5,126,457		$ 150,599
2024		27,977		806
2023		3,754		106
2022		5,397		174
2021		4,173		140
2020		9,745		313
2019		3,247		112
2018		2,981		112
2017		3,852		151
2016		2,531		98
2015		2,312		96
2014		746		35
2013 and prior		288		7
SUBTOTAL		$ 5,193,460		$ 152,749
Allowance for Doubtful Accounts		(139,434)		
TOTAL		$ 5,054,026		

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED OCTOBER 31, 2025

	2025	2024	2023	2022
TOTAL PROPERTY VALUATIONS	$ 4,059,273,631	$ 3,975,020,438	$ 3,995,067,526	$ 3,711,744,430
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.00371	$ 0.00371	$ 0.00371	$ 0.00422
Maintenance	0.12629	0.12879	0.13129	0.13078
TOTAL TAX RATES PER $100 VALUATION	$ 0.13000	$ 0.13250	$ 0.13500	$ 0.13500
ADJUSTED TAX LEVY*	$ 5,277,056	$ 5,266,902	$ 5,393,341	$ 4,919,531
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	0.00 %	99.45 %	99.93 %	99.89 %

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

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
LONG-TERM DEBT SERVICE REQUIREMENTS
OCTOBER 31, 2025

Due During Fiscal Years Ending October 31	SERIES-2013 Principal Due February 15	Interest Due February 15/ August 15	Total
2026	$ 70,000	$ 78,765	$ 148,765
2027	70,000	75,965	145,965
2028	75,000	73,065	148,065
2029	75,000	70,065	145,065
2030	80,000	66,965	146,965
2031	85,000	63,665	148,665
2032	85,000	60,180	145,180
2033	90,000	56,505	146,505
2034	95,000	52,620	147,620
2035	100,000	48,425	148,425
2036	105,000	43,915	148,915
2037	110,000	39,185	149,185
2038	115,000	34,120	149,120
2039	120,000	28,715	148,715
2040	130,000	22,965	152,965
2041	135,000	16,802	151,802
2042	140,000	10,340	150,340
2043	150,000	3,525	153,525
	$ 1,830,000	$ 845,787	$ 2,675,787

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED OCTOBER 31, 2025

Description	Original Bonds Issued	Bonds Outstanding November 1, 2024
Harris County Improvement District No. 3 Unlimited Tax Bonds - Series 2013	$ 2,500,000	$ 1,895,000

Bond Authority:	Tax Bonds*
Amount Authorized by Voters	$ 30,000,000
Amount Issued	2,500,000
Remaining to be Issued	$ 27,500,000

Debt Service Fund cash, investments and cash with paying agents balance as of October 31, 2025:	$ 184,747
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 148,655

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

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes. This amount also includes bonds authorized for refunding purposes.

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding October 31, 2025	Paying Agent
$	$ 65,000	$ 81,465	$ 1,830,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 4,733,057	$ 4,961,645	$ 4,699,169
Penalty and Interest	10,850	16,156	17,598
Contract Patrol	14,438	13,358	18,883
Grant Revenues			1,460,156
Investment Revenues	761,492	810,668	616,767
Miscellaneous Revenues	20,298	3,750	491
TOTAL REVENUES	$ 5,540,135	$ 5,805,577	$ 6,813,064
EXPENDITURES			
Security and Public Safety	$ 570,467	$ 563,238	$ 562,902
Planning and Urban Design	1,310,167	960,307	2,678,319
Public Relations and Business Development	420,002	402,538	374,310
Program Support Services	822,106	774,092	827,200
Capital Outlay			
TOTAL EXPENDITURES	$ 3,122,742	$ 2,700,175	$ 4,442,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 2,417,393	$ 3,105,402	$ 2,370,333
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ (10,816)	$ (10,003)	$ 4,698
NET CHANGE IN FUND BALANCE	$ 2,406,577	$ 3,095,399	$ 2,375,031
BEGINNING FUND BALANCE	18,364,068	15,268,669	12,893,638
ENDING FUND BALANCE	$ 20,770,645	$ 18,364,068	$ 15,268,669

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2022	2021	2025	2024	2023	2022	2021
$ 4,201,683	$ 4,280,856	85.4 %	85.4 %	68.9 %	75.6 %	86.4 %
18,411	10,342	0.2	0.3	0.3	0.3	0.2
16,038	16,078	0.3	0.2	0.3	0.3	0.3
1,192,956	637,405			21.4	21.5	12.9
122,547	4,337	13.7	14.0	9.1	2.2	0.1
193	100	0.4	0.1			
$ 5,551,828	$ 4,949,118	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 507,165	$ 510,314	10.3 %	9.7 %	8.3 %	9.1 %	10.3 %
2,371,719	1,727,467	23.6	16.5	39.3	42.7	34.9
334,231	335,943	7.6	6.9	5.5	6.0	6.8
689,316	700,539	14.8	13.3	12.1	12.4	14.2
$ 3,902,431	$ 3,274,263	56.3 %	46.4 %	65.2 %	70.2 %	66.2 %
$ 1,649,397	$ 1,674,855	43.7 %	53.6 %	34.8 %	29.8 %	33.8 %
$ (58,362)	$ - 0 -					
$ 1,591,035	$ 1,674,855					
11,302,603	9,627,748					
$ 12,893,638	$ 11,302,603					

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 136,399	$ 139,813	$ 151,763
Investment Revenues	7,867	9,101	54,955
TOTAL REVENUES	$ 144,266	$ 148,914	$ 206,718
EXPENDITURES			
Debt Service Principal	$ 65,000	$ 65,000	$ 60,000
Debt Service Interest and Fees	82,215	84,815	87,065
TOTAL EXPENDITURES	$ 147,215	$ 149,815	$ 147,065
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (2,949)	$ (901)	$ 59,653
OTHER FINANCING SOURCES (USES)			
Transfers In	$ 10,816	$ 10,003	$ (4,698)
NET CHANGE IN FUND BALANCE	$ 7,867	$ 9,102	$ 54,955
BEGINNING FUND BALANCE	176,880	167,778	112,823
ENDING FUND BALANCE	$ 184,747	$ 176,880	$ 167,778

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2022	2021	2025	2024	2023	2022	2021
$ 140,579	$ 137,362	94.5 %	93.9 %	73.4 %	99.2 %	100.0 %
1,064	46	5.5	6.1	26.6	0.8	
$ 141,643	$ 137,408	100.0 %	100.0 %	100.0 %	100.0 %	100.00 %
$ 60,000	$ 55,000	45.1 %	43.6 %	29.0 %	42.4 %	40.0 %
89,315	92,300	57.0	57.0	42.1	63.1	67.2
$ 149,315	$ 147,300	102.1 %	100.6 %	71.1 %	105.5 %	107.2 %
$ (7,672)	$ (9,892)	(2.1) %	(0.6) %	28.9 %	(5.5) %	(7.2) %
$ 58,362	$ - 0 -					
$ 50,690	$ (9,892)					
62,133	72,025					
$ 112,823	$ 62,133					

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
OCTOBER 31, 2025

District Mailing Address - Harris County Improvement District No. 3
3120 Southwest Freeway, Suite 102
Houston, TX 77098

District Telephone Number - (713) 524-8000

Board Members	Term of Office (Appointed)	Fees of Office for the year ended October 31, 2025	Expense Reimbursements for the year ended October 31, 2025	Title
Patricia Ann Chesnick	06/23 06/27 (Appointed)	$ -0-	$ -0-	President
Cort King	06/23 06/27 (Appointed)	$ -0-	$ -0-	Vice President
Andrew Rice	10/23 06/25 (Appointed)	$ -0-	$ -0-	Secretary/ Treasurer
Christopher Gibbs	06/23 06/25 (Appointed)	$ -0-	$ -0-	Director
Barrett Webster	04/25 06/25 (Appointed)	$ -0-	$ -0-	Director

Board members remain in position after expiration of terms until they are officially approved for reappointment or replacement by the City of Houston.

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
OCTOBER 31, 2025

Consultants:	Date Hired	Fees for the year ended October 31, 2025	Title
Sanford Kuhl Hagan Kugle Parker Kahn LLP	06/24/97	$ 64,338	Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	10/19/10	$ 16,250	Auditor
Linebarger Heard Goggan Blair Graham Pena & Sampson, LLP	04/03/01	$ 2,658	Delinquent Tax Attorney
Gunda Corporation Inc.	03/29/06	$ 1,103	Engineer
Utility Tax Service	01/18/22	$ 4,853	Tax Advisor
Harris County Tax Assessor/Collector	Legislative Action	$ 3,689	Tax Assessor/ Collector
Goodman Corporation	12/02/06	$ 90,911	Transportation Consultant
Hilltop Securities Inc.	04/23/13	$ -0-	Financial Advisor
The Morton Accounting Services	07/16/13	$ 177,668	Bookkeeper

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

DRAFT SUBJECT TO CHANGE

SKLAW

Sanford | Kuhl | Hagan | Kugle | Parker | Kahn LLP

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SUITE 2650
HOUSTON, TEXAS 77056
(713) 850-9000
FAX: (713) 850-1330
www.sklaw.us

TO: SKLaw Clients

FROM: SKLaw

DATE: April 10, 2026

RE: HB 1500 Cybersecurity Training and HB 3512 Artificial Intelligence Training

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This memorandum outlines the procedures for accessing, completing, and submitting compliance certification forms to the Texas Department of Information Resources ("DIR") to comply with statutory Cybersecurity Training and Artificial Intelligence Training requirements.

As part of the 89th Texas legislative session, HB 1500 amended the Texas Government Code to mandate annual Cybersecurity Training for local government employees, elected officials, and appointed officials. In addition, HB 3512 requires local government employees, elected officials, and appointed officials who have access to a local government computer system or database and use a computer to perform at least 25 percent of the official's required duties to complete Artificial Intelligence Training annually.

The statewide 34-minute DIR-Certified Cybersecurity and Artificial Training Program (video) is available at no cost and can be accessed on the TML Risk Pool website via the following link: http://info.tmlirp.org/cyber-security-training.

Although the annual compliance deadline for the Cybersecurity Training and Artificial Intelligence Training is **August 31** of each year, SK Law asks participants to complete the trainings by **June 30** of each year so each entity's compliance can be certified to DIR by the **August 31** deadline.

Compliance Certification

Tracking: A local governmental entity must keep track of participants internally. The easiest method for most entities is for each participant to submit the compliance certification forms to each local government entity after watching the 34-minute video. The compliance certification forms are attached to this memorandum for reference.

Mandatory Reporting: After a local government entity receives compliance certification forms from all participants, the entity must certify its compliance to DIR using the Cybersecurity Training Certification for State and Local Governments form via the following link: https://dir.my.site.com/SecurityTrainingVerification/s/CybersecurityTrainingCertification. (**Note** - the entity certifies compliance of all its required participants to DIR - individuals do not certify compliance to DIR.)

CERTIFICATE OF COMPLETION

TML RISK POOL

CYBERSECURITY AWARENESS TRAINING

The following local government employee or official has completed an approved cybersecurity awareness training program that meets the requirements of Texas Government Code 2054.5191:

_____

Entity

_____

Name

_____

Date

CERTIFICATE OF COMPLETION

TML RISK POOL

ARTIFICAL INTELLIGENCE AWARENESS TRAINING

The following local government employee or official has completed an approved artificial intelligence awareness training program that meets the requirements of Texas Government Code 2054.5191:

_____

Entity

_____

Name

_____

Date