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, SEPTEMBER 15, 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 June 23, 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) Receive 2026 Taxable Value Report;
   c) Adopt Resolution Regarding Development Status for 2026 Tax Year [GR 2026-_];
   d) Review possible tax rates and related calculations, and authorize publication of Notice of Public Hearing on Tax Rate;
   e) 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. **Audit and Reporting Matters:**
   a) Ratify approval of audit for fiscal year ending October 31, 2025;
   b) Engage auditor to prepare audit for fiscal year ending October 31, 2026;
   c) Authorize preparation of Annual Report in accordance with District's Continuing Disclosure of Information Agreement and as referenced by SEC Rule 15c2-12;
9. **Financial and administrative matters:**
   a) Receive bookkeeping report, and authorize payment of invoices;
   b) Authorize other appropriate action;

10. **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/86582837088?pwd=nVPSDaaLrV9nmhgDjcw6DXTLlh54uz.1
ATTEND VIA AUDIO: 1-346-248-7799
MEETING ID: 865 8283 7088 | **PASSCODE:** 163434

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

June 23, 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 23rd day of June, 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 Gibbs, thus constituting a quorum.

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"); Lita Lemus of Utility Tax Service, LLC; Melissa Morton of The Morton Accounting Services; Jon Durnell of McCall Gibson Swedlund Barfoot Ellis PLLC ("MGSBE");"); and John Kuhl and Audrey Lyons of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

Vice President King noted that a quorum of Board members was present and called the meeting to order.

APPROVE MINUTES

The Board considered approving the minutes of the February 17, 2026, meeting. Upon motion by Director Rice, seconded by Director King, 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. Ryan Linden of Texas Groundworks Management, Inc. ("TGM
provided a brief overview of TGM's landscape maintenance, irrigation, tree care, concrete, detention pond, and related services. He noted TGM's experience serving management districts and other local governmental entities and asked that TGM be considered as a resource for future District work. The Board thanked Mr. Linden for his presentation.

Vice President King then stated that Agenda Item 8, Financial and Administrative Matters, would be taken up at this point in the meeting.

FINANCIAL AND ADMINISTRATIVE MATTERS

Receive Annual Audit

Mr. Durnell reviewed with the Board the Annual Financial Report for the fiscal year ended October 31, 2025, and answered questions. He advised that MGSBE has issued an unmodified opinion and identified no material concerns.

Upon motion by Director Webster, seconded by Director Rice, and after full discussion, the Board voted unanimously to 1) approve the audit, subject to final review by the District's staff and attorney, 2) authorize execution of the related representation letter by use of facsimile, electronic, or other appropriate signature, and 3) authorize filing of the audit upon completion with all required government entities and in the offices of the

District. Mr. Kuhl advised that the audit approval and authorizations would be presented for ratification at the next meeting.

Vice President King then advised that remaining subitems in Agenda Item 8 would be taken up later in the meeting.

RECEIVE SECURITY AND PATROL SERVICES REPORT

Captain Martinez reviewed patrol services activity and statistics reports for the months of February through May. He reviewed monthly fluctuations in overall crime, including a 13% uptick during May. He summarized specific incidents and recurring hotspots. He discussed patrol service response and actions, noting the impact of related law enforcement challenges, available support resources, ongoing efforts to identify repeat offenders, and activity at problematic locations.

Captain Martinez also reviewed patrol staffing and law enforcement coordination during FIFA-related events, noting homeless and vagrant-related activity and displacement issues from Downtown and Midtown areas.

Captain Martinez advised that District security coverage remains well-staffed and that officers continue maintaining a visible presence throughout the District.

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. Younkin advised that there is no grant report for today's meeting.

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 reports for the months of February, March, April, and May, advising that approximately 97.46% of the 2025 taxes had been collected to date. She reviewed current receipts and disbursements, a historical recap of property valuations and prior taxes levied, and the impact of tax lawsuit settlements. She also advised that a discrepancy previously noted in the property values reflected in the report resulted from a formula error and confirmed that the current report reflects the corrected value.

Ms. Lemus also reviewed the anticipated effect of House Bill 9 on the District's future tax rolls. She explained that beginning with the 2026 levy, business personal property accounts valued at $125,000 or less will be fully exempt, while accounts valued above $125,000 will remain taxable. She advised that the estimated effect on the District is expected to be limited.

The Board took the Property Tax Advisor's Report under advisement.

PROJECTS REPORT

Mr. Cisneros then reviewed the general project status report.

Shepherd Drive Streetscape/Landscape Improvements

Mr. Cisneros advised that construction is complete and the project is in close-out. He stated that final City of Houston ("City") and accessibility approvals have been received and that the contractor is submitting final close-out items, including video inspections, as-built drawings, and storm-drainage documentation.

West Alabama

Mr. Cisneros advised that the Phase 1 package from Buffalo Speedway to Kirby Drive remains with the City for final approval. He stated that the project team is prepared to advertise the project upon receipt of

approvals and reviewed a possible bid and construction schedule.

Mr. Cisneros then reviewed anticipated traffic-control measures and coordination with impacted property owners regarding access during construction. He also discussed ongoing utility relocation efforts.

Mr. Cisneros advised that the Phase 2 design package from Kirby Drive to Shepherd Drive is approximately 55% complete, with a 60% submittal expected by June. He discussed a possible permitting and construction schedule to follow.

Buffalo Speedway

Mr. Cisneros advised that the City approved a design concept report for the project and that related documentation is being finalized. He stated that design work for the phase between Richmond Avenue and West Alabama Street is underway. He reviewed coordination with Transwestern for the 'RO' development on the west side.

Kirby Drive South

Mr. Cisneros advised that the City completed initial review of a design concept report for Kirby Drive from US 59 to Bissonnet Street. He stated that the design team is addressing the City's comments and expects to submit Stage 2 and Stage 3 reports and make a presentation to Houston Public Works in the coming weeks.

Bissonnet

Mr. Cisneros advised that work has commenced on a design concept report for Bissonnet Street between Buffalo Speedway and Edloe Street. He reviewed anticipated traffic studies and existing roadway, drainage, and pedestrian conditions within the corridor.

Richmond

Mr. Cisneros advised that reconstruction of Richmond Avenue is currently anticipated to begin around 2030. He noted that project scheduling will need to account for the West Alabama, Buffalo Speedway, Kirby Drive, and the Bissonnet projects anticipated during the next several years.

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 through the month of May, including routine streetscape and landscaping work, tree and tree-grate replacements, and the anticipated launch of the "See Say" interactive reporting app. He advised that information regarding the app will be distributed to residents and businesses through various District and community channels.

Mr. Younkin also discussed cleanup and security concerns associated with ongoing vagrant activity at certain properties, potential safety concerns, and repeated vandalism at bus shelters in the District.

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

FINANCIAL AND ADMINISTRATIVE MATTERS - CONTINUED

Receive Bookkeeping Report

The Board next received the Bookkeeping Report. Mr. Younkin reviewed with the Board the bookkeeping report for the months of February, March, and April. He advised that the May report will be provided with the next meeting packet.

Upon motion by Director Rice, seconded by Director Webster, and after full discussion, the Board voted unanimously to approve the Bookkeeping Reports and authorize payment of the invoices as presented.

DRAFT

Authorize Limited Use of Upper Kirby Phone Booth for Marketing Purposes

Mr. Younkin advised that the Upper Kirby District Foundation ("UKDF") and The Color Factory requested limited use of an Upper Kirby phone booth for marketing purposes.

The Board expressed no objection to the proposed limited use, subject to ongoing staff coordination with the UKDF on the planned use.

Approve Agreement for Custom Holiday Décor and Lighting

The Board next discussed the current agreement for holiday décor and lighting within major District corridors. Mr. Younkin advised that the agreement extends the work and decorative format from prior years, which has been generally well received by the public. He discussed funding and advised that the projected cost remains within budget.

Upon motion by Director Rice, seconded by Director Webster, and after full discussion, the Board voted unanimously to approve the Agreement for Custom Holiday Décor and Lighting with Always in Season Decorating Services, Inc., as discussed, and to authorize execution by the Executive Director.

Cybersecurity and Artificial Intelligence Training

Mr. Kuhl reviewed the annual Cybersecurity Awareness Training and Artificial Intelligence Training requirements. Ms. Lyons advised that she would follow up with the Directors regarding completion of the required courses and related certificates.

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 (June 2026)

	May-26	June-26	Plus / Minus	Increase / Decrease
Homicides	0	0	#DIV/0!	No Change
Sexual Assault	0	1	100%	Increase
Robbery (Comm/Person)	4	2	-100%	Decrease
Aggravated Assault / Assaults	15	31	52%	Increase
Burglaries (Comm / Resident)	2	5	60%	Increase
Thefts	31	39	21%	Increase
Burglary Motor Vehicle	57	40	-43%	Decrease
Auto Theft	9	4	-125%	Decrease
Forgery / Fraud	6	7	14%	Increase
Totals:	124	129	4%	Increase

NOTE: Part 1 reported criminal incidents for June 2026 demonstrate a slight increase of approximately 4% or 129 incidents, within the Upper Kirby Management District. FIFA World Cup began June 11th, with many restaurants and bars showing large crowds. The patrol officers conducted a large number of inspections that included parking lots, stakeholders' properties, interior walk-throughs, and stationary surveillance.

Summary:

Sexual Assaults: Force Rape incident reported on 6/14/26 at Levy Apartment

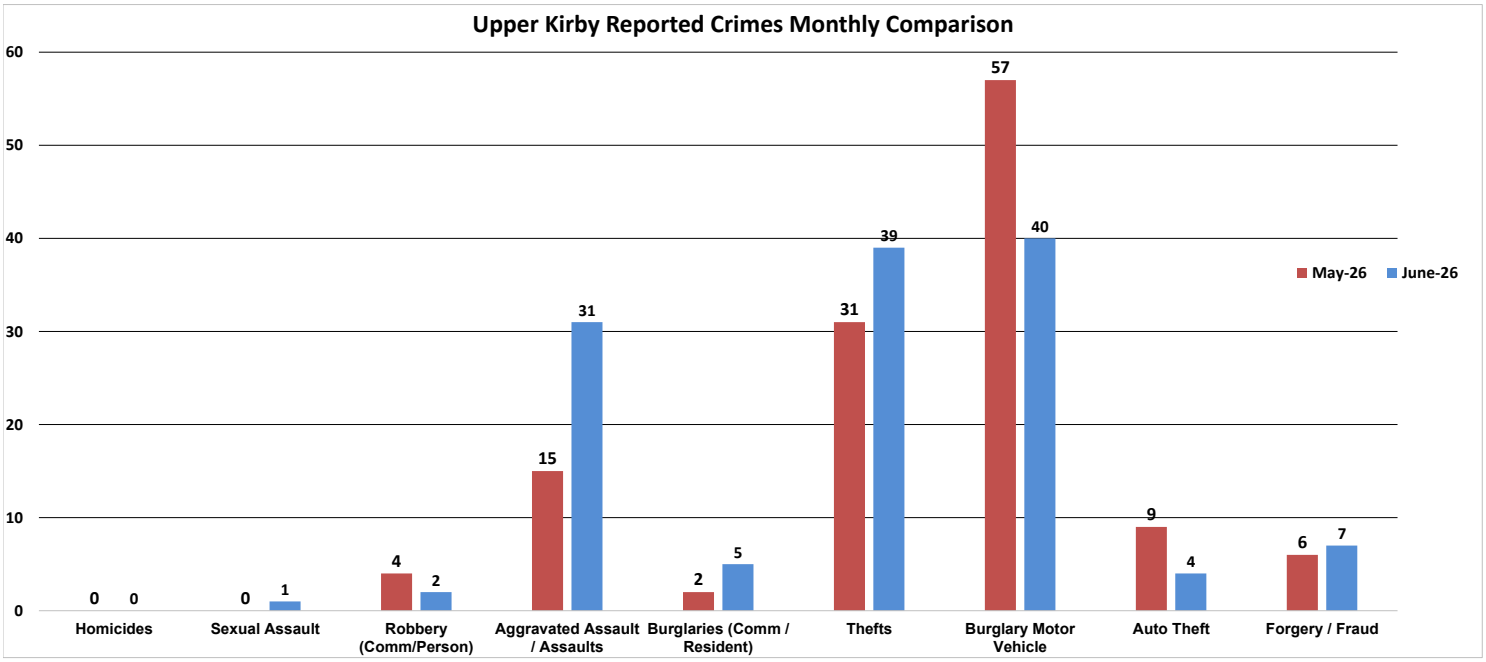
Robberies: Valvoline (Parking Lot - Customer) | 2600 SW Frwy S/R (Sidewalk) next to Shell.

BMV: Camden Greenway x 4 | On the Kirb Bar x 6 (Street / Lot) | Olive Garden x 2 | Guad Restaurant x 2

Assaults: Walgreens_Buffalo Spwy x 5

Thefts: Walgreens - Buffalo Spwy (18)

Date:	Event Type:	Locations	# of Events:
Homicides			
6/1-30/2026	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
6/14/2026	Sexual Assault	Levy Apt_2828 SW Frwy (Force Rape)	1
Total Sexual Assaults:			**1**
Robberies			
6/1-30/2026	Robbery	Various UK Locations	2
Total Robberies:			**2**
Assaults / Aggravated Assaults			
6/1-30/2026	Assaults	Various UK Locations	31
Total Assaults:			**31**
Burglaries (Residence / Commercial)			
6/1-30/2026	Burglaries	Various UK Locations	5
Total Burglaries:			**5**
Thefts (Shoplifting, Theft from Person, Etc)			
6/1-31/2026	Thefts	Various UK Locations	39
Total Thefts:			**39**
Burglary of Vehicles			
6/1-31/2026	Burglary Motor Vehicles	Various UK Locations	40
Total Theft from Vehicle:			**40**
Motor Vehicle Thefts			
6/1-31/2026	Motor Vehicle Thefts	Various UK Locations	4
Total Theft of Vehicles:			**4**
Forgery / Fraud			
6/1-31/2026	Forgery / Fraud	Various UK Locations	7
Total Theft of Vehicles:			**7**



Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (July 2026)

	June-26	July-26	Plus / Minus	Increase / Decrease
Homicides	0	0	0%	No Change
Sexual Assault	1	0	-100%	Decrease
Robbery (Comm/Person)	2	1	-100%	Decrease
Aggravated Assault / Assaults	31	16	-94%	Decrease
Burglaries (Comm / Resident)	5	5	0%	No Change
Thefts	39	25	-56%	Decrease
Burglary Motor Vehicle	40	27	-48%	Decrease
Auto Theft	4	1	-300%	Decrease
Forgery / Fraud	7	6	-17%	Decrease
Totals:	129	81	-59%	Decrease

NOTE: Part 1 reported criminal incidents for July 2026 show a significant decrease of approximately 59%, with 81 reported incidents within the Upper Kirby Management District. FIFA World Cup games continued until July 19th, with a large law enforcement presence around the city. The UK patrol teams continued their proactive approach while maintaining contact with business security and conducting random inspections. All law enforcement teams worked tirelessly to mitigate criminal activity by demonstrating their proactive presence and helping reduce crime in the District.

Summary:

Sexual Assaults: NO Sexual Assaults reported

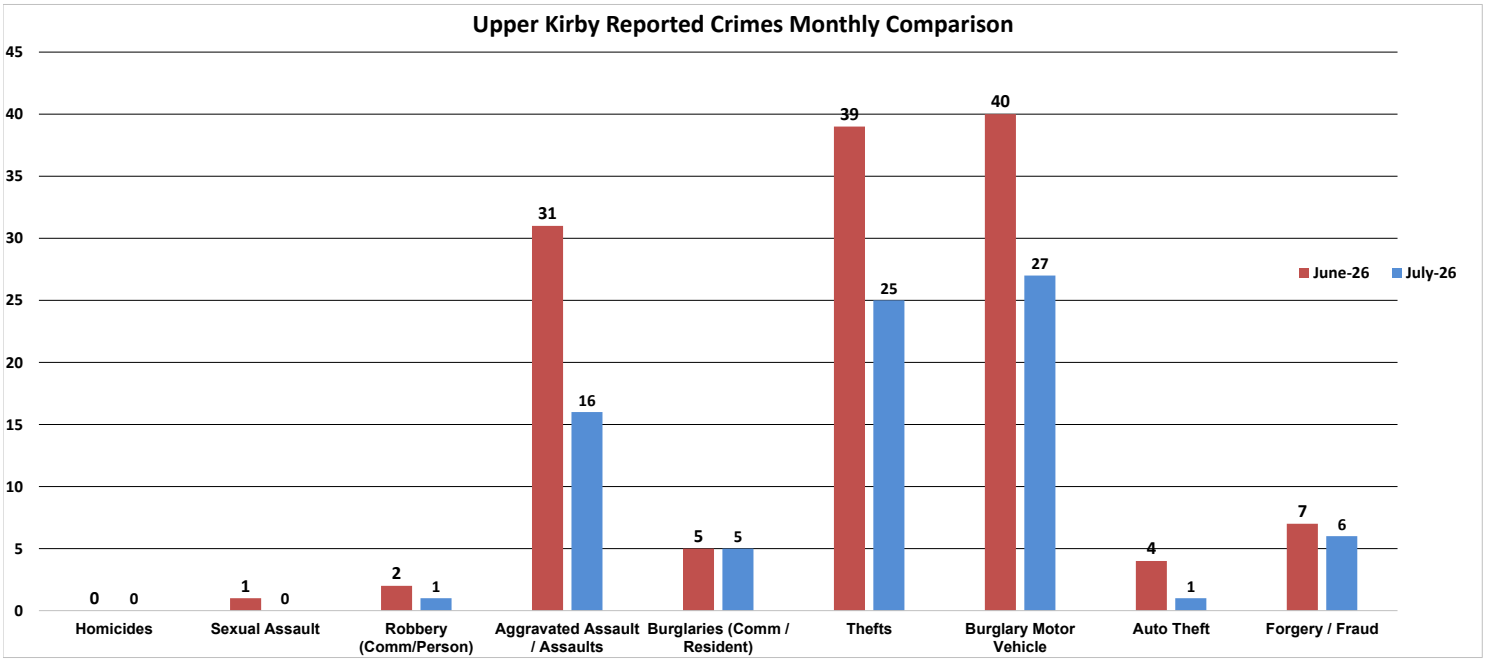
Robberies: 7/18/26: Shell Station - 3936 Kirby Dr

BMV: Kirby Icehouse| Marquis II Bar | Avalon Square Apts

Assaults: 3900 Kirby - Shell | Levy Park 7/14/26 / 6:00pm | HEB - Buffalo Spwy | Star Pizza

Thefts: Walgreens - Buffalo Spwy (7) | CVS - Kirby Dr (9)

Date:	Event Type:	Locations	# of Events:
Homicides			
7/1-31/2026	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
7/1-31/2026	Sexual Assault	No Reported Incidents	0
Total Sexual Assaults:			**0**
Robberies			
7/18/2026	Robbery	3936 Kirby_Shell Station	1
Total Robberies:			**1**
Assaults / Aggravated Assaults			
7/1-31/2026	Assaults	Various UK Locations	16
Total Assaults:			**16**
Burglaries (Residence / Commercial)			
7/1-31/2026	Burglaries	Various UK Locations	5
Total Burglaries:			**5**
Thefts (Shoplifting, Theft from Person, Etc)			
7/1-31/2026	Thefts	Various UK Locations	25
Total Thefts:			**25**
Burglary of Vehicles			
7/1-31/2026	Burglary Motor Vehicles	Various UK Locations	27
Total Theft from Vehicle:			**27**
Motor Vehicle Thefts			
7/16/2026	Motor Vehicle Thefts	2700 Revere - Oak Lone Townhomes	1
Total Theft of Vehicles:			**1**
Forgery / Fraud			
7/1-31/2026	Forgery / Fraud	Various UK Locations	6
Total Theft of Vehicles:			**6**



Upper Kirby District Reported Criminal Incidents

Prior Month Comparison (August 2026)

	July-26	August-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	16	24	33%	Increase
Burglaries (Comm / Resident)	5	4	-25%	Decrease
Thefts	25	32	22%	Increase
Burglary Motor Vehicle	27	21	-29%	Decrease
Auto Theft	1	5	80%	Increase
Forgery / Fraud	6	6	0%	Increase
Totals:	**81**	**96**	**16%**	**Decrease**

NOTE: Part 1 reported criminal incidents for August 2026 have an increase of approximately 16% or 96 reported incidents within the Upper Kirby Management District. FIFA World Cup ended in July; however, the patrol team remains proactive, providing the high quality of services mandated by Upper Kirby. The Elerts App is active, with reports being sent, and response times are typically 3-5 minutes, depending on traffic and incident severity.

Summary:

Sexual Assaults: 8/23/26: 2700 Westgate (Single Townhome) (Forced Rape)

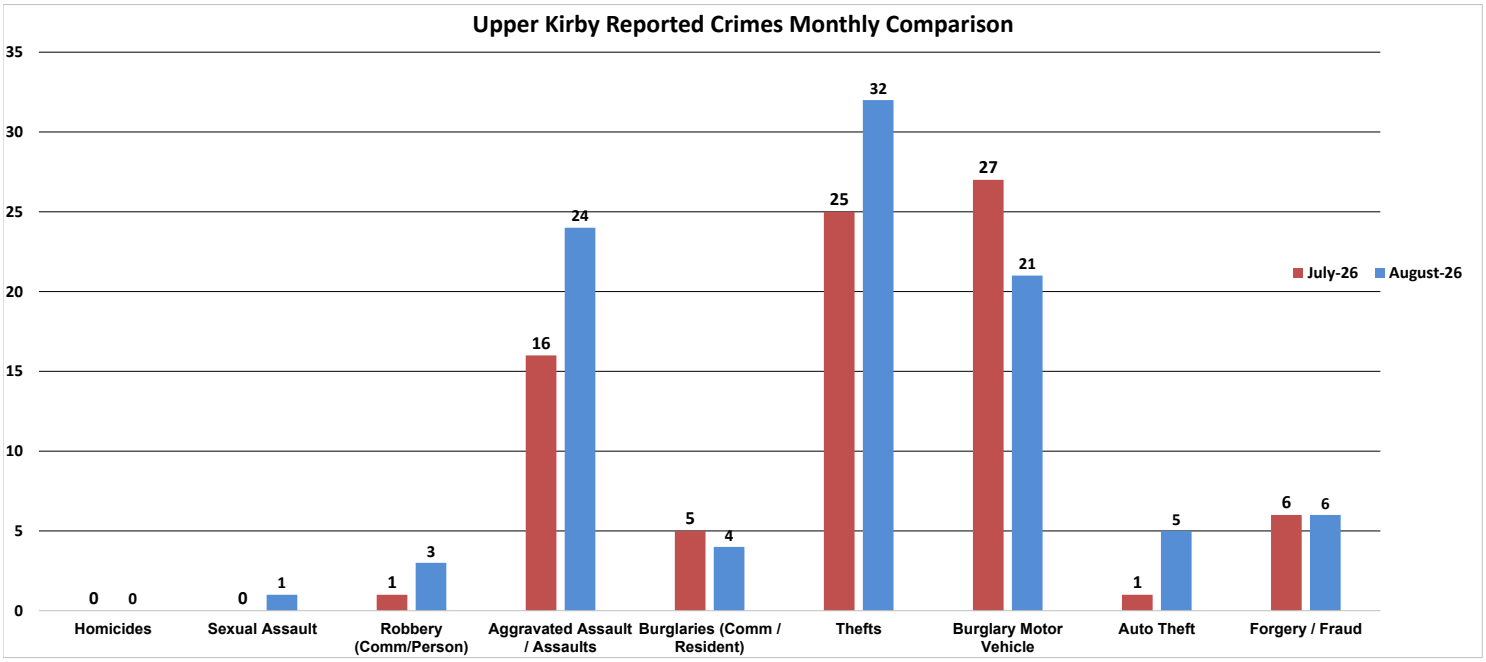
Robberies: 8/10/26: Walgreens (Buffalo Spwy) Employee shoved during theft | 8/21/26: CVS (Kirby) Employee assaulted during theft | 8/30/26: Crown Plaza Hotel - Guest robbed by female during business deal.

BMV: Twin Peaks | BBs Tex Orleans | On The Kirb Bar

Assaults: Rock & Roll It Shop | Whole Food Parking Lot, Sidewalk (Twin Peaks)

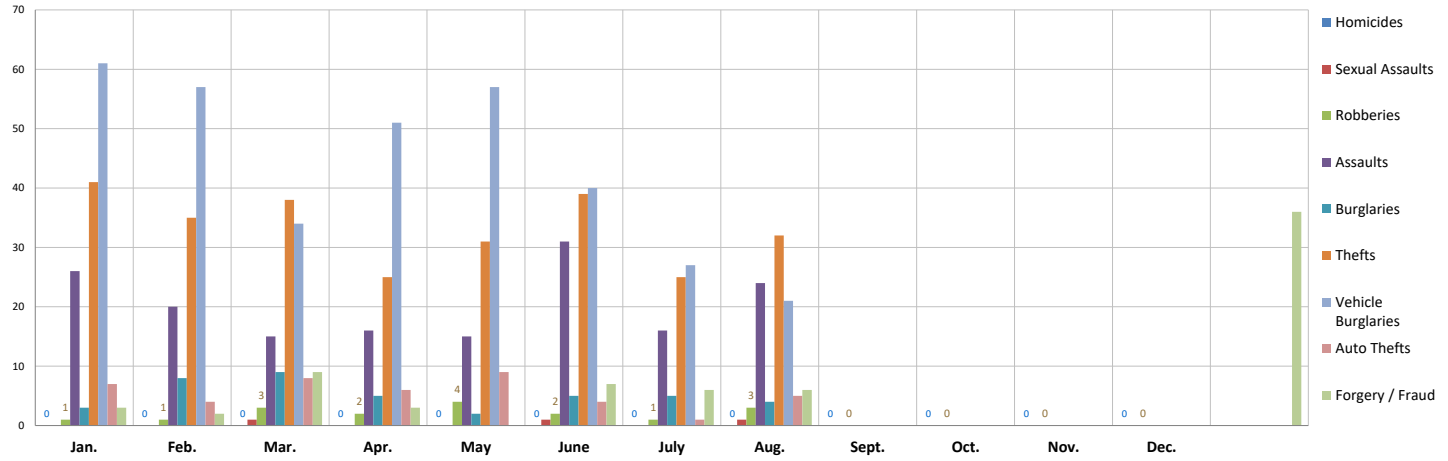
Thefts: Walgreens - Buffalo Spwy (13) | CVS - Kirby (4) | Academy (3) | Ulta (2) | CVS - Westheimer (4)

Date:	Event Type:	Locations	# of Events:
Homicides			
8/1-31/2026	Homicide / Murder	No Reported Incidents	0
Total Homicides:			**0**
Sexual Assaults			
8/23/2026	Sexual Assault	2700 Westgate (Townhome)	1
Total Sexual Assaults:			**1**
Robberies			
8/1-31/2026	Robbery	Various UK Locations	3
Total Robberies:			**3**
Assaults / Aggravated Assaults			
8/1-31/2026	Assaults	Various UK Locations	24
Total Assaults:			**24**
Burglaries (Residence / Commercial)			
8/1-31/2026	Burglaries	Various UK Locations	4
Total Burglaries:			**4**
Thefts (Shoplifting, Theft from Person, Etc)			
8/1-31/2026	Thefts	Various UK Locations	32
Total Thefts:			**32**
Burglary of Vehicles			
8/1-31/2026	Burglary Motor Vehicles	Various UK Locations	21
Total Theft from Vehicle:			**21**
Motor Vehicle Thefts			
8/1-31/2026	Motor Vehicle Thefts	Various UK Locations	5
Total Theft of Vehicles:			**5**
Forgery / Fraud			
8/1-31/2026	Forgery / Fraud	Various UK Locations	6
Total Theft of Vehicles:			**6**



Upper Kirby Management Part 1 Crimes - 2026 Summary

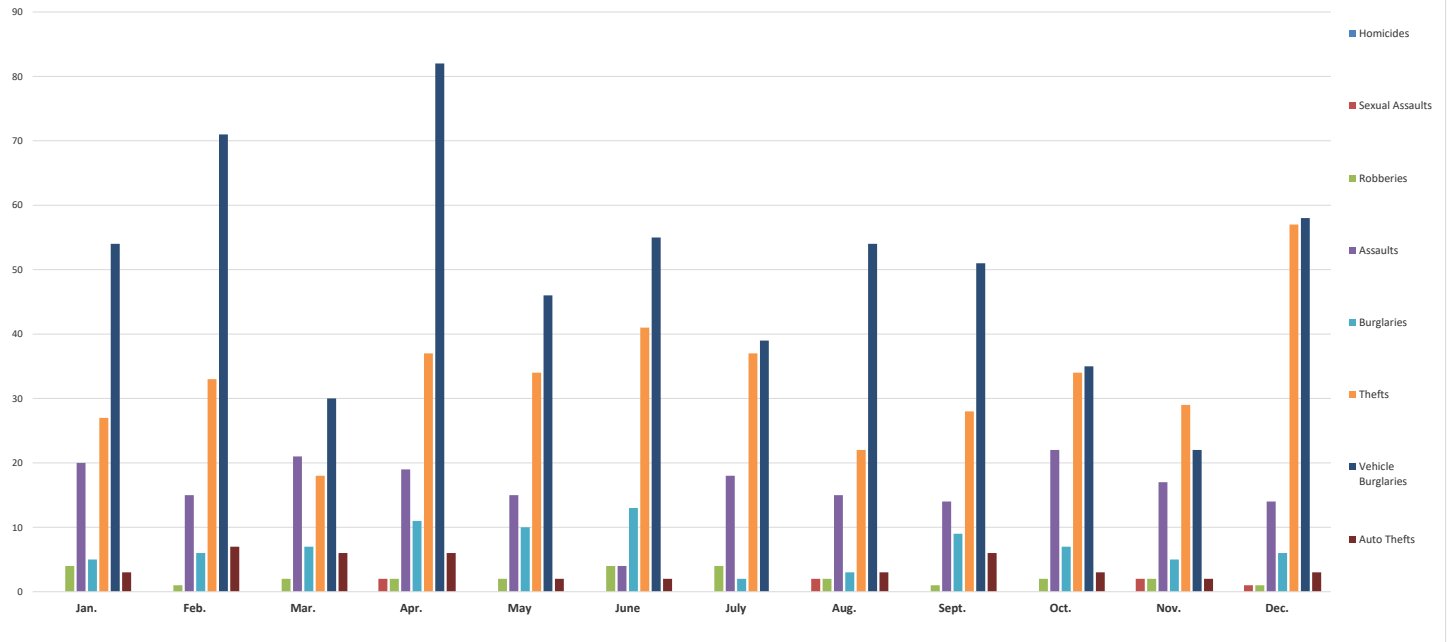
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	0	0	1	0	0	1	0	1	0	0	0	0	3
Robberies	1	1	3	2	4	2	1	3	0	0	0	0	17
Assaults	26	20	15	16	15	31	16	24	0	0	0	0	163
Burglaries	3	8	9	5	2	5	5	4	0	0	0	0	41
Thefts	41	35	38	25	31	39	25	32	0	0	0	0	266
Vehicle Burglaries	61	57	34	51	57	40	27	21	0	0	0	0	348
Auto Thefts	7	4	8	6	9	4	1	5	0	0	0	0	44
Forgery / Fraud	3	2	9	3	0	7	6	6	0	0	0	0	36



Prior Year Crime Activity Comparison

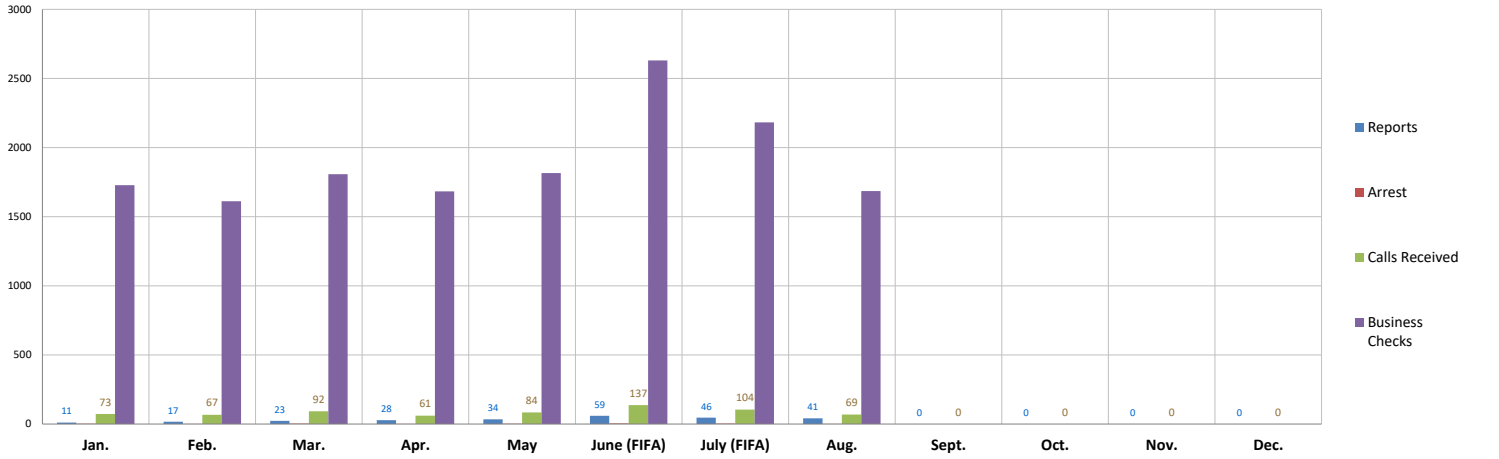
Upper Kirby Management Part 1 Crimes - 2025 Summary

	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

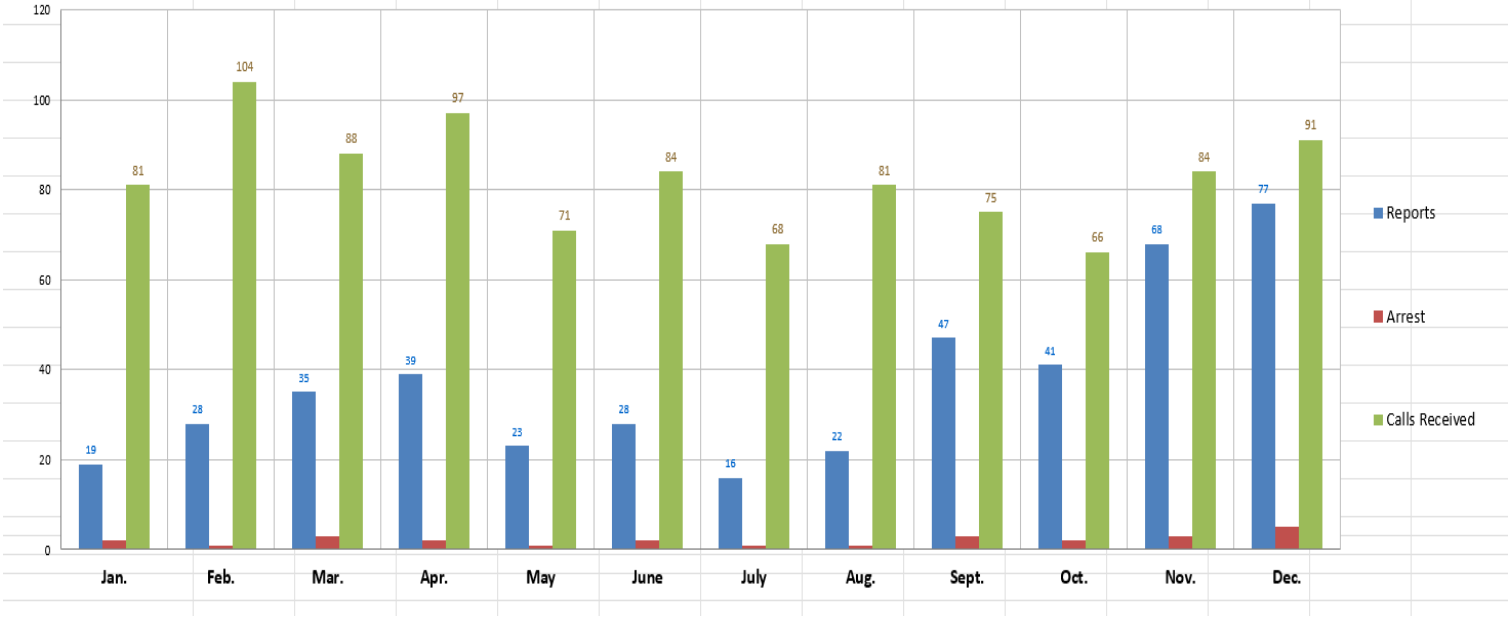
	Jan.	Feb.	Mar.	Apr.	May	June (FIFA)	July (FIFA)	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	11	17	23	28	34	59	46	41	0	0	0	0	259
Arrest	2	1	3	1	2	5	3	1	0	0	0	0	18
Business Checks	1728	1612	1807	1683	1816	2631	2182	1685	0	0	0	0	15144
Calls Received	73	67	92	61	84	137	104	69	0	0	0	0	687



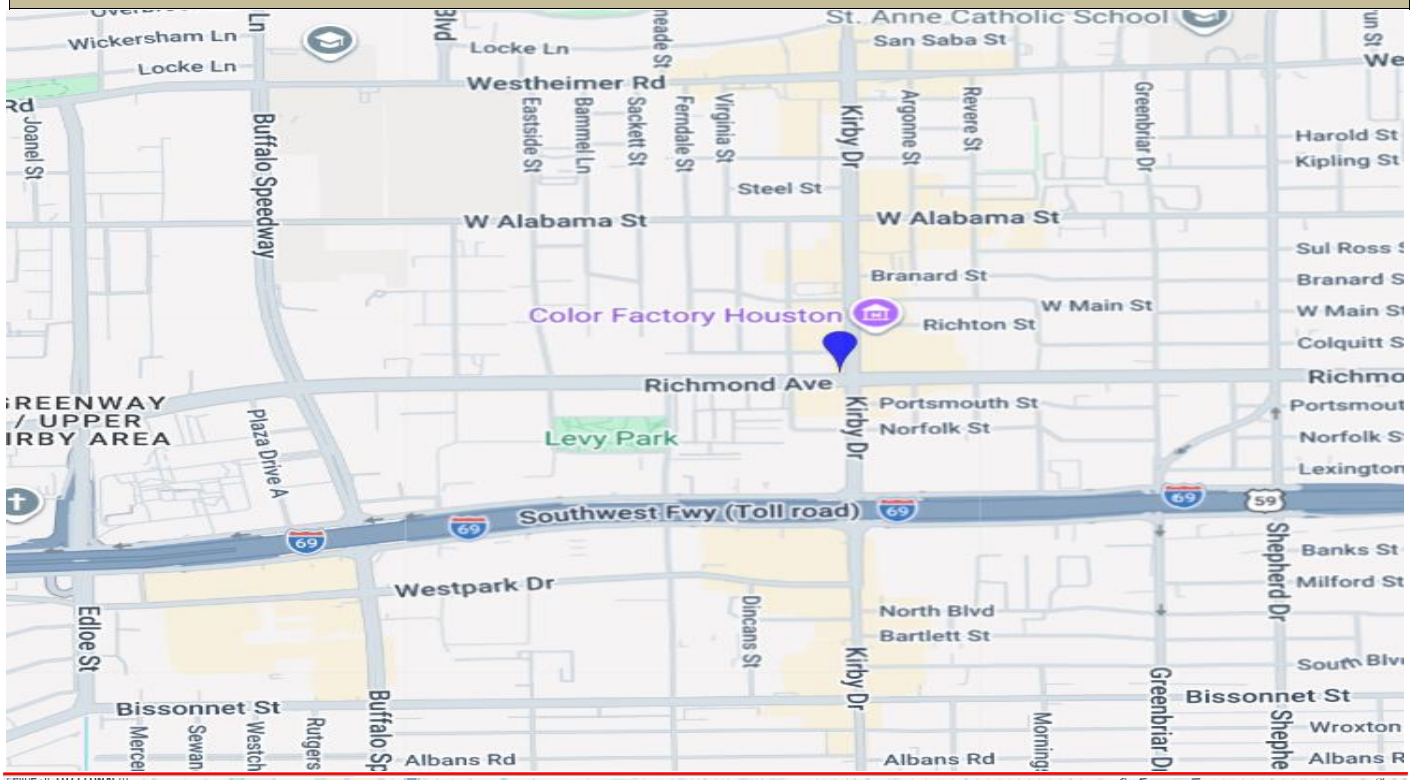
Prior Year Activity Comparison

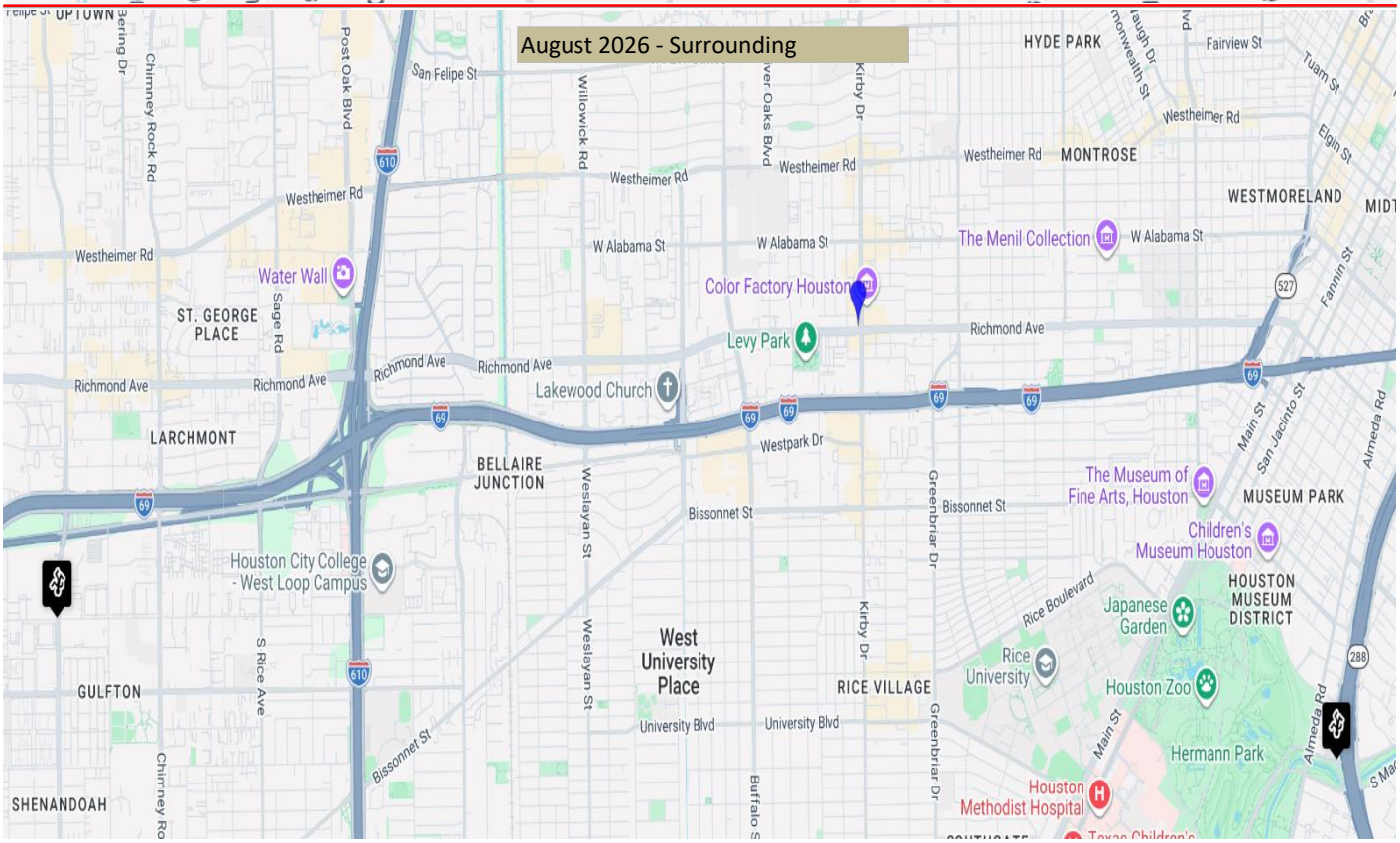
Upper Kirby Management Patrol - 2025 Summary

	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

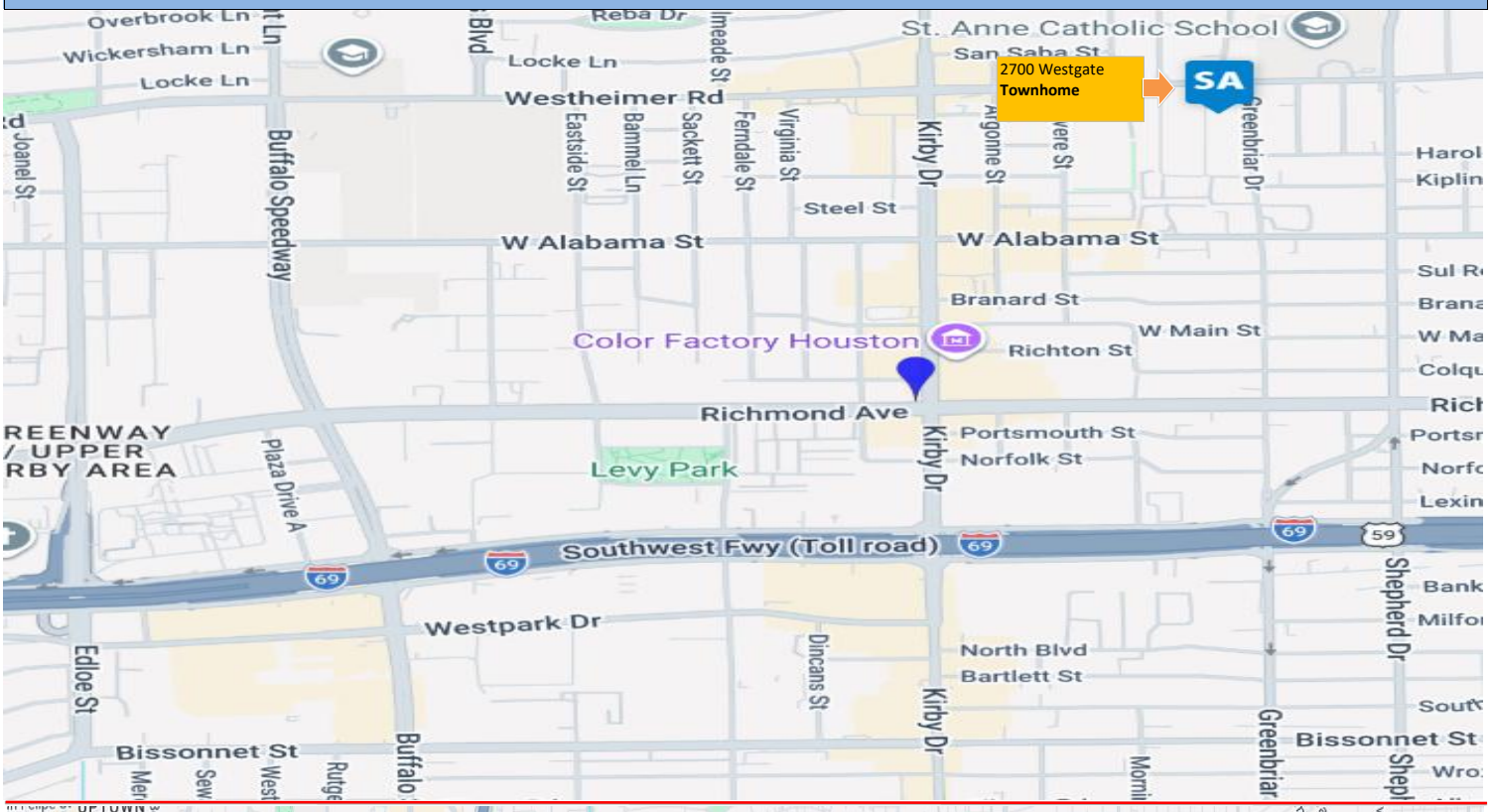


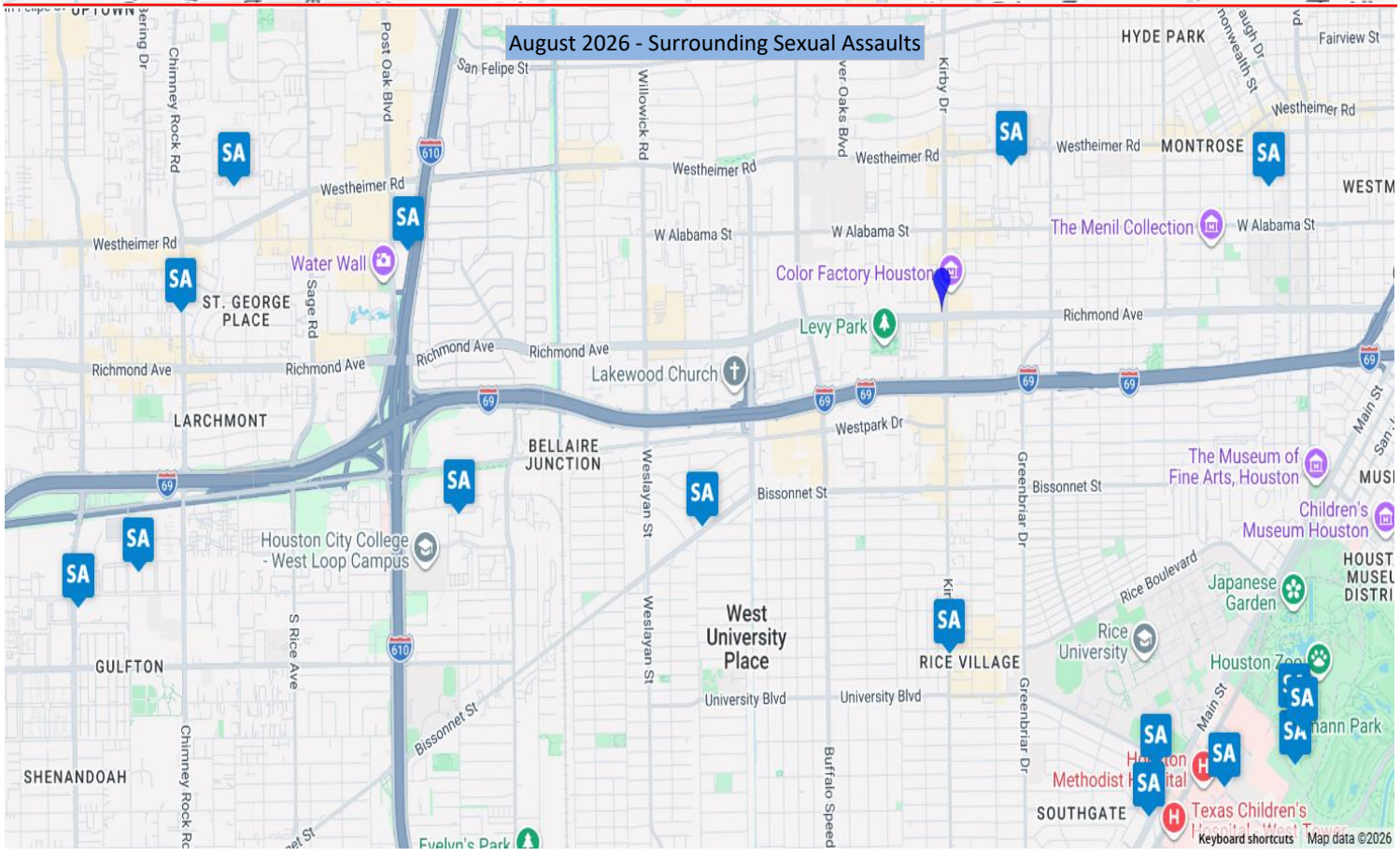
Upper Kirby Crime Map: Homicides (0)



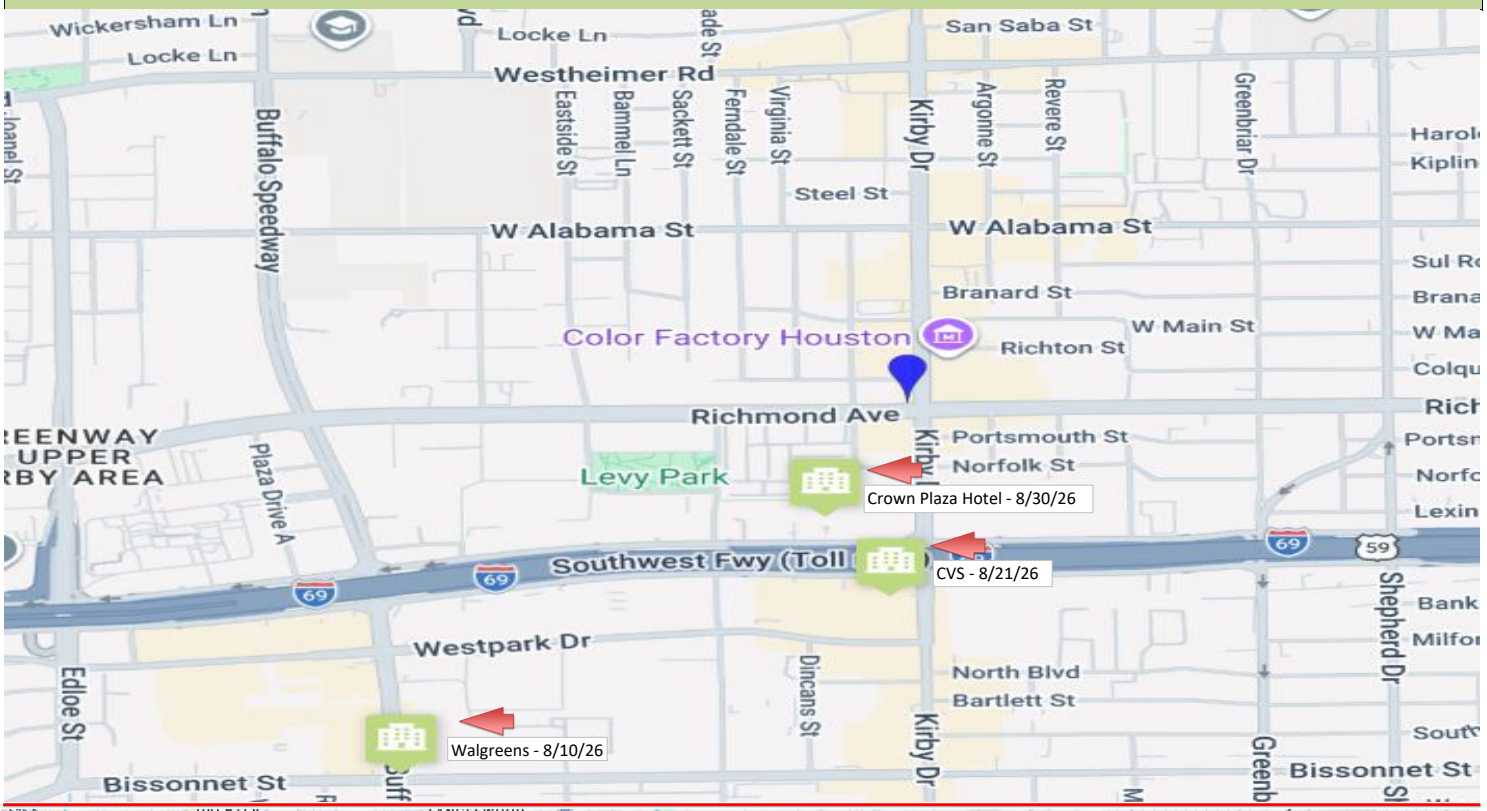


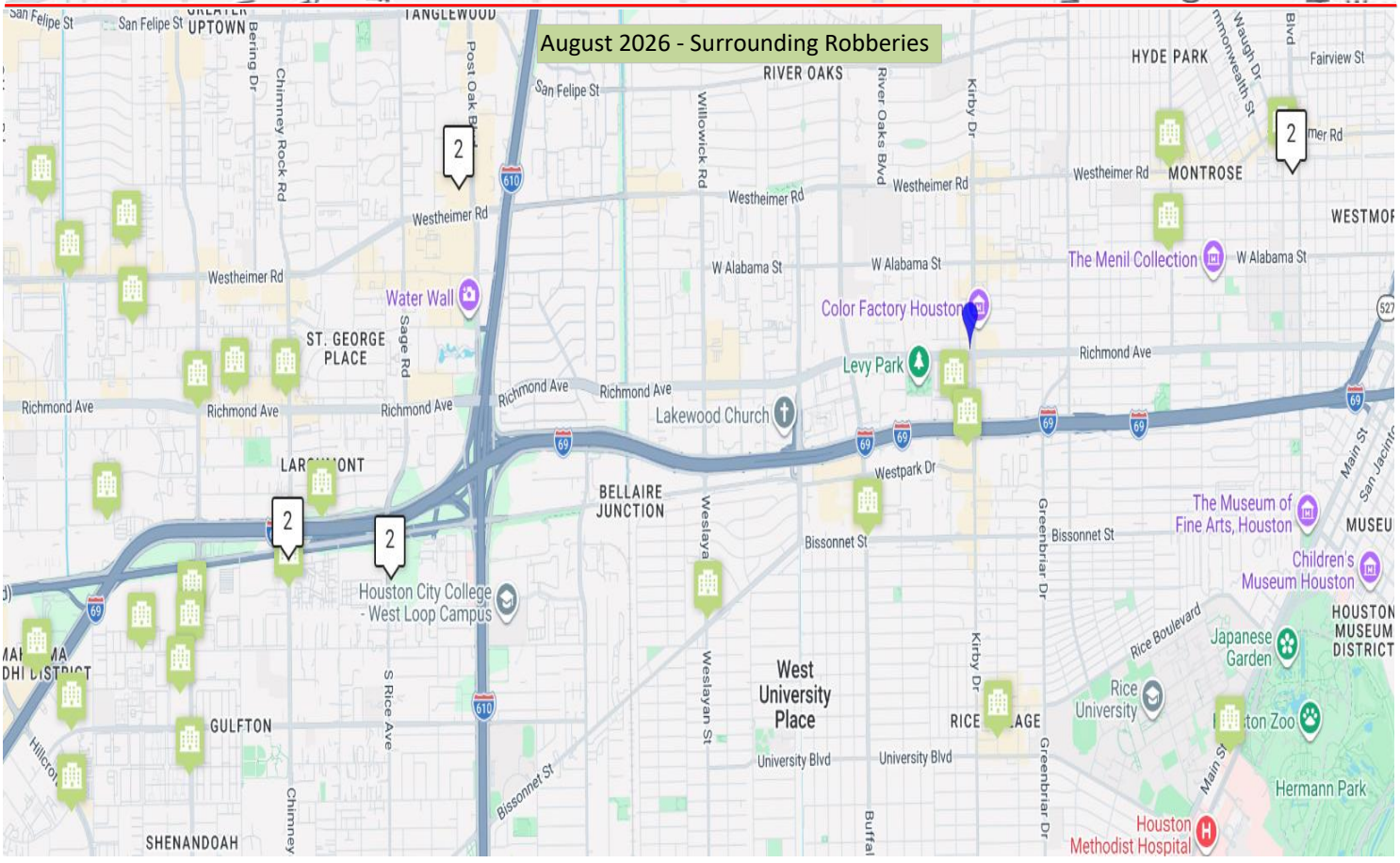
Upper Kirby Crime Map: Sexual Assaults (1)



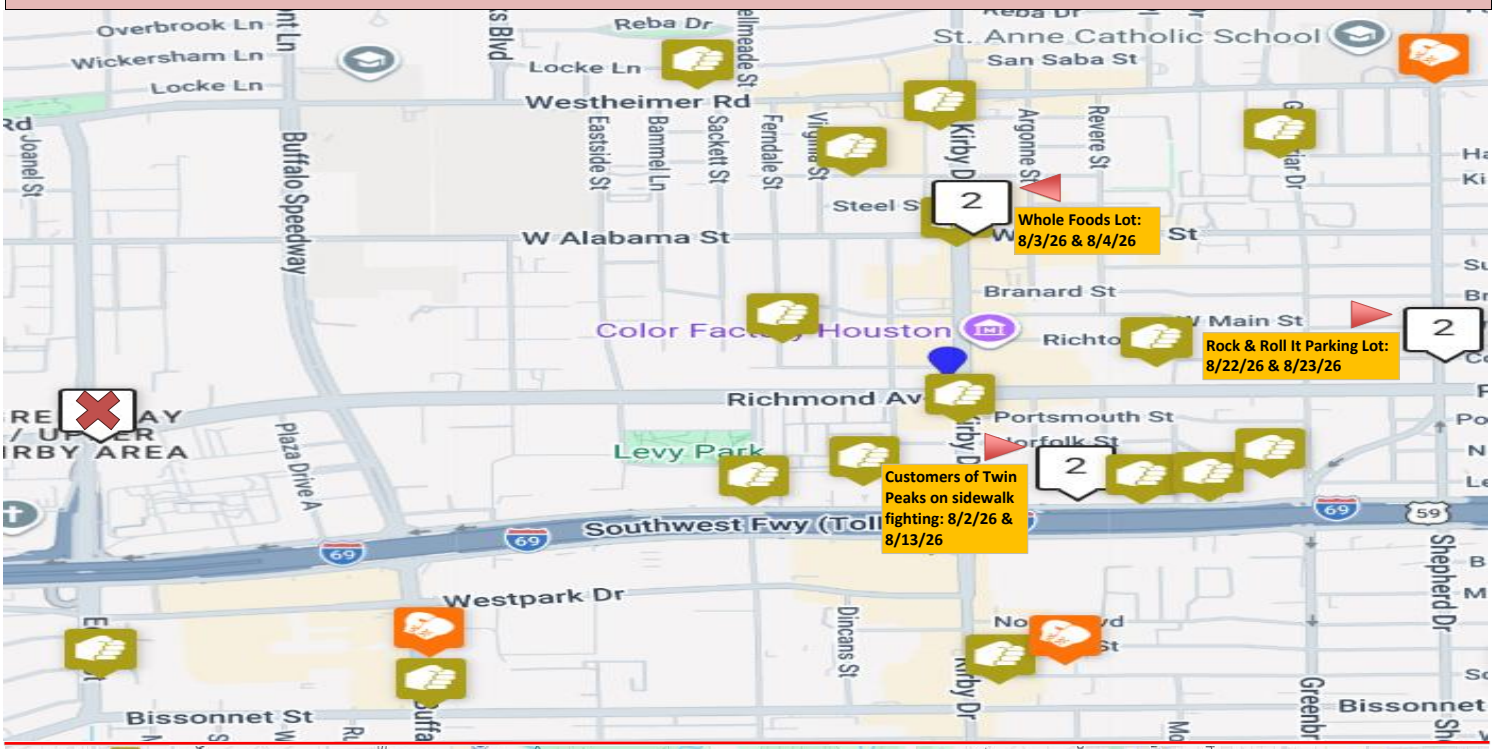


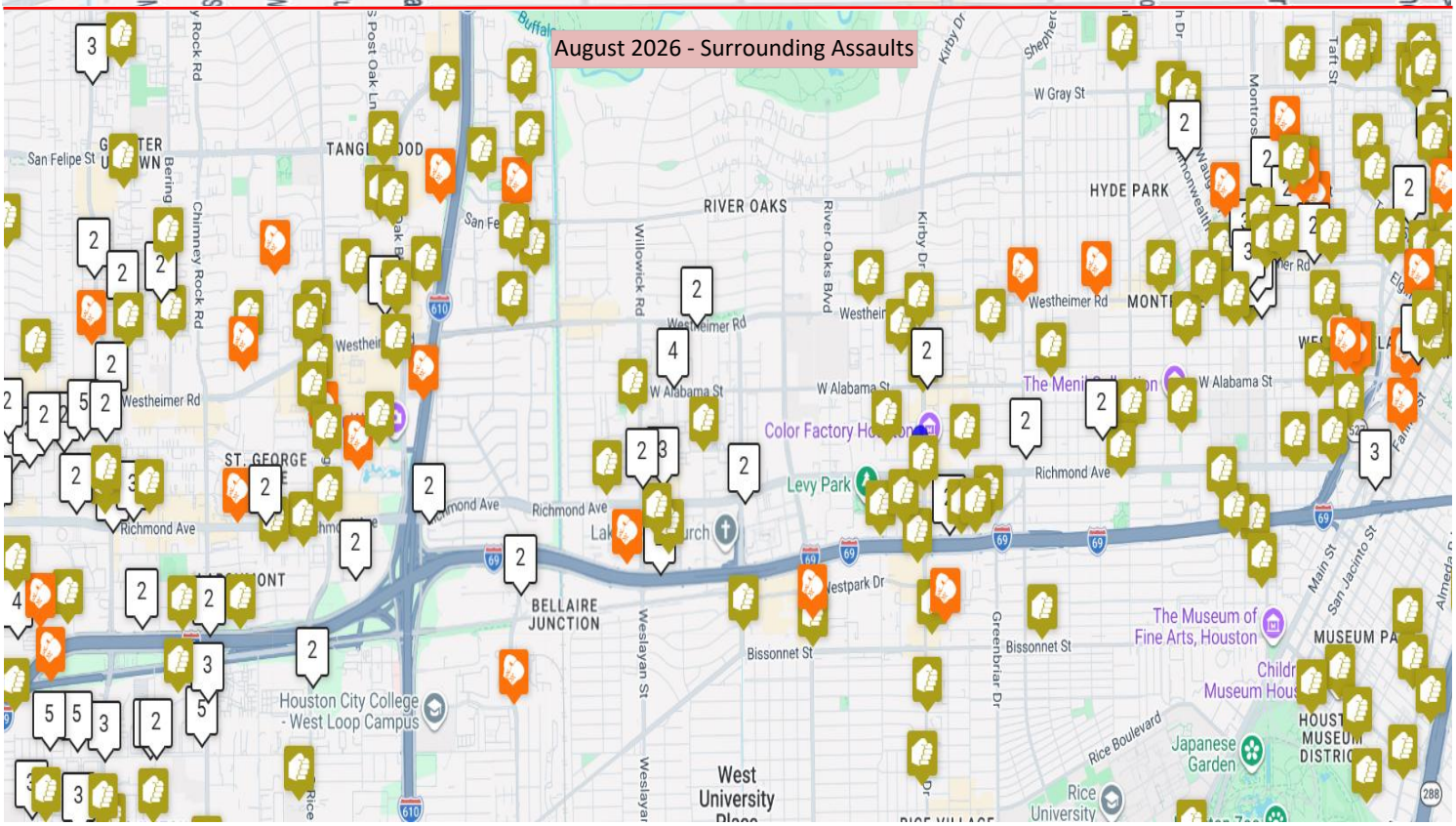
Upper Kirby Crime Map: Robberies (3)



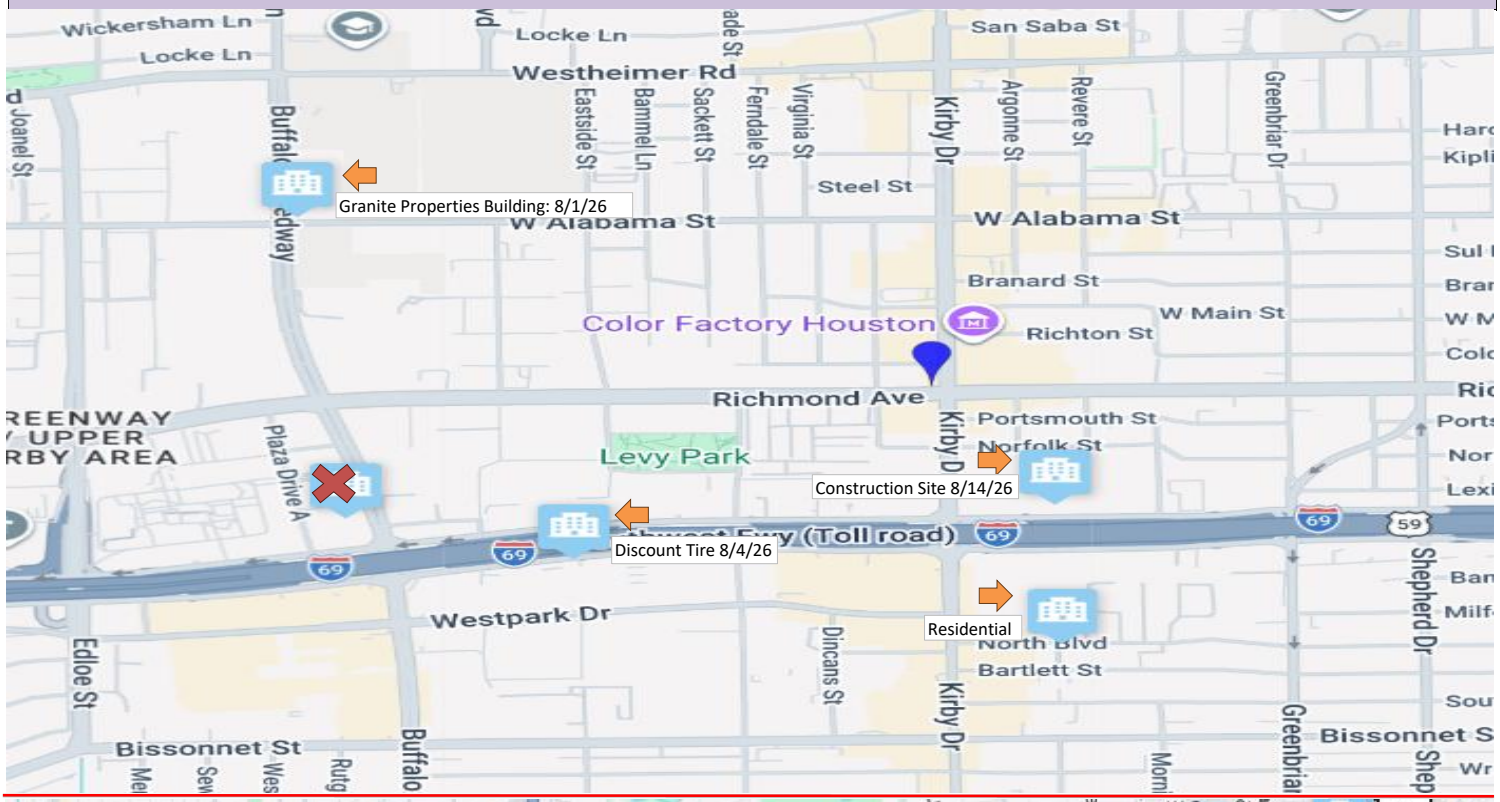


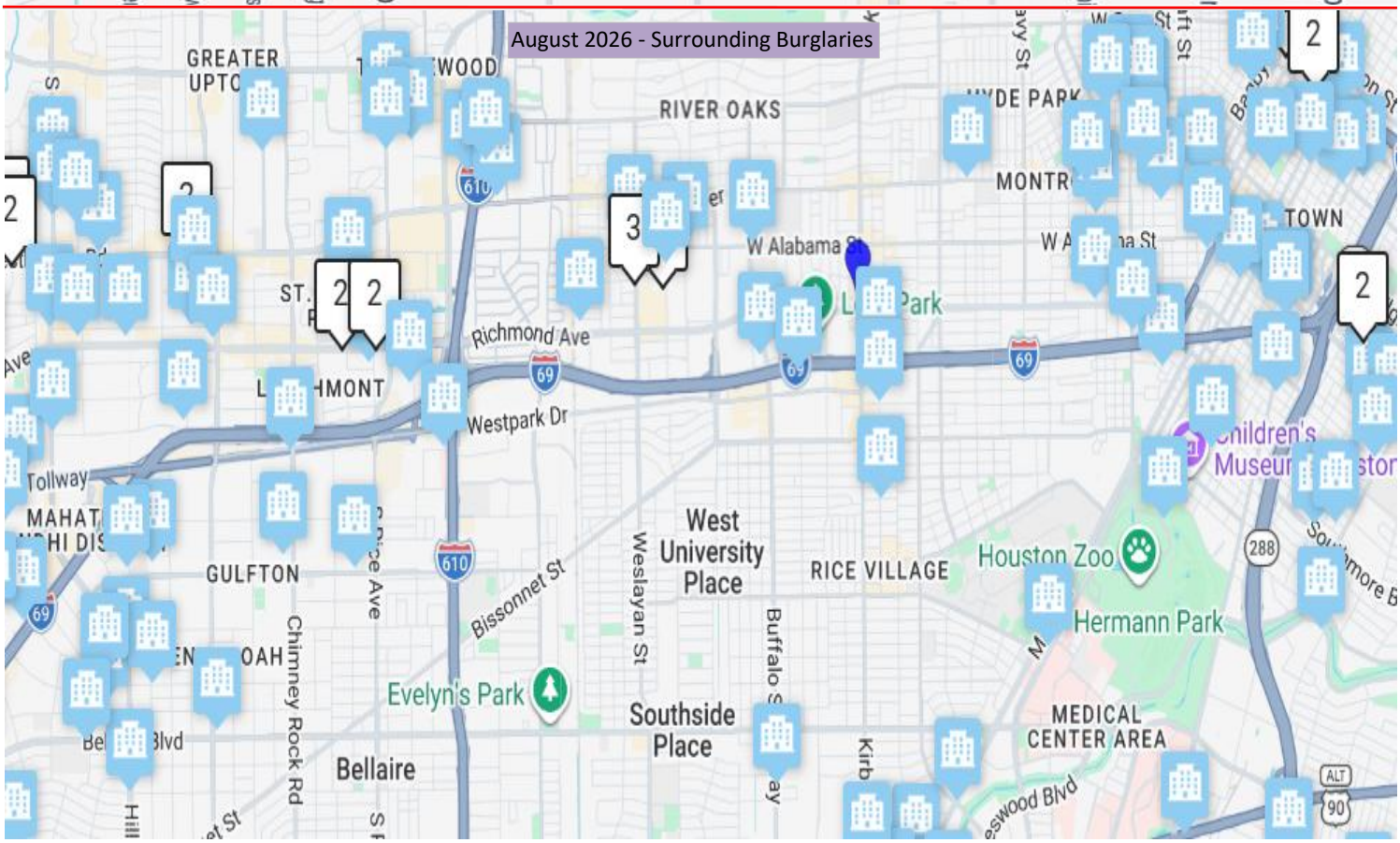
Upper Kirby Crime Map: Assaults (24)



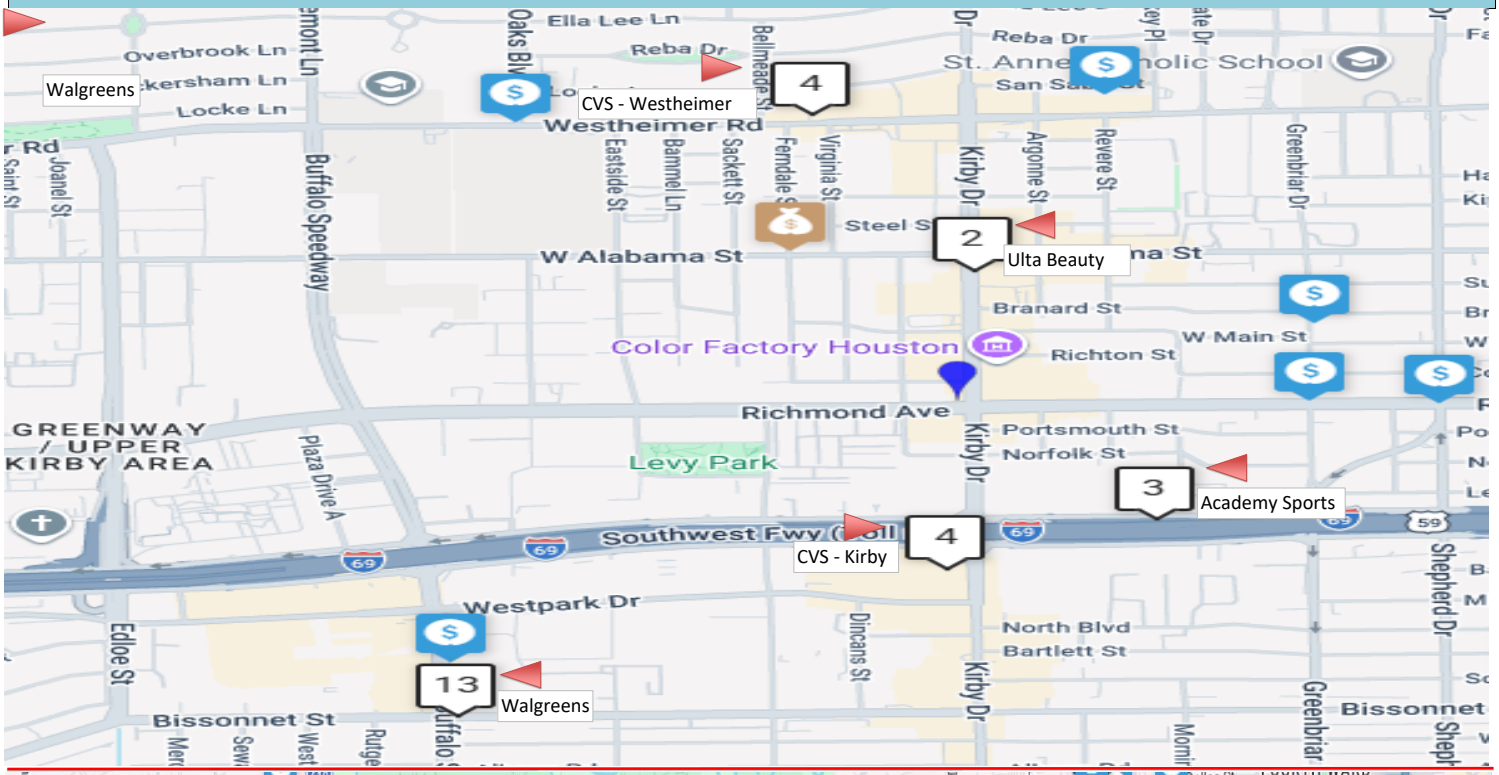


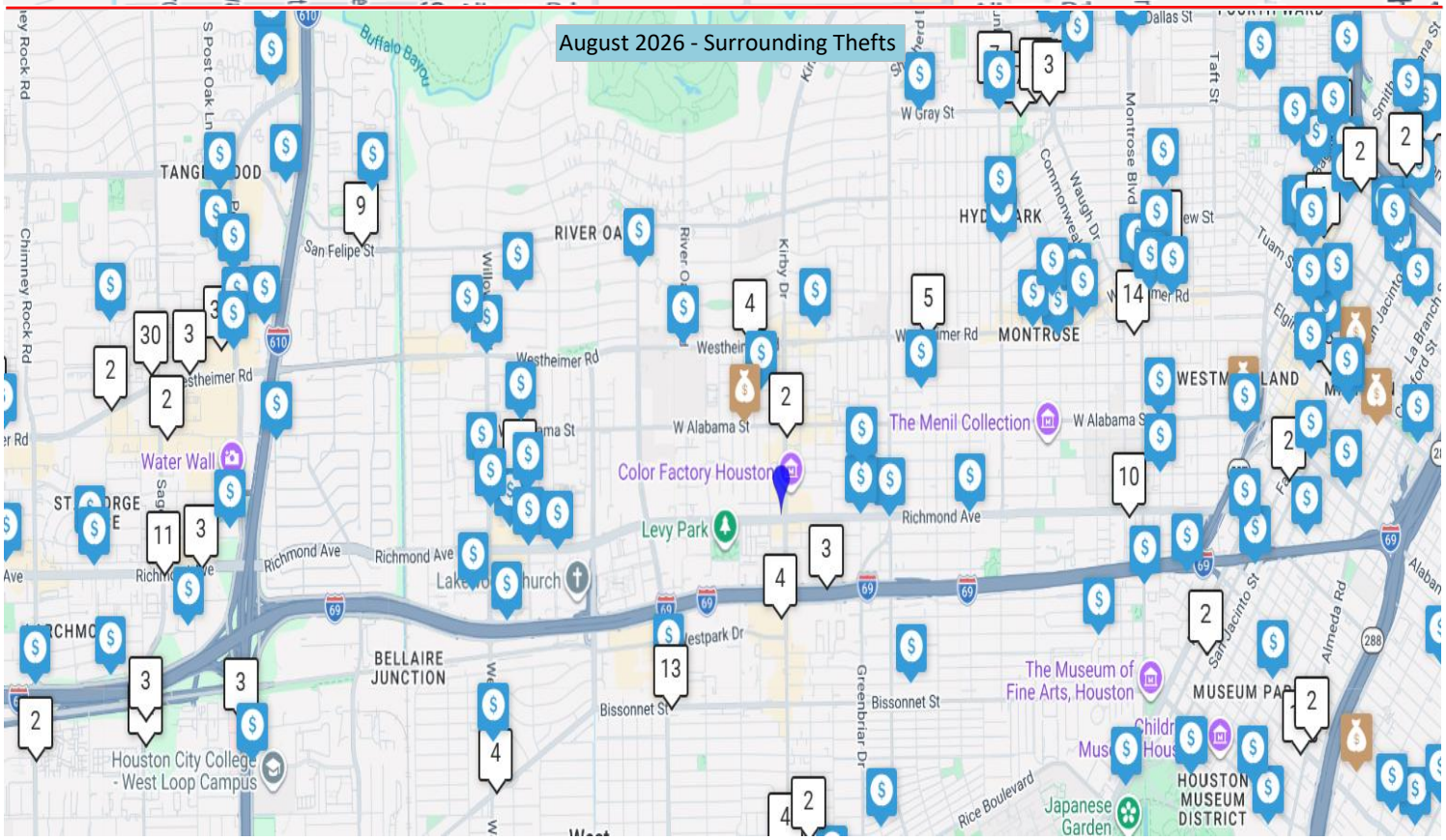
Upper Kirby Crime Map: Commercial / Residential Burglaries (4)



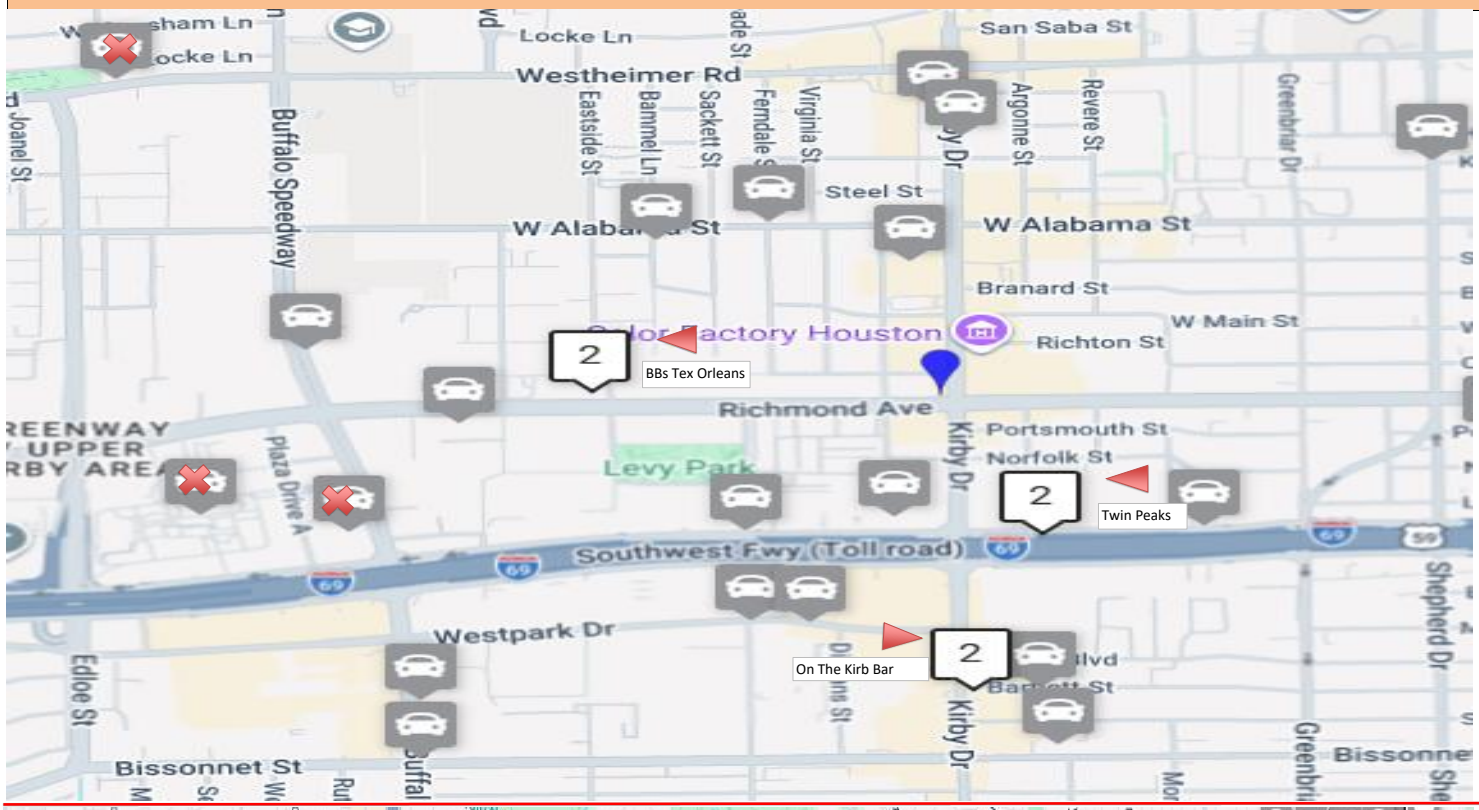


Upper Kirby Crime Map: Thefts (31)

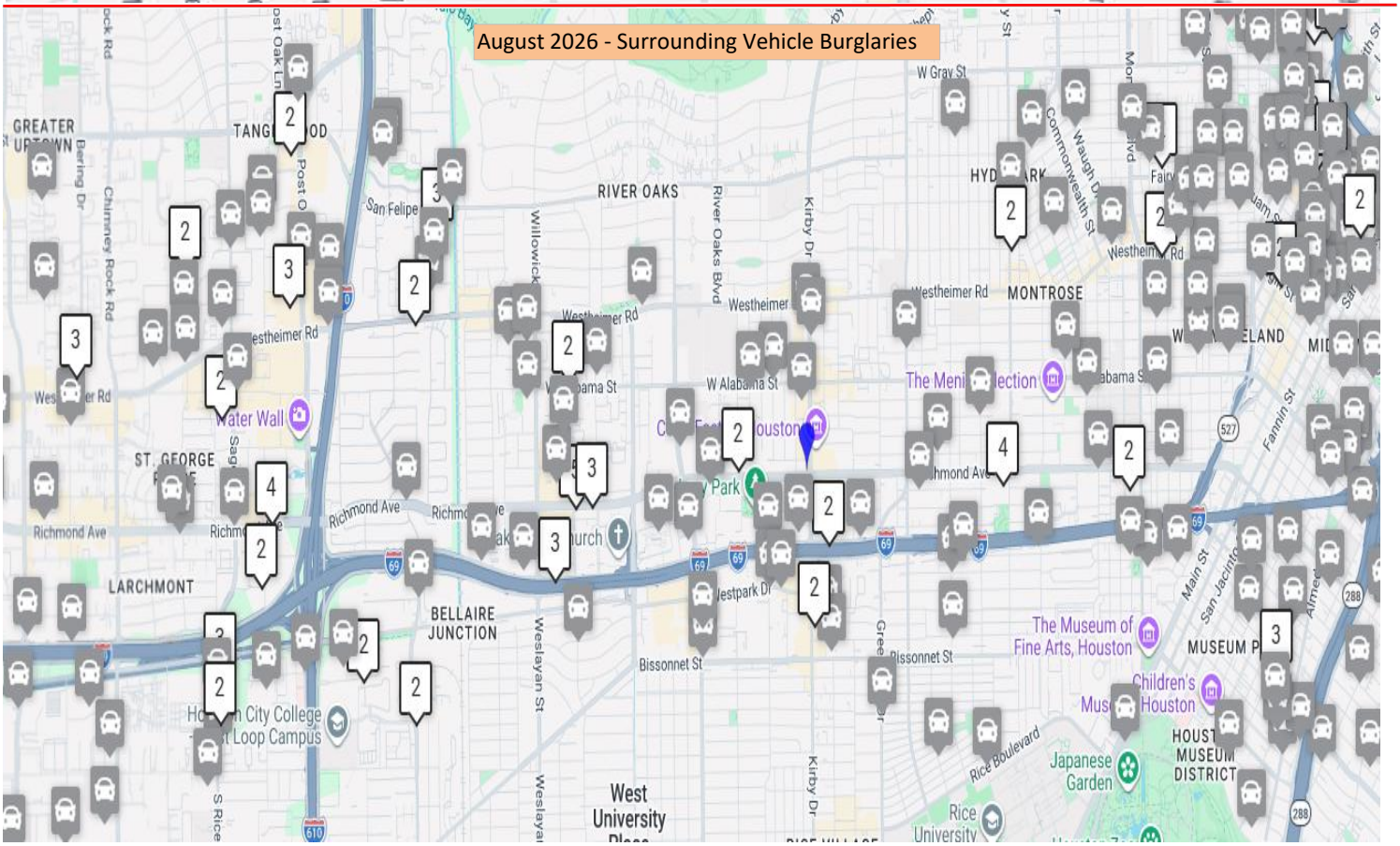




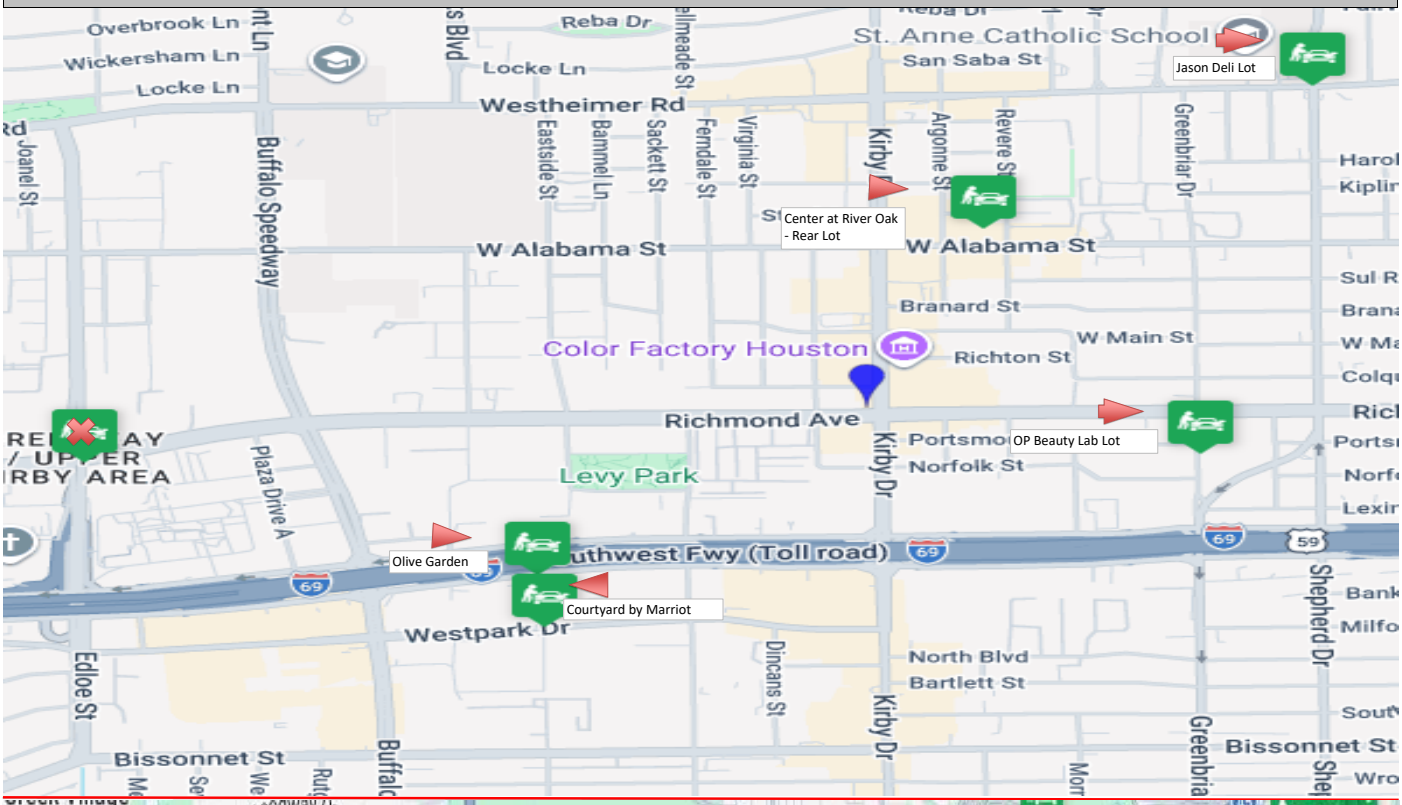
Upper Kirby Crime Map: Motor Vehicle Burglaries (21)

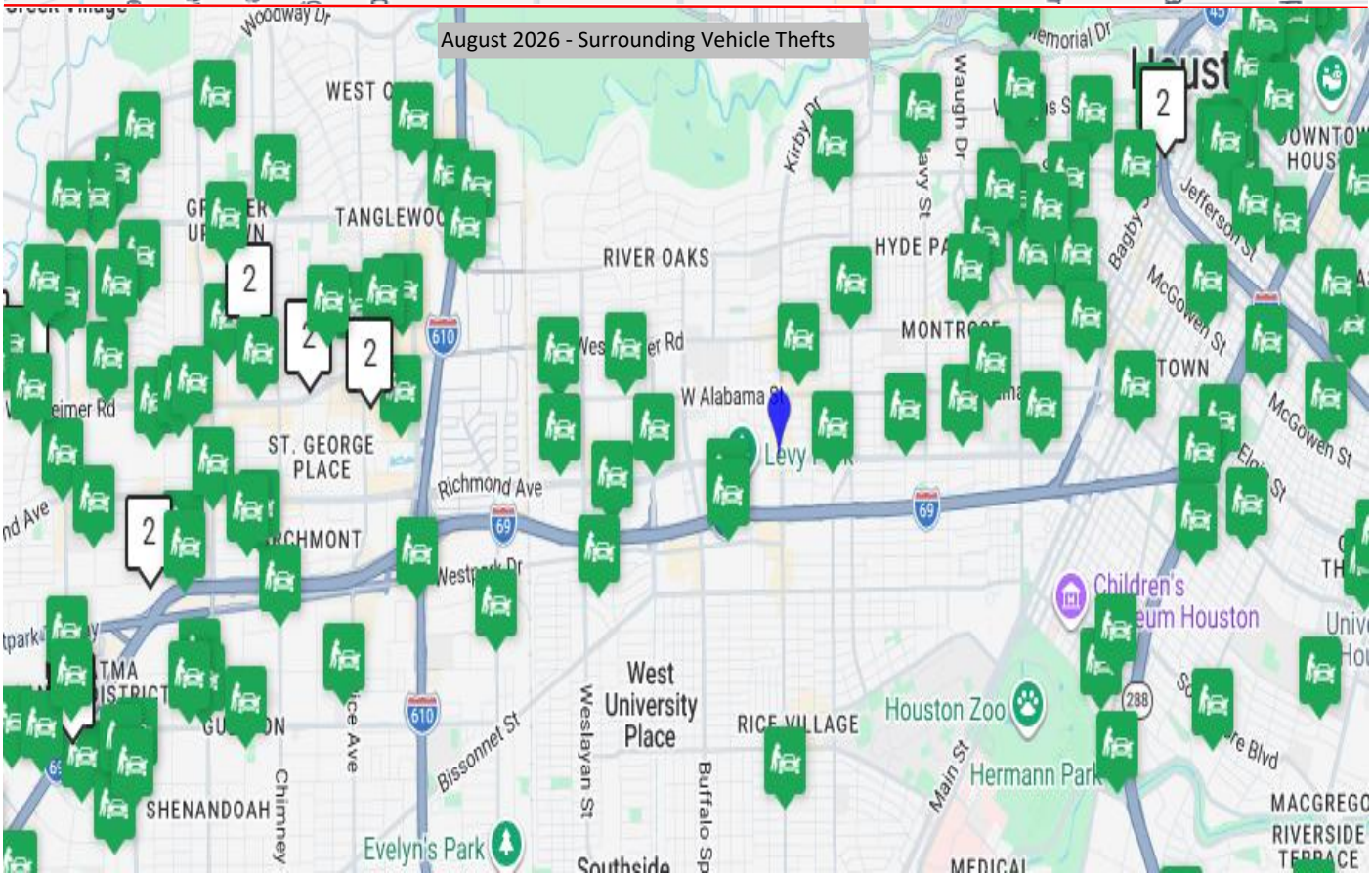


August 2026 - Surrounding Vehicle Burglaries

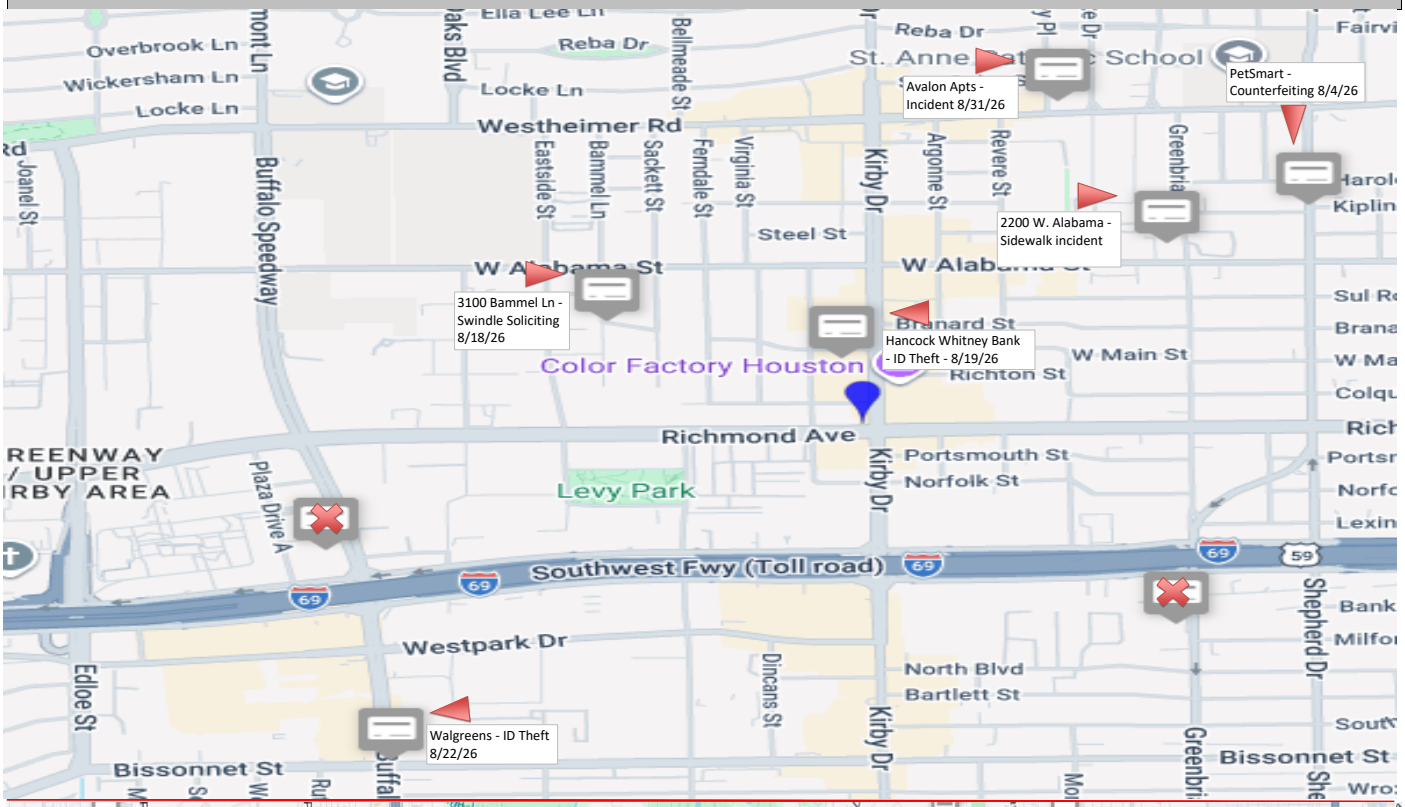


Upper Kirby Crime Map: Auto Theft (5)

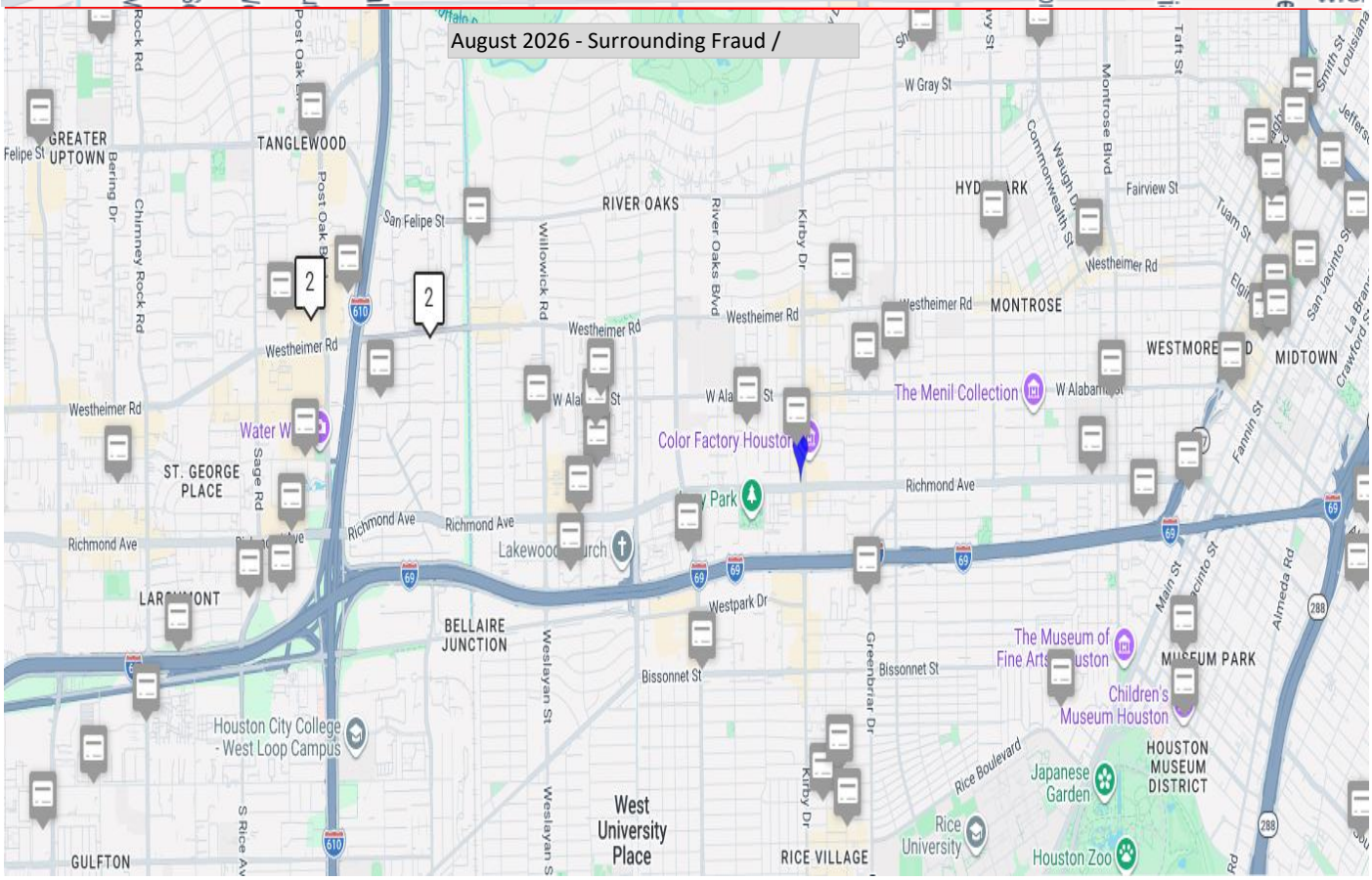




Upper Kirby Crime Map: Fraud / Forgery (6)



August 2026 - Surrounding Fraud /



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
8/31/2026

	Current:	$	70,962.00	
	Prior Years:	$	48,031.52	
Total Receivables as of	8/31/2026	**$**	**118,993.52**	pg 2

August Receipts **$ 8,159.75** pg 3

August Disbursements **$ 162,387.22** pg 3

CURRENT COLLECTIONS & 4 YEAR HISTORICAL DATA

Year	Collections 8/31/2026	Adjustments 8/31/2026	Collections 9/1/21-8/31/2026	Receivables 8/31/2026	Percent Collected
2026					
2025	6,023.48	(160,239.61)	4,855,755.50	70,962.00	98.56
2024	628.60	(1,369.92)	4,844,277.86	14,148.17	99.71
2023	53.58	(1,200.40)	4,941,606.92	6,807.40	99.86
2022	14.66		4,629,954.58	5,337.69	99.88

Last Year's Collections as of 8/31/2025: 99.06%

CURRENT CERTIFIED VALUES & 4 YEAR HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2026							
2025	0.00371	0.12629	0.13000	4,059,273,631	(269,490,939)	3,789,782,692	4,926,717.50
2024	0.00371	0.12879	0.13250	3,975,020,438	(308,283,812)	3,666,736,626	4,858,426.03
2023	0.00371	0.13129	0.13500	3,904,886,305	(239,394,219)	3,665,492,086	4,948,414.32
2022	0.00422	0.13078	0.13500	3,586,218,997	(152,669,167)	3,433,549,830	4,635,292.27

$201,906.60 Estimated Refunds due to Unsettled Lawsuits at HCAD

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2026

Receivable at 8/31/2025		$ 104,677.46	
	Uncollectibles	$ (3,064.15)	
	Prior Adjustments:	$ (783,640.12)	$ (682,026.81)
2025 Tax Levy		$ 5,277,055.72	
Adjustments		$ (350,338.22)	$ 4,926,717.50

Tax Collections From: 9/1/2025 - 8/31/2026

2025	$	4,855,755.50
2024	$	(259,565.55)
2023	$	(131,989.51)
2022	$	(117,084.40)
2021	$	(105,335.09)
2020	$	(116,180.54)
2019	$	43.65
2018	$	11.40
2017	$	29.89
2016	$	11.39
2014	$	0.43

($ 4,125,697.17)

TOTAL RECEIVABLE AS OF 8/31/2026 **$ 118,993.52**

==========

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2026

	Month of 8/31/2026	Fiscal YTD 10/1/2025-8/31/2026
Receipts:		
Current/Prior Taxes	(156,047.80)	4,119,099.77
Penalty & Interest	992.26	15,438.13
Atty's Fee - Delinquent Coll	325.45	4,230.28
Adjustments	162,423.00	1,033,358.43
Returned Items/Payment Reversals	414.02	192,416.34
Unclaimed Overpayments		216.47
Bank Interest	52.82	7,331.53
Special Inventory Tax		35,861.12
TOTAL RECEIPTS:	**$ 8,159.75**	**$ 5,407,952.07**
Disbursements:		
Adjustment Refunds	(162,423.00)	(1,033,358.43)
Returned Items/Payment Reversals	(414.02)	(192,416.34)
County A/C Fee	775.25	(1,172.28)
Atty's Fee-Delinquent Coll	(325.45)	(4,230.28)
TOTAL DISBURSEMENTS:	$ (162,387.22)	$ (1,231,177.33)

County A/C Fees Paid

Fiscal Year 7/1/2026 thru 8/31/2026	(3,703.64)	($6,276.33 Estimate)

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
8/31/2026

CURRENT COLLECTIONS & HISTORICAL DATA

Year	Collections 8/31/2026	Adjustments 8/31/2026	Uncollectibles 8/31/2026	Collections 9/1/02-8/31/2026	Receivables 8/31/2026	Percent Collected
2026						
2025	6,023.48	(160,239.61)		4,855,755.50	70,962.00	98.56
2024	628.60	(1,369.92)		4,844,277.86	14,148.17	99.71
2023	53.58	(1,200.40)		4,941,606.92	6,807.40	99.86
2022	14.66			4,629,954.58	5,337.69	99.88
2021	5.43			4,362,586.16	4,184.77	99.90
2020	5.43			4,311,420.01	3,768.26	99.91
2019	5.43			4,143,928.40	3,318.83	99.92
2018	5.43			3,972,824.55	3,088.63	99.92
2017	14.21			3,946,174.85	3,974.00	99.90
2016	5.88			4,094,385.50	2,619.60	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				**71,981,014.20**	**118,993.52**	**99.83**

CURRENT CERTIFIED VALUES & HISTORICAL DATA

Year	Debt Rate	M&O Rate	Total Tax Rate	Original Value	Adjustments	Adjusted Value	Levy
2026							
2025	0.00371	0.12629	0.13000	4,059,273,631	(269,490,939)	3,789,782,692	4,926,717.50
2024	0.00371	0.12879	0.13250	3,975,020,438	(308,283,812)	3,666,736,626	4,858,426.03
2023	0.00371	0.13129	0.13500	3,904,886,305	(239,394,219)	3,665,492,086	4,948,414.32
2022	0.00422	0.13078	0.13500	3,586,218,997	(152,669,167)	3,433,549,830	4,635,292.27
2021	0.00437	0.13063	0.13500	3,242,603,904	(7,958,769)	3,234,645,135	4,366,770.93
2020	0.00420	0.13080	0.13500	3,240,353,904	(43,918,146)	3,196,435,758	4,315,188.27
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							**72,103,071.87**

Harris County Improvement District No. 3
2026 Taxable Value Report
As of September 14, 2026

1)	Total taxable value on the appraisal roll:	$ 3,811,878,964	
2)	Uncertified value:	$ 197,508,769	
3)	Maximum 2026 taxable value:	$ 4,009,387,733	
4)	Uncertified value less 20%	$ 158,007,015	
5)	**Estimated 2026 taxable value:**	**$ 3,969,885,979**	
6)	Current 2025 taxable value:	$ 3,827,578,396	
7 & 8)	Estimated value gain from 2025 to 2026:	$ 142,307,583	
	Estimated Percentage Increase/Decrease:	3.72%	
9)	2026 Taxable value gain due to new construction:	$ 68,705,389	
10)	2026 Taxable value gain due to reappraisal of existing 2025 property:		$ 73,602,194
11)	Current estimated 2025 taxable value adjusted with pending litigation:		$ 3,696,661,183
	Current 2026 pending litigation value:	$ 962,820,793	
	2026 Pending litigation 20% value loss:	$ 192,564,159	
12)	**Estimated 2026 taxable value adjusted with pending litigation:**		**$ 3,777,321,820**
13)	**Estimated taxable value % difference from 2025 to 2026:**	**2.18% Increase**	

(Note: Assuming all accounts are certified and all litigation is settled for both 2025 & 2026)

Prior to the board formally voting on the 2026 tax rate, the district is required to publish calculations relating to the impact of the proposed tax rate on the average residential property within the district that is a homestead. Below is a comparison if the proposed tax rate were the same as last year:

	2025 **Last Year**		2026 **This Year**
Total tax rate (per $100 of value)	0.130/$100 Adopted		0.130/$100 Proposed
Difference in rates per $100 of value		$0.00/$100	
Percentage increase/decrease in rates (+/-)		0.00%	
Average appraised residence homestead value	$950,553		$996,475
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	$190,111		$199,295
Average residence homestead taxable value	$760,442		$797,180
Tax on average residence homestead	$988.57		$1,036.33
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)		$47.76	
and percentage of increase (+/-)		4.83%	

As the district has determined itself to be a developing district, the 4.83% is below the 8% increase threshold that could allow a taxpayer petition to call a rollback election.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Harris County Improvement District No. 3, do hereby certify as follows:

1. The Board of Directors of the Harris County Improvement District No. 3 convened in Regular Session, open to the public, on the 15th day of September, 2026, at a 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 said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

GR 2026-1
RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2026 TAX YEAR

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Subchapter C, Chapter 49, Texas Water Code.

SIGNED AND SEALED the 15th day of September, 2026.

_____
Secretary, Board of Directors

(SEAL)

DRAFT

GR 2026-1
RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2026 TAX YEAR

WHEREAS, Harris County Improvement District No. 3 (the "District") is a political subdivision of the State of Texas, operating pursuant to Chapter 375, Texas Local Government Code, and Chapter 3805, Texas Special Districts Local Laws Code; and

WHEREAS, the Water Code establishes procedures for the levy of property taxes based on a district's development status and/or tax rate; and

WHEREAS, the District is currently underway with a multi-year program of designing, constructing, and financing public infrastructure within the District, including related works, improvements, facilities, equipment, and appliances; and

WHEREAS, the Board of Directors of the District (the "Board") has consulted with the District's staff and consultants, as well as property owners and businesses within the District, regarding the current status of development in the District; and

WHEREAS, following reasonable diligence based on information currently available, the Board has determined that the District has not financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95% of the projected build-out of the District in accordance with the purposes for its creation or the purposes authorized by the Texas Constitution, the Water Code, or any other law; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3 THAT:

Section 1: For the purposes of the 2026 tax year:

(a) Section 49.23603 of the Water Code applies to the District; and

(b) the District is not a district described by Section 49.23601 or Section 49.23602 of the Water Code.

PASSED AND APPROVED this 15th day of September, 2026.

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

(SEAL)

DRAFT

Harris County Improvement District No. 3
2025 Tax Rate Analysis

Total Value from Lina @ Utility Tax Service, LLC.	$	3,697,190,500
(Final Report Dated September 3, 2025)		
Total Tax Levy Per $100 Taxable Valuation	$	4,806,348
Debt Service	$	145,965
Debt Expenses		500
Total Debt Service Payments	**$**	**146,465**
M&O Levy	**$**	**4,659,883**

Debt Service Tax Rate	$	0.00371
M&O Rate		0.12629
	$	0.13000

2026 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts

Form 50-858

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Water District Name

(713) 688-3855
Phone *(area code and number)*

1750 W 43RD STREET, HOUSTON, TX 77018
Water District's Address, City, State, ZIP Code

WWW.UTILITYTAXSERVICE.COM
Water District's Website Address

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Indicate type of water district:

☐ Low tax rate water district *(Water Code Section 49.23601)*

☑ Developing water district *(Water Code Section 49.23603)*

☐ Developed water district in a declared disaster area *(Water Code Section 49.23602(d))*

SECTION 1: Voter Approval Tax Rate

The voter-approval tax rate for low tax rate and developing water districts is the current year's debt service and contract tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use this form to calculate its voter-approval tax rate.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used.

Insert hyperlink:

Line	Worksheet	Amount/Rate
1.	**Prior year average appraised value of residence homestead.** [2]	$ 950,553
2.	**Prior year general exemptions available for the average homestead.** Excluding age 65 or older or disabled persons exemptions. [3]	$ 190,111
3.	**Prior year average taxable value of residence homestead.** Line 1 minus Line 2.	$ 760,442
4.	**Prior year adopted M&O tax rate.**	$ 0.12629 /$100
5.	**Prior year M&O tax on average residence homestead.** Multiply Line 3 by Line 4, divide by $100.	$ 960
6.	**Highest M&O tax on average residence homestead with increase.** Multiply Line 5 by 1.08. [4]	$ 1,037
7.	**Current year average appraised value of residence homestead.**	$ 996,475
8.	**Current year general exemptions available for the average homestead.** Excluding age 65 or older or disabled persons exemptions. [5]	$ 199,295
9.	**Current year average taxable value of residence homestead.** Line 7 minus Line 8.	$ 797,180
10.	**Highest current year M&O tax rate.** Line 6 divided by Line 9, multiply by $100. [6]	$ 0.1301 /$100

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Water Code §49.236(a)(2)(D)
[3] Tex. Water Code §49.236(a)(2)(D)
[4] Tex. Water Code §§49.23601(a)(3) and 49.23603(a)(3)
[5] Tex. Water Code §49.236(a)(2)(E)
[6] Tex. Water Code §§49.23601(a)(3) and 49.23603(a)(3)

SECTION 1: Voter Approval Tax Rate (continued)

Line	Worksheet	Amount/Rate
11.	**Current year debt tax rate.**	$ 0.00371 /$100
12.	**Current year contract tax rate.**	$ 0.00 /$100
13.	**Current year voter-approval tax rate.** Add lines 10, 11 and 12.	$ 0.13381 /$100

SECTION 2: Election Tax Rate

For a low tax rate water district, the election tax rate is the highest total tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

For a developing water district, the election tax rate is the highest total tax rate the district may adopt before qualified voters of the district may petition for an election to lower the adopted tax rate.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the election tax rate as the highest tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

In these cases, the election tax rate is the rate that would impose 1.08 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.[7]

Line	Worksheet	Amount/Rate
14.	**Prior year average taxable value of residence homestead.** Enter the amount from Line 3.	$ 760,442
15.	**Prior year adopted total tax rate.**	$ 0.130 /$100
16.	**Prior year total tax on average residence homestead.** Multiply Line 14 by Line 15, divide by $100.	$ 989
17.	**Current year highest amount of taxes per average residence homestead.** Multiply Line 16 by 1.08.	$ 1,068
18.	**Current year tax election tax rate.** Divide Line 17 by Line 9 and multiply by $100.	$ 0.1340 /$100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Water Code.

print here Lita Lemus, RTA
Printed Name of Water District Representative

sign here Lita Lemus
Water District Representative

Date 9/14/26

[7] Tex. Water Code §§49.23601, 49.23602(d), and 49.23603

								Notes
	2026	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	
	Budget	**Estimate**	**Budget**	**Budget**	**Budget**	**Budget**	**Budget**	
REVENUE								
Contract Patrol	13,500	14,970	14,000	13,500	13,500	13,500	13,500	
Interest	250,000	216,355	200,000	150,000	25,000	25,000	25,000	
Property Taxes ($.1300/$100)	4,943,986	4,781,505	4,690,052	4,830,753	4,975,676	5,278,694	5,437,055	*2027 estimate assumes TY 2026 value adjusted with pending litigation @ 99% collection rate*
Disaster Recovery Grants (FEMA)		31,628						
Reserve for Litigated Taxes								
Total Standard Revenue	**5,207,486**	**5,044,458**	**4,904,052**	**4,994,253**	**5,014,176**	**5,317,194**	**5,475,555**	
EXPENDITURES								
Security & Public Safety								
Police Patrol	545,000	555,786	560,000	560,000	576,800	594,104	611,927	*Includes additional holiday patrol hours*
Constituent Reporting Tool	26,000	21,500	22,000	22,000	22,000	22,000	22,000	
Total Security & Public Safety	**571,000**	**555,786**	**582,000**	**582,000**	**598,800**	**616,104**	**633,927**	
Public Relations & Business Development								
PR & Business Development-General	10,000	-	10,000	10,000	10,000	10,000	10,000	
Community Outreach	7,500	-	7,500	7,500	7,500	7,500	7,500	
Public Art	20,000	-	50,000	20,000	20,000	20,000	20,000	
Events	10,000	259	10,000	10,000	10,000	10,000	10,000	
Holiday Lighting	280,000	276,058	280,000	325,000	325,000	325,000	325,000	
Total Public Relations & Business Development	**327,500**	**276,317**	**357,500**	**372,500**	**372,500**	**372,500**	**372,500**	
Operations and Maintenance								
Landscape Maintenance								
Contract Maintenance	260,000	211,578	285,000	285,000	293,550	302,357	311,427	
Plant Replacement	100,000	85,273	100,000	100,000	100,000	100,000	103,000	
Irrigation Repair/Replacement	65,000	42,172	65,000	66,950	68,959	71,027	73,158	
Levy Park Maintenance	180,000	180,000	180,000	180,000	180,000	180,000	185,400	
Phone Booth maintenance	5,000	-	15,000	5,000	5,000	5,000	5,150	
Utilities - ROW	75,000	127,300	130,000	133,900	137,917	142,055	146,316	
Streetscape Replacement /Repair-ROW Maintenance	245,000	240,835	245,000	252,350	259,921	267,718	275,750	
Equipment Purchases	5,000	-	5,000	10,000	10,000	10,000	10,000	
Tree Preservation	40,000	25,275	40,000	40,000	41,200	42,436	43,709	
Total Operations and Maintenance	**985,000**	**912,433**	**1,065,000**	**1,073,200**	**1,096,546**	**1,120,592**	**1,153,910**	

Program Support Services								
Harris Co Appraisal Dist Fees	50,000	39,311	50,000	50,000	50,000	50,000	50,000	
Tax Consultant	6,000	4,200	6,000	6,000	6,000	6,000	6,000	
Legal	40,000	39,924	40,000	40,000	40,000	40,000	40,000	
Legal Notices/Public Postings	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Bond Expenses	1,000	750	1,000	1,000	1,000	1,000	1,000	*Rate has been increased*
Accounting	175,000	177,522	185,000	185,000	185,000	185,000	190,550	
Audit	26,000	16,500	26,000	26,000	26,000	26,000	26,000	
Vehicle Maintenance & expenses	1,500	2,100	3,000	3,000	3,000	3,000	3,000	
Insurance - Property, liability, Workers comp	30,000	39,581	40,000	40,000	40,000	40,000	40,000	
Payroll and Taxes, Benefits	1,158,950	995,741	1,150,000	1,184,500	1,220,035	1,256,636	1,294,335	
Levy Park Conservancy Payroll, Taxes, Benefits	995,000	645,000	995,000	1,024,850	1,055,596	1,087,263	1,119,881	
Consultants	5,000	-	5,000	5,000	5,000	5,000	5,000	
Contract Labor	2,500	-	2,500	2,500	2,500	2,500	2,500	
Bank/Payroll service fees	6,500	8,116	9,000	9,000	9,000	9,000	9,000	
Professional Development	3,000	300	3,000	3,000	3,000	3,000	3,000	*Assumes 2-3 professional development conferences or workshops*
Travel	3,000	2,240	3,000	2,500	2,500	2,500	2,500	*Assumes travel for 2-3 in-state conferences or workshops*
Dues & Subscription	20,000	21,383	23,000	23,000	23,000	23,000	23,000	
Office supplies	4,000	4,060	4,000	4,000	4,000	4,000	4,000	
Records Storage	2,000	1,286	2,000	2,000	2,000	2,000	2,000	
Office Other	35,000	35,707	37,000	37,000	37,000	37,000	37,000	
Rent - Office	150,000	169,295	170,000	170,000	170,000	170,000	170,000	*2027 will include a move in March*
Capital Outlay	5,000	-	15,000	5,000	5,000	5,000	5,000	*2027 allows for office move related purchases*
Total Program Support Services	**2,721,450**	**2,205,016**	**2,771,500**	**2,825,350**	**2,891,631**	**2,959,899**	**3,035,766**	
Planning & Urban Design								
Transportation Consultant-Goodman	205,000	166,228	225,000	160,000	160,000	160,000	160,000	*Approximately $125,000 remaining on West Alabama grant management and an additional $100,000 on new funding pursuits.*
Program Management Consultants - Gunda	20,000	368	20,000	20,000	20,000	20,000	20,000	
Streetscape Planning & Design - Mobility	275,000	204,268	160,000	75,000	75,000	75,000	75,000	*Remainder of the updating of the mobility plan - Ardurra/Gunda Corp*
US 59 Underpass Design								
Urban Planning and Design - Other								
Total Planning & Urban Design	**500,000**	**370,864**	**405,000**	**255,000**	**255,000**	**255,000**	**255,000**	
Reimbursement by Affiliated Organizations								
Reimbursement Metro								
Reimbursement UKDF\LPC	(1,067,600)	(687,221)	(1,067,600)	(1,099,628)	(1,132,617)	(1,166,595)	(1,201,593)	
Reimbursement UKRA	(296,640)	(322,166)	(322,166)	(322,166)	(322,166)	(322,166)	(331,831)	
Total Reimbursement by Affiliated Organizations	**(1,364,240)**	**(1,009,387)**	**(1,389,766)**	**(1,421,794)**	**(1,454,783)**	**(1,488,761)**	**(1,533,424)**	
O&M CIP Expense								
Long Term Debt	148,765	148,765	145,965	148,065	145,065	146,965	147,279	
Direct Capital Funding	2,650,000	2,750,000	1,500,000	1,350,000	1,250,000	1,250,000	1,350,000	
Total CIP Expense	2,798,765	2,898,765	1,645,965	1,498,065	1,395,065	1,396,965	1,497,279	
Total Expenditures	6,539,475	6,209,794	5,437,199	5,184,321	5,154,759	5,232,299	5,414,958	
Revenues Over (Under) Expenditures	**(1,331,989)**	**(1,165,336)**	**(533,147)**	**(190,068)**	**(140,583)**	**84,895**	**60,597**	
Beginning Fund Balance	**6,259,084**	**5,879,884**	**4,714,548**	**4,181,401**	**3,991,333**	**3,850,750**	**3,935,645**	
Reserve-Debt Service								**Balance should equal approximately 75% of expenditures in future years in order to maintain current credit rating*
Ending Fund Balance	**4,927,095**	**4,714,548**	**4,181,401**	**3,991,333**	**3,850,750**	**3,935,645**	**3,996,242**	
Balance as % of Expenditures	75%	76%	77%	77%	75%	75%	74%	

HARRIS COUNTY IMPROVEMENT DISTRICT No. 3

CAPITAL PROJECT CASH FLOW

	2026	2026 Estimate	2027	2028	2029	2030	2031	2032	2033	2034	2035
REVENUE											
Bond Proceeds											
Grant				2,650,000	2,650,000						
O&M Capital Funding	2,650,000	2,750,000	1,500,000	1,350,000	1,250,000	1,250,000	1,350,000	1,450,000	1,200,000	1,250,000	
		2,750,000	**1,500,000**	**4,000,000**	**3,900,000**	**1,250,000**	**1,350,000**	**1,450,000**	**1,200,000**	**1,250,000**	**0**
Capital Improvements											
Bissonnet Utility Relocation				980,000							
Bissonnet Reconstruction			50,000	200,000	50,000	500,000	1,000,000				
Shepherd Utility Relocation											
Shepherd Reconstruction											
West Alabama Utility Relocation	3,000,000	253,657	2,300,000	1,200,000							
West Alabama Reconstruction	250,000	188,291	55,902	2,650,000	2,650,000	300,000					
Eastside Reconstruction/Elbert Pedestrian Connection					250,000	200,000					
US 59 Improvements											
Kirby Drive Utility Relocation				1,850,000							
Kirby Drive Improvements			50,000	225,000	500,000	1,000,000					
Richmond Avenue Utility Relocation					1,000,000		2,000,000				
Richmond Avenue Improvements				50,000	350,000	100,000	100,000	2,000,000	2,000,000	2,000,000	
Greenbriar Utility Relocation				100,000	50,000						
Greenbriar Improvements				100,000	50,000	900,000					
Buffalo Speedway Utility Relocation			715,000		715,000		715,000				
Buffalo Speedway Improvements-Westheimer to 59			878,650	1,000,000	500,000	1,700,000		2,500,000	300,000		2,500,000
Wayfinding	100,000		100,000								
Total Capital Improvements	3,350,000	441,948	4,149,552	8,355,000	6,115,000	4,700,000	3,815,000	4,500,000	2,300,000	2,000,000	2,500,000
Total Expenditures	**3,350,000**	**441,948**	**4,149,552**	**8,355,000**	**6,115,000**	**4,700,000**	**3,815,000**	**4,500,000**	**2,300,000**	**2,000,000**	**2,500,000**
Revenue Over/Under Expenditures	-700,000	2,308,052	-2,649,552	-4,355,000	-2,215,000	-3,450,000	-2,465,000	-3,050,000	-1,100,000	-750,000	-2,500,000
Beginning Fund Balance	**14,480,193**	**14,890,761**	**17,198,813**	**14,549,261**	**10,194,261**	**7,979,261**	**4,529,261**	**7,714,261**	**4,664,261**	**3,564,261**	**2,814,261**
Ending Fund Balance	**13,780,193**	**17,198,813**	**14,549,261**	**10,194,261**	**7,979,261**	**4,529,261**	**2,064,261**	**4,664,261**	**3,564,261**	**2,814,261**	**314,261**

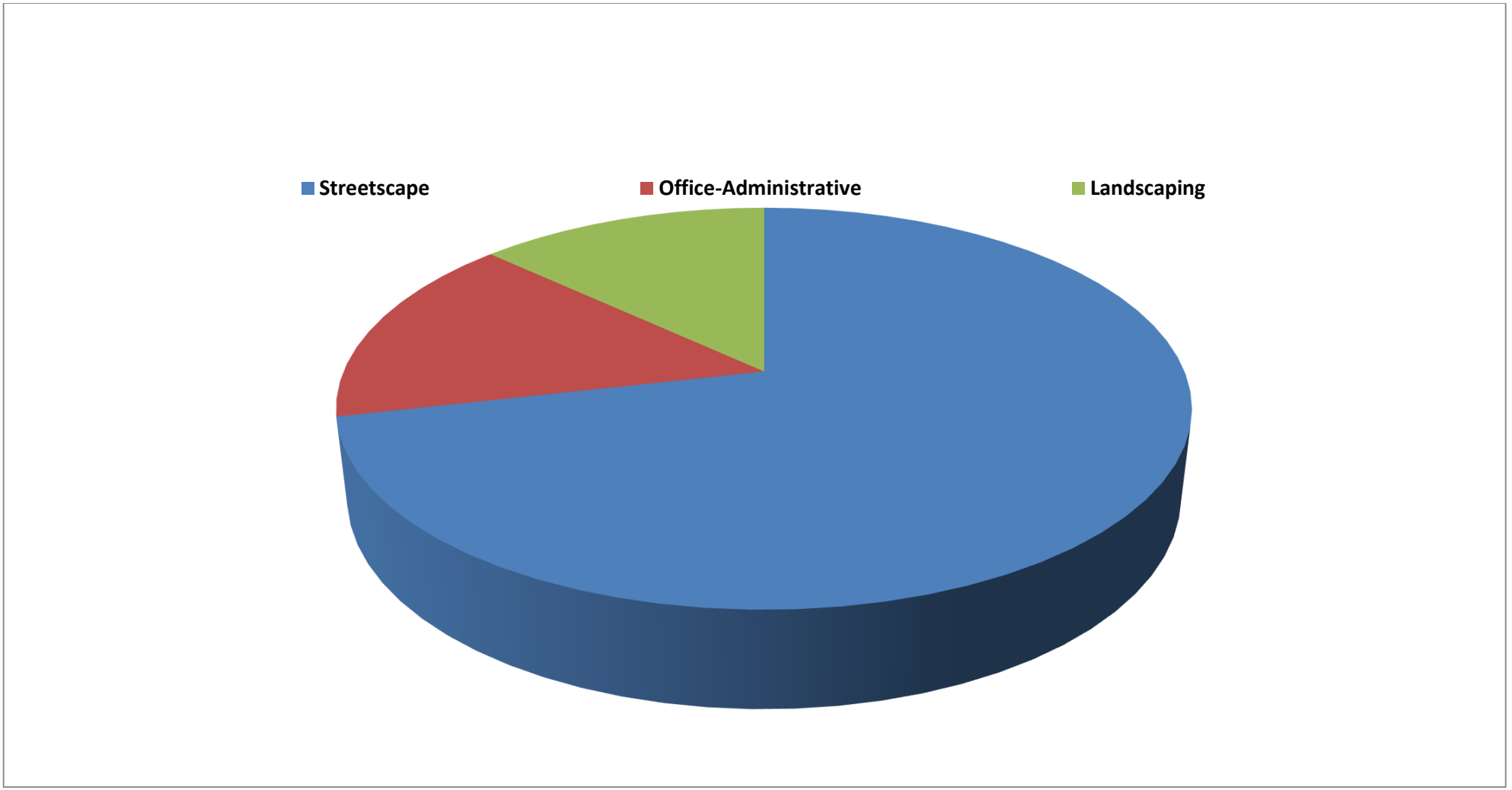
2036	2037	2038	2039	2040	2041		*Notes*
							Represents West Alabama Grant Award
	-	-	-	-	-		
0	**0**	**0**	**0**	**0**	**0**		
							Includes FTA local match and acquisitions
300,000							*2027=Design dollars for Richmond to West Alabama*
							Power and signage on Richmond for Levy Park Access
300,000	0	0	0	0	0		
300,000	**0**	**0**	**0**	**0**	**0**		
-300,000	0	0	0	0	0		
314,261	**14,261**	**14,261**	**14,261**	**14,261**	**14,261**		
14,261	**14,261**	**14,261**	**14,261**	**14,261**	**14,261**		

Year	Taxable Assessed Value	Tax Rate	Collection Rate	Tax Collections
2027	3,644,173,722	0.1325	99%	4,780,245
2028	3,753,498,934	0.1325	99%	4,923,652
2029	3,866,103,902	0.1325	99%	5,071,362
2030	3,982,087,019	0.1325	99%	5,223,503
2031	4,101,549,629	0.1325	99%	5,380,208

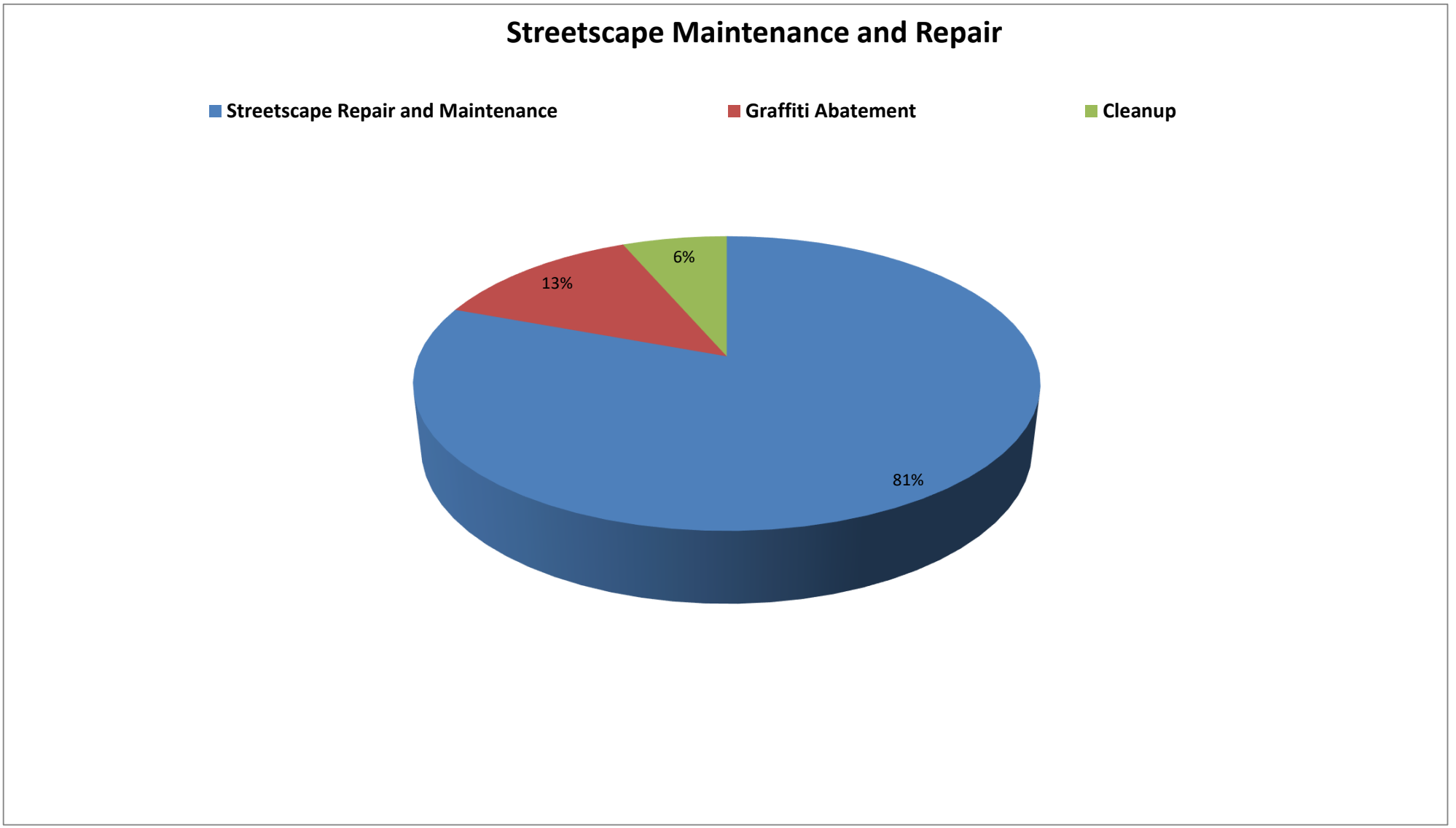
Year	Taxable Assessed Value	Tax Rate	Collection Rate	Tax Collections
2027	3,644,173,722	0.1300	99%	4,690,052
2028	3,753,498,934	0.1300	99%	4,830,753
2029	3,866,103,902	0.1300	99%	4,975,676
2030	3,982,087,019	0.1300	99%	5,124,946
2031	4,101,549,629	0.1300	99%	5,278,694

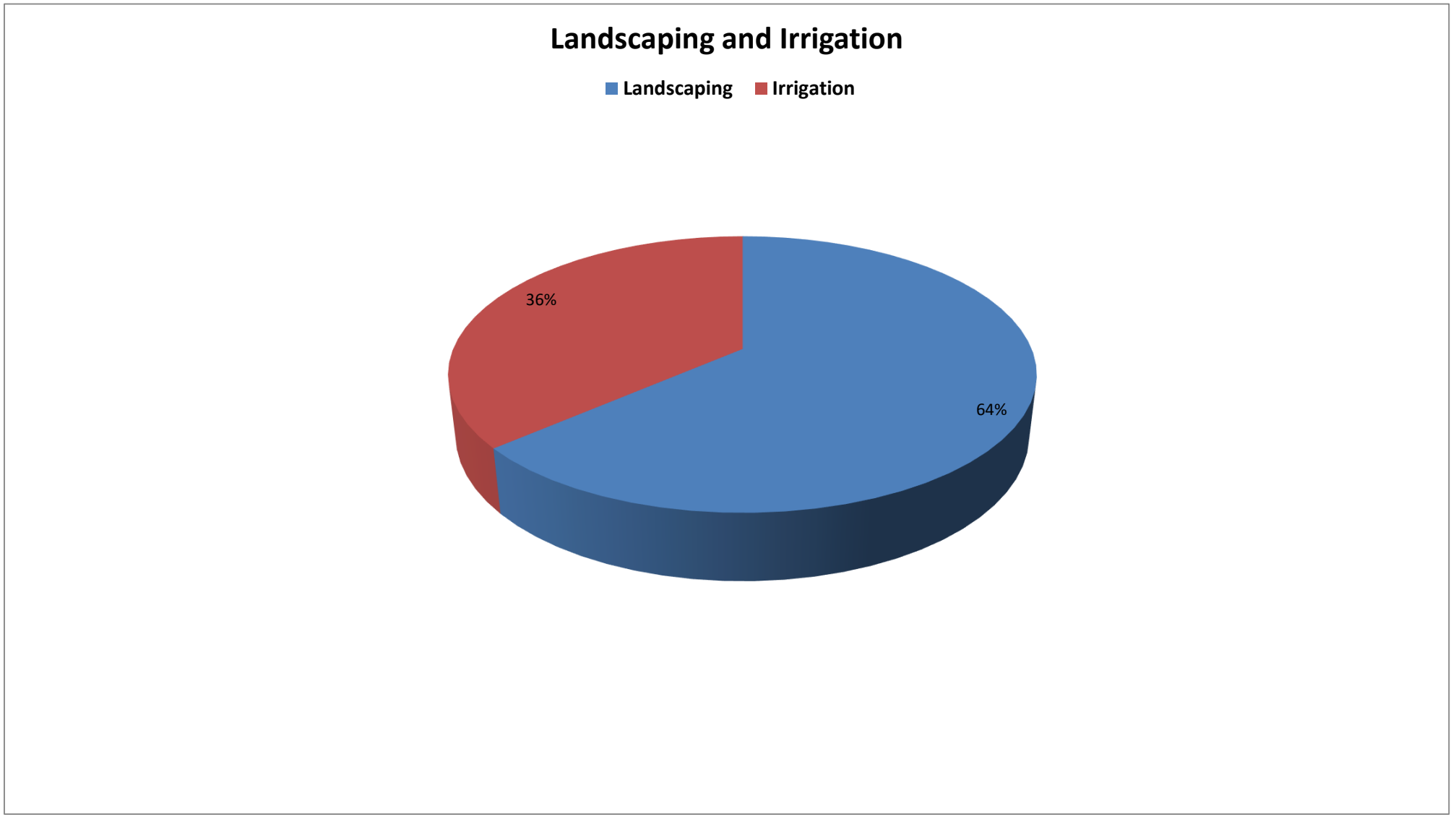
Year	Taxable Assessed Value	Tax Rate	Collection Rate	Tax Collections
2027	3,644,173,722	0.1275	99%	4,599,858
2028	3,753,498,934	0.1275	99%	4,737,854
2029	3,866,103,902	0.1275	99%	4,879,990
2030	3,982,087,019	0.1275	99%	5,026,389
2031	4,101,549,629	0.1275	99%	5,177,181

Upper Kirby Work Order Summary
August 2026

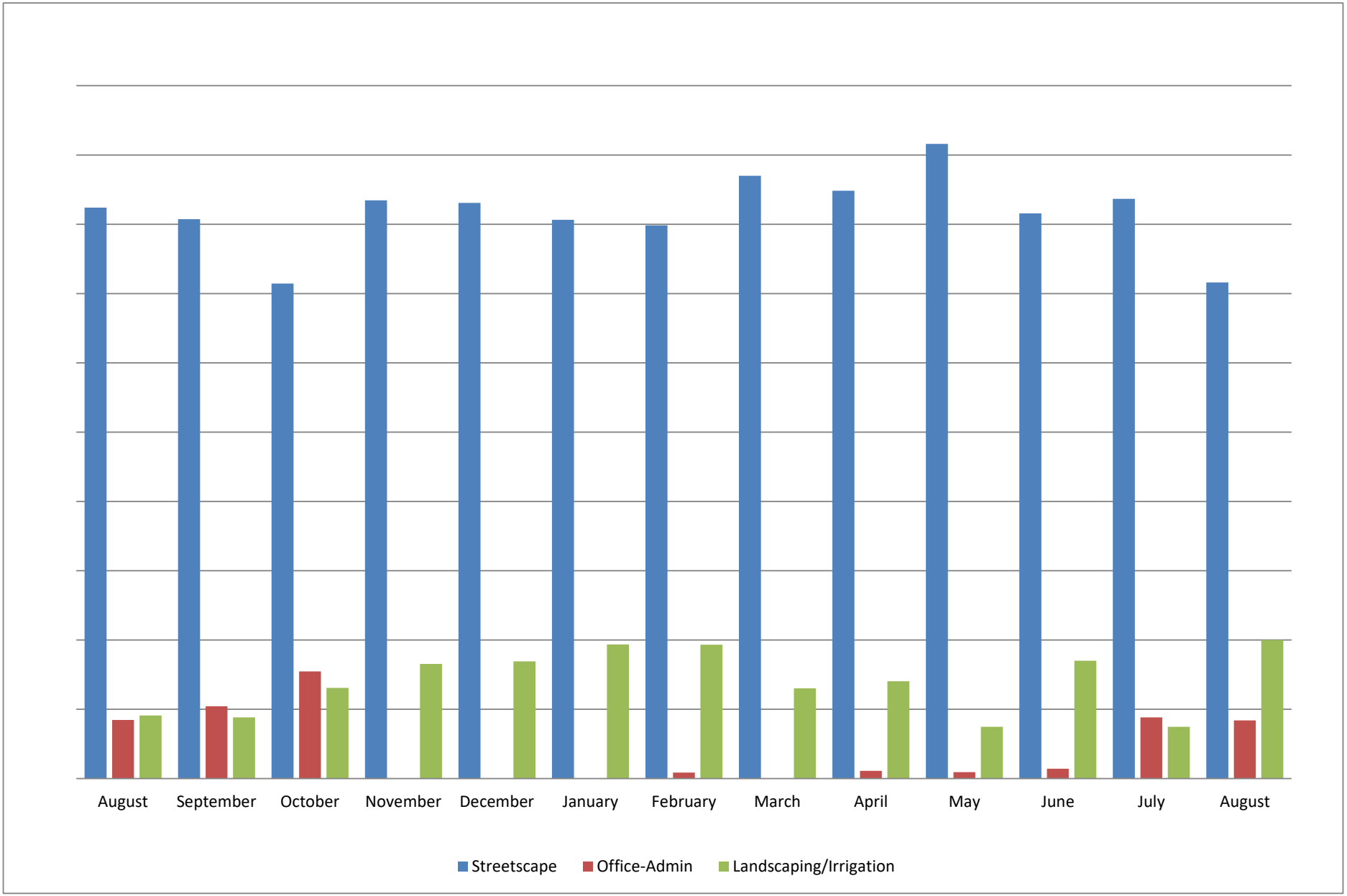


Zone	Labor Hours	Materials	Labor Cost
Streetscape	60.00	$ -	$ 1,740.00
Office-Administrative	13.00	$ -	$ 377.00
Landscaping	11.00	$ -	$ 319.00
Total	**84.00**	**$ -**	**$ 2,436.00**


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


Landscaping and Irrigation
Landscaping
Irrigation
36%
64%

Monthly Work Order Summary
August 2025 - August 2026



Monthly Work Order Summary
Streetscape Maintenance

Address/ Intersection	Date Created	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	8/1/26	Company Truck	1.00		
UK District	8/1/26	District Drive	1.00		
UK District	8/1/26	Litter/Trash	1.00		
UK District	8/2/26	District Drive	2.00		
UK District	8/2/26	Graffiti	1.00		
UK District	8/3/26	Company Truck	1.00		
UK District	8/3/26	District Drive	2.00		
UK District	8/3/26	Litter/Trash	1.00		Homeless arrested fighting over cart at Whole Foods.
UK District	8/4/26	District Drive	2.00		
UK District	8/7/26	District Drive	1.00		
UK District	8/7/26	Graffiti	1.00		Bus Sheler, Shepherd
UK District	8/8/26	Company Truck	1.00		
UK District	8/8/26	District Drive	2.00		
UK District	8/8/26	Graffiti	2.00		
UK District	8/9/26	District Drive	2.00		
UK District	8/9/26	Litter/Trash	1.00		
UK District	8/10/26	Company Truck	1.00		
UK District	8/10/26	District Drive	2.00		
UK District	8/11/26	District Drive	2.00		
UK District	8/11/26	Electric	2.00		Meeting re Statue lighting, Kirby
UK District	8/15/26	Company Truck	1.00		
UK District	8/15/26	District Drive	2.00		
UK District	8/16/26	District Drive	2.00		
UK District	8/16/26	Litter/Trash	1.00		
UK District	8/17/26	Company Truck	1.00		
UK District	8/17/26	District Drive	2.00		
UK District	8/18/26	District Drive	2.00		
UK District	8/18/26	Electric	1.00		
UK District	8/21/26	District Drive	2.00		
UK District	8/22/26	Company Truck	1.00		
UK District	8/22/26	District Drive	2.00		
UK District	8/23/26	District Drive	2.00		
UK District	8/24/26	Company Truck	1.00		
UK District	8/24/26	District Drive	2.00		
UK District	8/25/26	District Drive	2.00		
UK District	8/25/26	Litter/Trash	1.00		
UK District	8/25/26	Street Repairs	1.00		
UK District	8/29/26	Company Truck	1.00		
UK District	8/29/26	District Drive	2.00		
UK District	8/30/26	District Drive	1.00		
UK District	8/30/26	Litter/Trash	1.00		
		Sum:	**60.00**	**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	8/2/26	Irrigation	1.00		
UK District	8/4/26	Irrigation	1.00		
UK District	8/10/26	Irrigation	1.00		
UK District	8/16/26	Irrigation	1.00		
UK District	8/17/26	Landscaping	1.00		
UK District	8/21/26	Landscaping	1.00		
UK District	8/22/26	Landscaping	1.00		
UK District	8/23/26	Landscaping	1.00		
UK District	8/24/26	Landscaping	1.00		
UK District	8/29/26	Landscaping	1.00		
UK District	8/30/26	Landscaping	1.00		
		Sum:	**11.00**	**0.00**	

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)

September 15, 2026

Board of Directors
Harris County Improvement
District No. 3
Harris County, Texas

We are pleased to confirm our understanding of the services we are to provide Harris County Improvement District No. 3 (the "District").

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended October 31, 2026. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis, and
   Budgetary Comparison Schedule – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. The document we submit to you will include various supplementary schedules as required by the Texas Commission on Environmental Quality (the "Commission") as published in the *Water District Financial Management Guide*. This supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole except for that portion marked "unaudited", on which we will express no opinion.

Audit Scope and Objectives (Continued)

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP); and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. If we determine it is necessary, we may request written representations from your attorneys as part of the engagement.

As part of our audit planning, we have identified capital assets, long-term debt, management override of controls, and improper revenue recognition as audit areas with significant risks of material misstatement. We will design and perform audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the District and its environment, including thr system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

As part of our audit planning, we have identified capital assets, long-term debt, management override of controls, and improper revenue recognition as audit areas with significant risks of material misstatement. We will design and perform audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Responsibilities of Management for the Financial Statements (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, consultants, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

You are responsible for the preparation of the supplementary information in conformity with the Commission's requirements. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the Commission's requirements; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the Commission's requirements; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Other Services

We will prepare the financial statements and the appropriate capital asset schedules including calculation of depreciation on the capital assets in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for our preparation of the financial statements and our preparation of the capital asset schedule, including calculation of depreciation on the capital assets; oversee the services by designating the bookkeeper, who has the suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees and Other

We are aware of the State statute requiring the audit to be completed within 120 days and filed with the Texas Commission on Environmental Quality within 135 days from the closing date of the audit and barring any unforeseen circumstances every effort will be made to comply with this rule. We will also comply with the Rules of Professional Conduct of the Texas State Board of Public Accountancy and retain our records for five years.

We expect to present a draft of the audit report within 45 days of the availability of the District's accounting records. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. We estimate the fees for the audit of the District's financial statements and for the other services to be provided for the year ended October 31, 2026, will range between $15,000 and $17,500.

Engagement Administration, Fees and Other (Continued)

The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Not included in the fees above are out-of-pocket costs such as printing, postage, and other charges incidental to the completion of our audit. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement. The District will be obligated to compensate us for our time expended through the date of withdrawal or termination.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements, which will also address the supplementary information required by the Commission in accordance with *AU-C 725, Supplementary Information in Relation to the Financial Statements as a Whole*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

GENERAL TERMS AND CONDITIONS

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written documentation from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

The agreement may be terminated by either party, with or without cause, upon 30 days written notice.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Fossil Fuels Boycott Verification

As required by 2276.002, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC hereby verifies that McCall Gibson Swedlund Barfoot Ellis PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended.

Firearms Discrimination Verification

As required by Section 2274.002, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC hereby verifies that McCall Gibson Swedlund Barfoot Ellis PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code, as amended.

Israel Boycott Verification

As required by Chapter 2271, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC hereby verifies that McCall Gibson Swedlund Barfoot Ellis PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. As used in the foregoing verification, the term "boycott Israel" has the meaning assigned to such term in Section 808.001, Texas Government Code, as amended.

Anti-Terrorism Representation

Pursuant to Chapter 2252, Texas Government Code, McCall Gibson Swedlund Barfoot Ellis PLLC represents and certifies that, at the time of execution of this letter neither McCall Gibson Swedlund Barfoot Ellis PLLC, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a company listed by the Texas Comptroller pursuant to Section 2252.153 of the Texas Government Code. The term “foreign terrorist organization” has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code.

We appreciate the confidence you have placed in our firm and we look forward to serving the District again this coming year.

Sincerely,

McCall Gibson Swedlund Barfoot Ellis PLLC

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

This letter correctly sets forth the understanding of the District.

Signature	Title	Date

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

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 541,888				$ 541,888
Texpool	6,844,784	190,541	15,354,752		22,390,077
Accounts Receivable - Other	642,557				642,557
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 8,132,007**	**$ 190,541**	**$ 15,354,752**	**$ -**	**$ 23,677,300**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 123,723				$ 123,723
Total Liabilities	123,723	-	-	-	123,723
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		190,541			190,541
Restricted for Capital Projects			15,354,752		15,354,752
Fund Balance:					
Assigned	8,008,284			-	8,008,284
Total Equity	8,008,284	190,541	15,354,752	-	23,553,577
Total Liabilities and Equity	**$ 8,132,007**	**$ 190,541**	**$ 15,354,752**	**$ -**	**$ 23,677,300**

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

	Month August 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 51	$ 4,781,556	$ 4,943,986	96.7%
Contract Patrol	774	13,970	13,500	103.5%
Interest	21,367	177,722	250,000	71.1%
Misc Income/Other	-	31,628	-	0.0%
Total Revenues	**22,192**	**5,004,876**	**5,207,486**	**96.1%**
Expenditures				
Security & Public Safety	56,287	618,079	761,502	81.2%
Planning & Urban Design	116,746	1,587,915	5,029,890	31.6%
Public Relations & Business Development	15,662	464,333	492,794	94.2%
Program Support Services	56,917	608,117	455,471	133.5%
Total Expenditures	**245,612**	**3,278,444**	**6,739,656**	**48.6%**
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	**$ (223,420)**	**$ 1,726,432**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	47,809	463,991	200,000	
Total Revenue	**47,809**	**463,991**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 47,809**	**$ 463,991**	**$ 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 Ten Months Ended
August 31, 2026

	Month August 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	593	5,794	15,000	38.6%
Total Revenue	593	5,794		
Expenditures				
Administrative Fee	-		1,000	0.0%
Interest - Bond	38,683	78,765	83,765	94.0%
Principal payments- Bond	-	70,000	65,000	107.7%
Total Debt Service Expenses	38,683	148,765	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ (38,089)**	**$ (142,971)**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ (213,700)	2,047,452		
Consolidated Fund Balances Beginning	$ 23,373,708	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 23,160,008**	**$ 23,160,008**	-	
			-	

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

	Month August 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	-	161,286	260,000	62.0%
Irrigation Repair/Replacement	-	36,172	65,000	55.6%
Plant Replacement	-	85,273	100,000	85.3%
Landscape Maint - Other	-	-	-	100.0%
Park Maintenance	30,000	150,000	180,000	83.3%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	51,028	209,320	245,000	85.4%
Tree Preservation	6,300	25,275	40,000	63.2%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	5,926	114,770	75,000	153.0%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant		139,564	205,000	68.1%
Program Management Consultants		368	20,000	1.8%
Streetscape Planning & Design		129,268	275,000	47.0%
Capital Improvements				
West Alabama Utility Relocation	-	253,657	3,000,000	8.5%
Wayfinding	-	547	100,000	0.5%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**93,254**	**1,305,502**	**4,835,000**	**27.0%**
Allocation of Program Support Services	23,492	282,413	408,218	69.2%
Total Expenditures	116,746	1,587,915	5,243,218	30.3%

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

	Month August 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	-	276,058	280,000	98.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**-**	**276,058**	**327,500**	**84.3%**
Allocation of Program Support Services	15,662	188,276	272,145	69.2%
Total Expenditures	15,662	464,333	599,645	77.4%

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

	Month August 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	72,478	871,894	1,158,950	75.2%
Levy Park Conservancy Payroll	49,582	537,836	995,000	54.1%
Legal - general and meeting	-	39,924	40,000	99.8%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	14,603	146,700	175,000	83.8%
Audit Fees	-	16,500	26,000	63.5%
Insurance	(4,181)	35,400	30,000	118.0%
Bank Fees	534	7,017	6,500	108.0%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	11,997	127,372	150,000	84.9%
Office Supplies	-	3,165	4,000	79.1%
Other Office	2,870	30,750	35,000	87.9%
Professional Development	-	300	3,000	10.0%
Travel	-	2,155	3,000	71.8%
Records Storage	117	1,076	2,000	53.8%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	8,616	39,311	50,000	78.6%
Tax Consultant	-	-	6,000	0.0%
Vehicle	-	1,970	1,500	131.3%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**156,616**	**1,882,755**	**2,721,450**	**69.2%**
Support Allocations				
TIRZ Reimbursement - Admin	-	(134,320)	(296,640)	45.3%
UKDF/LPC Reimbursement	(49,582)	(537,836)	(1,067,600)	50.4%
Programs				
Security & Public Safety	(10,963)	(131,793)	(190,502)	69.2%
Planning & Urban Design	(23,492)	(282,413)	(408,218)	69.2%
Public Relations & Business Development	(15,662)	(188,276)	(272,145)	69.2%
Total Expenditures	**56,917**	**608,117**	**486,346**	**125.0%**

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

	Month August 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	45,324	464,786	545,000	85.3%
Total Direct Expenditures	**45,324**	**486,286**	**571,000**	**85.2%**
Allocation of Program Support Services	10,963	131,793	190,502	69.2%
Total Expenditures	56,287	618,079	761,502	81.2%

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

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 879,996				$ 879,996
Texpool	6,897,454	189,948	15,306,943		22,394,346
Accounts Receivable - Other	586,084				586,084
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 8,466,313**	**$ 189,948**	**$ 15,306,943**	**$ -**	**$ 23,963,204**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 226,964				$ 226,964
Total Liabilities	226,964	-	-	-	226,964
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		189,948			189,948
Restricted for Capital Projects			15,306,943		15,306,943
Fund Balance:					
Assigned	8,239,349			-	8,239,349
Total Equity	8,239,349	189,948	15,306,943	-	23,736,240
Total Liabilities and Equity	**$ 8,466,313**	**$ 189,948**	**$ 15,306,943**	**$ -**	**$ 23,963,204**

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

	Month July 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 194	$ 4,781,505	$ 4,943,986	96.7%
Contract Patrol	3,060	13,196	13,500	97.7%
Interest	21,387	156,355	250,000	62.5%
Misc Income/Other	15,062	31,628	-	0.0%
Total Revenues	**39,703**	**4,982,684**	**5,207,486**	**95.7%**
Expenditures				
Security & Public Safety	59,636	561,792	761,502	73.8%
Planning & Urban Design	153,838	1,471,169	5,029,890	29.2%
Public Relations & Business Development	20,571	448,672	492,794	91.0%
Program Support Services	72,534	551,200	455,471	121.0%
Total Expenditures	**306,579**	**3,032,832**	**6,739,656**	**45.0%**
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	**$ (266,876)**	**$ 1,949,851**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	47,284	416,182	200,000	
Total Revenue	**47,284**	**416,182**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 47,284**	**$ 416,182**	**$ 200,000**	

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

	Month July 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	587	5,200	15,000	34.7%
Total Revenue	587	5,200		
Expenditures				
Administrative Fee	-		1,000	0.0%
Interest - Bond	-	40,083	83,765	47.9%
Principal payments- Bond	-	70,000	65,000	107.7%
Total Debt Service Expenses	-	110,083	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	**-**	**-**	**-**	-
Revenue Over (Under) Exps - DSF	**$ 587**	**$ (104,882)**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ (219,005)	2,261,152		
Consolidated Fund Balances Beginning	$ 23,592,713	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 23,373,708**	**$ 23,373,708**	**-**	
			-	

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

	Month July 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	16,764	161,286	260,000	62.0%
Irrigation Repair/Replacement	15,918	36,172	65,000	55.6%
Plant Replacement	20,076	85,273	100,000	85.3%
Landscape Maint - Other	-	-	-	100.0%
Park Maintenance	-	120,000	180,000	66.7%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	25,380	158,292	245,000	64.6%
Tree Preservation	3,600	18,975	40,000	47.4%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	12,125	108,844	75,000	145.1%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant	15,200	139,564	205,000	68.1%
Program Management Consultants	-	368	20,000	1.8%
Streetscape Planning & Design	13,919	129,268	275,000	47.0%
Capital Improvements				
West Alabama Utility Relocation	-	253,657	3,000,000	8.5%
Wayfinding	-	547	100,000	0.5%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**122,981**	**1,212,248**	**4,835,000**	**25.1%**
Allocation of Program Support Services	30,857	258,921	408,218	63.4%
Total Expenditures	153,838	1,471,169	5,243,218	28.1%

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

	Month July 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	-	276,058	280,000	98.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**-**	**276,058**	**327,500**	**84.3%**
Allocation of Program Support Services	20,571	172,614	272,145	63.4%
Total Expenditures	20,571	448,672	599,645	74.8%

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

	Month July 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	86,046	799,416	1,158,950	69.0%
Levy Park Conservancy Payroll	67,351	488,254	995,000	49.1%
Legal - general and meeting	1,367	39,924	40,000	99.8%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	14,603	132,097	175,000	75.5%
Audit Fees	16,500	16,500	26,000	63.5%
Insurance	-	39,581	30,000	131.9%
Bank Fees	560	6,483	6,500	99.7%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	11,997	115,375	150,000	76.9%
Office Supplies	484	3,165	4,000	79.1%
Other Office	6,409	27,881	35,000	79.7%
Professional Development	-	300	3,000	10.0%
Travel	-	2,155	3,000	71.8%
Records Storage	105	959	2,000	48.0%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	-	30,695	50,000	61.4%
Tax Consultant	-	-	6,000	0.0%
Vehicle	290	1,970	1,500	131.3%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**205,713**	**1,726,139**	**2,721,450**	**63.4%**
Support Allocations				
TIRZ Reimbursement - Admin	-	(134,320)	(296,640)	45.3%
UKDF/LPC Reimbursement	(67,351)	(488,254)	(1,067,600)	45.7%
Programs				
Security & Public Safety	(14,400)	(120,830)	(190,502)	63.4%
Planning & Urban Design	(30,857)	(258,921)	(408,218)	63.4%
Public Relations & Business Development	(20,571)	(172,614)	(272,145)	63.4%
Total Expenditures	**72,534**	**551,200**	**486,346**	**113.3%**

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

	Month July 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	45,236	419,462	545,000	77.0%
Total Direct Expenditures	**45,236**	**440,962**	**571,000**	**77.2%**
Allocation of Program Support Services	14,400	120,830	190,502	63.4%
Total Expenditures	59,636	561,792	761,502	73.8%

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

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 1,167,629				$ 1,167,629
Texpool	6,950,181	189,361	15,259,659		22,399,201
Accounts Receivable - Other	493,982				493,982
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 8,714,569**	**$ 189,361**	**$ 15,259,659**	**$ -**	**$ 24,163,589**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 208,344				$ 208,344
Total Liabilities	208,344	-	-	-	208,344
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		189,361			189,361
Restricted for Capital Projects			15,259,659		15,259,659
Fund Balance:					
Assigned	8,506,225			-	8,506,225
Total Equity	8,506,225	189,361	15,259,659	-	23,955,245
Total Liabilities and Equity	**$ 8,714,569**	**$ 189,361**	**$ 15,259,659**	**$ -**	**$ 24,163,589**

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

	Month June 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 1,451	$ 4,781,311	$ 4,943,986	96.7%
Contract Patrol	1,225	10,136	13,500	75.1%
Interest	20,847	134,968	250,000	54.0%
Misc Income/Other	-	16,566	-	0.0%
Total Revenues	**23,523**	**4,942,981**	**5,207,486**	**94.9%**
Expenditures				
Security & Public Safety	56,376	502,156	761,502	65.9%
Planning & Urban Design	121,713	1,317,331	5,029,890	26.2%
Public Relations & Business Development	16,059	428,100	492,794	86.9%
Program Support Services	(3,728)	478,667	455,471	105.1%
Total Expenditures	**190,420**	**2,726,254**	**6,739,656**	**40.5%**
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	**$ (166,897)**	**$ 2,216,727**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	45,604	368,898	200,000	
Total Revenue	**45,604**	**368,898**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 45,604**	**$ 368,898**	**$ 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 Eight Months Ended
June 30, 2026

	Month June 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	566	4,614	15,000	30.8%
Total Revenue	566	4,614		
Expenditures				
Administrative Fee	-		1,000	0.0%
Interest - Bond	-	40,083	83,765	47.9%
Principal payments- Bond	-	70,000	65,000	107.7%
Total Debt Service Expenses	-	110,083	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ 566**	**$ (105,469)**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ (120,727)	2,480,157		
Consolidated Fund Balances Beginning	$ 23,713,441	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 23,592,713**	**$ 23,592,713**	**-**	
			-	

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

	Month June 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	16,764	144,522	260,000	55.6%
Irrigation Repair/Replacement	2,798	20,254	65,000	31.2%
Plant Replacement	9,300	65,198	100,000	65.2%
Landscape Maint - Other	-	-	-	100.0%
Park Maintenance	15,000	120,000	180,000	66.7%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	13,965	132,912	245,000	54.2%
Tree Preservation	-	15,376	40,000	38.4%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	7,030	96,719	75,000	129.0%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant	6,783	124,364	205,000	60.7%
Program Management Consultants	-	368	20,000	1.8%
Streetscape Planning & Design	25,985	115,349	275,000	41.9%
Capital Improvements				
West Alabama Utility Relocation	-	253,657	3,000,000	8.5%
Wayfinding	-	547	100,000	0.5%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**97,625**	**1,089,267**	**4,835,000**	**22.5%**
Allocation of Program Support Services	24,088	228,064	408,218	55.9%
Total Expenditures	121,713	1,317,331	5,243,218	25.1%

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

	Month June 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	-	276,058	280,000	98.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**-**	**276,058**	**327,500**	**84.3%**
Allocation of Program Support Services	16,059	152,043	272,145	55.9%
Total Expenditures	16,059	428,100	599,645	71.4%

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

	Month June 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	78,488	713,370	1,158,950	61.6%
Levy Park Conservancy Payroll	54,928	420,903	995,000	42.3%
Legal - general and meeting	8,968	38,557	40,000	96.4%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	14,779	117,494	175,000	67.1%
Audit Fees	-	-	26,000	0.0%
Insurance	(15,121)	39,581	30,000	131.9%
Bank Fees	519	5,923	6,500	91.1%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	11,997	103,378	150,000	68.9%
Office Supplies	137	2,681	4,000	67.0%
Other Office	3,153	21,471	35,000	61.3%
Professional Development	300	300	3,000	10.0%
Travel	1,044	2,155	3,000	71.8%
Records Storage	105	854	2,000	42.7%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	-	30,695	50,000	61.4%
Tax Consultant	-	-	6,000	0.0%
Vehicle	1,290	1,680	1,500	112.0%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**160,588**	**1,520,426**	**2,721,450**	**55.9%**
Support Allocations				
TIRZ Reimbursement - Admin	(58,000)	(134,320)	(296,640)	45.3%
UKDF/LPC Reimbursement	(54,928)	(420,903)	(1,067,600)	39.4%
Programs				
Security & Public Safety	(11,241)	(106,430)	(190,502)	55.9%
Planning & Urban Design	(24,088)	(228,064)	(408,218)	55.9%
Public Relations & Business Development	(16,059)	(152,043)	(272,145)	55.9%
Total Expenditures	**(3,728)**	**478,667**	**486,346**	**98.4%**

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 Eight Month Ended
June 30, 2026

	Month June 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	45,135	374,226	545,000	68.7%
Total Direct Expenditures	**45,135**	**395,726**	**571,000**	**69.3%**
Allocation of Program Support Services	11,241	106,430	190,502	55.9%
Total Expenditures	56,376	502,156	761,502	65.9%

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

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
Assets					
Cash	$ 1,591,774				$ 1,591,774
Texpool	7,033,051	188,795	15,214,055		22,435,902
Accounts Receivable - Other	401,401				401,401
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	86,752				86,752
				-	-
Total Assets	**$ 9,129,004**	**$ 188,795**	**$ 15,214,055**	**$ -**	**$ 24,531,854**
Liabilities and Equity					
Liabilities					
Accounts Payable and other liab	$ 481,322				$ 481,322
Total Liabilities	481,322	-	-	-	481,322
Equity					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		188,795			188,795
Restricted for Capital Projects			15,214,055		15,214,055
Fund Balance:					
Assigned	8,647,682			-	8,647,682
Total Equity	8,647,682	188,795	15,214,055	-	24,050,532
Total Liabilities and Equity	**$ 9,129,004**	**$ 188,795**	**$ 15,214,055**	**$ -**	**$ 24,531,854**

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

	Month May 2026	Year to Date	2026 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
Revenues				
Property Taxes	$ 12,366	$ 4,779,860	$ 4,943,986	96.7%
Contract Patrol	-	8,911	13,500	66.0%
Interest	21,658	114,121	250,000	45.6%
Misc Income/Other	-	16,566	-	0.0%
Total Revenues	**34,024**	**4,919,458**	**5,207,486**	**94.5%**
Expenditures				
Security & Public Safety	57,994	445,780	761,502	58.5%
Planning & Urban Design	237,093	1,195,618	5,029,890	23.8%
Public Relations & Business Development	225,410	412,042	492,794	83.6%
Program Support Services	74,448	482,395	455,471	105.9%
Total Expenditures	**594,944**	**2,535,833**	**6,739,656**	**37.6%**
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	**$ (560,920)**	**$ 2,383,625**	**$ 1,266,595**	
CAPITAL PROJECTS FUND				
Revenue				
Bond Income	-	-	-	
Grant Income	-	-		
Interest Income	46,685	323,294	200,000	
Total Revenue	**46,685**	**323,294**	**200,000**	
Other Financing Souces(Uses)				
Bond Fees	-			
Transfer from GOF		-		
Transfer to DSF	-			
	-	-	-	
Revenue Over (Under) Exps - CPF	**$ 46,685**	**$ 323,294**	**$ 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 Seven Months Ended
May 31, 2026

	Month May 2026	Year to Date	2026 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	579	4,048	15,000	27.0%
Total Revenue	579	4,048		
Expenditures				
Administrative Fee	-		1,000	0.0%
Interest - Bond	-	40,083	83,765	47.9%
Principal payments- Bond	-	70,000	65,000	107.7%
Total Debt Service Expenses	-	110,083	149,765	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	**$ 579**	**$ (106,035)**	**$ (149,765)**	
Net Change in Consolidated Fund Balances	$ (513,656)	2,600,884		
Consolidated Fund Balances Beginning	$ 24,227,097	$ 21,112,556		
Consolidated Fund Balance Ending	**$ 23,713,441**	**$ 23,713,441**	**0.00**	
			(0.00)	

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

	Month May 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	16,764	127,758	260,000	49.1%
Irrigation Repair/Replacement	-	17,456	65,000	26.9%
Plant Replacement	51,411	55,898	100,000	55.9%
Landscape Maint - Other	-	-	-	100.0%
Park Maintenance	15,000	105,000	180,000	58.3%
Phone Booth Maintenance			5,000	0.0%
Streetscape Repair & Mtn	40,780	118,947	245,000	48.5%
Tree Preservation	(600)	15,376	40,000	38.4%
US 59 Service Rd Maintenance			10,000	0.0%
Utilities - ROW	66,546	89,689	75,000	119.6%
Equipment Purchases			5,000	0.0%
Planning & Urban Design				
Transportation Consultant	700	117,582	205,000	57.4%
Program Management Consultants	-	368	20,000	1.8%
Streetscape Planning & Design	18,941	89,364	275,000	32.5%
Capital Improvements				
West Alabama Utility Relocation	-	253,657	3,000,000	8.5%
Wayfinding	-	547	100,000	0.5%
West Alabama Reconstruction			250,000	0.0%
Total Direct Expenditures	**209,542**	**991,642**	**4,835,000**	**20.5%**
Allocation of Program Support Services	27,551	203,976	408,218	50.0%
Total Expenditures	237,093	1,195,618	5,243,218	22.8%

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

	Month May 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	207,043	276,058	280,000	98.6%
Events	-	-	10,000	0.0%
Total Direct Expenditures	**207,043**	**276,058**	**327,500**	**84.3%**
Allocation of Program Support Services	18,367	135,984	272,145	50.0%
Total Expenditures	225,410	412,042	599,645	68.7%

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

	Month May 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Payroll, Taxes and Benefits	91,186	634,882	1,158,950	54.8%
Levy Park Conservancy Payroll	50,449	365,975	995,000	36.8%
Legal - general and meeting	1,918	29,590	40,000	74.0%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	14,603	102,714	175,000	58.7%
Audit Fees			26,000	0.0%
Insurance	-	54,702	30,000	182.3%
Bank Fees	1,431	5,404	6,500	83.1%
Dues & Seminars	-	21,383	20,000	106.9%
Legal Notices	-	-	2,000	0.0%
Office Rent	11,997	91,381	150,000	60.9%
Office Supplies	16	2,544	4,000	63.6%
Other Office	2,028	18,318	35,000	52.3%
Professional Development			3,000	0.0%
Travel	-	1,111	3,000	37.0%
Records Storage	105	749	2,000	37.5%
Contract Labor			2,500	0.0%
Consultant			5,000	0.0%
Appraisal District Fees	9,841	30,695	50,000	61.4%
Tax Consultant	-	-	6,000	0.0%
Vehicle	98	389	1,500	25.9%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	**183,671**	**1,359,838**	**2,721,450**	**50.0%**
Support Allocations				
TIRZ Reimbursement - Admin	-	(76,320)	(296,640)	25.7%
UKDF/LPC Reimbursement	(50,449)	(365,975)	(1,067,600)	34.3%
Programs				
Security & Public Safety	(12,857)	(95,189)	(190,502)	50.0%
Planning & Urban Design	(27,551)	(203,976)	(408,218)	50.0%
Public Relations & Business Development	(18,367)	(135,984)	(272,145)	50.0%
Total Expenditures	**74,448**	**482,395**	**486,346**	**99.2%**

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

	Month May 2026	Year to Date	2026 Budget	YTD as a % of Budget
Direct Expenditures				
Constituent Reporting Tool	-	21,500	26,000	82.7%
Security Patrol	45,137	329,091	545,000	60.4%
Total Direct Expenditures	**45,137**	**350,591**	**571,000**	**61.4%**
Allocation of Program Support Services	12,857	95,189	190,502	50.0%
Total Expenditures	57,994	445,780	761,502	58.5%

HARRIS COUNTY IMPROVEMENT DISTRICT #3
QUARTERLY INVESTMENT REPORT
3RD QUARTER FISCAL YEAR 2026
MAY 1, 2026 to
JULY 31, 2026

Transaction Date		General Fund	Capital Project Fund	Debt Service Fund
		TexPool	TexPool	TexPool
5/1/2026	Beginning Bal	$ 7,086,311.82	$ 15,167,370.40	$ 188,215.77
May 26	Withdrawals	(74,918.25)		
May 26	Deposits			
May 26	Interest 3.6241%	21,657.82	46,684.83	579.32
Jun 26	Withdrawals	(103,717.90)		
Jun 26	Deposits			
Jun 26	Interest 3.6469 %	20,847.29	45,603.90	565.93
Jul 26	Withdrawals	(74,113.03)		
Jul 26	Deposits			
Jul 26	Interest 3.6484%	21,386.56	47,284.34	586.76
7/31/2026	**Balance**	**$ 6,897,454.31**	**$ 15,306,943.47**	**$ 189,947.78**

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
3RD QUARTER FISCAL YEAR 2026
MAY 1, 2026 to
JULY 31, 2026

Transaction Date		General Fund	Capital Project Fund	Debt Service Fund
		TexPool	TexPool	TexPool
5/1/2026	Beginning Bal	$ 7,086,311.82	$ 15,167,370.40	$ 188,215.77
May 26	Withdrawals	(74,918.25)		
May 26	Deposits			
May 26	Interest 3.6241%	21,657.82	46,684.83	579.32
Jun 26	Withdrawals	(103,717.90)		
Jun 26	Deposits			
Jun 26	Interest 3.6469 %	20,847.29	45,603.90	565.93
Jul 26	Withdrawals			
Jul 26	Deposits			
Jul 26	Interest %			
7/31/2026	**Balance**	**$ 6,950,180.78**	**$ 15,259,659.13**	**$ 189,361.02**

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
3RD QUARTER FISCAL YEAR 2026
MAY 1, 2026 to
JULY 31, 2026

Transaction Date		General Fund	Capital Project Fund	Debt Service Fund
		TexPool	TexPool	TexPool
5/1/2026	Beginning Bal	$ 7,086,311.82	$ 15,167,370.40	$ 188,215.77
May 26	Withdrawals	(74,918.25)		
May 26	Deposits			
May 26	Interest 3.6241%	21,657.82	46,684.83	579.32
Jun 26	Withdrawals			
Jun 26	Deposits			
Jun 26	Interest %			
Jul 26	Withdrawals			
Jul 26	Deposits			
Jul 26	Interest %			
7/31/2026	**Balance**	**$ 7,033,051.39**	**$ 15,214,055.23**	**$ 188,795.09**

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: _____