

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2023**

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
**Certified Public Accountants**



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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Harris County Emergency  
Services District No. 17  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of Harris County Emergency Services District No. 17 (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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



### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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





**Supplementary Information**

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

*McCall Gibson Swedlund Barfoot PLLC*

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

July 23, 2024



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Management’s discussion and analysis of Harris County Emergency Services District No. 17’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended December 31, 2023. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, property tax revenues, sales tax receipts, costs of assessing and collecting taxes and general expenditures.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$26,817,827 as of December 31, 2023.

A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide firefighting and fire prevention services within the District and to provide administrative, training and meeting facilities.

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 15,184,036	\$ 16,759,421	\$ (1,575,385)
Capital Assets (Net of Accumulated Depreciation)	<u>24,605,617</u>	<u>22,787,621</u>	<u>1,817,996</u>
Total Assets	<u>\$ 39,789,653</u>	<u>\$ 39,547,042</u>	<u>\$ 242,611</u>
Deferred Outflows of Resources	<u>\$ 1,286,517</u>	<u>\$ 841,102</u>	<u>\$ 445,415</u>
Long-Term Liabilities	\$ 6,269,503	\$ 7,012,659	\$ 743,156
Other Liabilities	<u>1,223,145</u>	<u>1,225,706</u>	<u>2,561</u>
Total Liabilities	<u>\$ 7,492,648</u>	<u>\$ 8,238,365</u>	<u>\$ 745,717</u>
Deferred Inflows of Resources	<u>\$ 6,765,695</u>	<u>\$ 6,486,755</u>	<u>\$ (278,940)</u>
Net Position:			
Net Investment in Capital Assets	\$ 17,597,435	\$ 14,965,297	\$ 2,632,138
Restricted	531,535	626,161	(94,626)
Unrestricted	<u>8,688,857</u>	<u>10,071,566</u>	<u>(1,382,709)</u>
Total Net Position	<u>\$ 26,817,827</u>	<u>\$ 25,663,024</u>	<u>\$ 1,154,803</u>

The following table provides a summary of the District's operations for the year ended December 31, 2023, and the year ended December 31, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 6,174,363	\$ 5,610,151	\$ 564,212
Sales Tax Receipts	5,857,072	5,255,938	601,134
Other Revenues	<u>601,733</u>	<u>339,623</u>	<u>262,110</u>
Total Revenues	<u>\$ 12,633,168</u>	<u>\$ 11,205,712</u>	<u>\$ 1,427,456</u>
Expenses for Services	<u>11,478,365</u>	<u>10,084,751</u>	<u>(1,393,614)</u>
Change in Net Position	\$ 1,154,803	\$ 1,120,961	\$ 33,842
Net Position, Beginning of Year	<u>25,663,024</u>	<u>24,542,063</u>	<u>1,120,961</u>
Net Position, End of Year	<u>\$ 26,817,827</u>	<u>\$ 25,663,024</u>	<u>\$ 1,154,803</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's General Fund fund balance as of December 31, 2023, was \$7,873,576, a decrease of \$1,820,456 from the prior year. The decrease was primarily due to service operations and capital outlay costs exceeding property tax and sales tax revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Commissioners amended the budget during the current fiscal year. Actual revenues were \$1,884,743 more than budgeted revenues. Actual expenditures were \$32,257 less than budgeted expenditures. This resulted in a positive budget variance of \$1,917,000. See the budget to actual variance analysis for further information.

**CAPITAL ASSETS**

Capital assets as of December 31, 2023, total \$24,605,617 (net of accumulated depreciation) and include land, buildings and equipment.

Completed Projects/Purchases:		
Land - 211 & 215 Holtman Street	\$	521,398
Fire Training Tower		100,310
8-inch Water Line		167,062
2023 Chevrolet Silverado 2500		69,516
Little York Maintenance Facility		2,642,360
Little York Training Field Alterations		<u>97,258</u>
Total Completed Projects/Purchases	\$	<u><u>3,597,904</u></u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**CAPITAL ASSETS (Continued)**

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,191,362	\$ 669,964	\$ 521,398
Construction in Progress	2,538,629	2,867,199	(328,570)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	18,338,679	16,166,774	2,171,905
Machinery and Equipment	810,420	861,594	(51,174)
Vehicles	1,726,527	2,222,090	(495,563)
Total Net Capital Assets	\$ 24,605,617	\$ 22,787,621	\$ 1,817,996

Additional information on the District's capital assets can be found in Note 5 of this report.

**LONG-TERM DEBT ACTIVITY**

At December 31, 2023, the District had total long-term debt payable of \$6,951,073. The changes in the debt position of the District during the year ended December 31, 2023, are summarized as follows:

Notes Payable, January 1, 2023	\$ 7,760,755
Less: Note Principal Paid	809,682
Notes Payable, December 31, 2023	\$ 6,951,073

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Emergency Services District No. 17, 10410 Airline, Houston, Texas 77037.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash-Unrestricted	\$ 463,038	\$	\$ 463,038
Investments-Unrestricted	6,781,707		6,781,707
Investments-Restricted	531,535		531,535
Cash with Harris County	1,192,904		1,192,904
Receivables:			
Property Taxes	4,670,499		4,670,499
Penalty and Interest on Delinquent Taxes		161,284	161,284
Accrued Interest	2,507		2,507
Sales Tax	1,225,833		1,225,833
Prepaid Costs	154,729		154,729
Due from Bank			
Land		1,191,362	1,191,362
Construction in Progress		2,538,629	2,538,629
Capital Assets (Net of Accumulated Depreciation)		<u>20,875,626</u>	<u>20,875,626</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,022,752</u>	<u>\$ 24,766,901</u>	<u>\$ 39,789,653</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Plan Charges	<u>\$ - 0 -</u>	<u>\$ 1,286,517</u>	<u>\$ 1,286,517</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 15,022,752</u>	<u>\$ 26,053,418</u>	<u>\$ 41,076,170</u>

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



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**DECEMBER 31, 2023**

	General Fund	Adjustments	Statement of Net Position
<b>LIABILITIES</b>			
Accounts Payable	\$ 124,897	\$	\$ 124,897
Accrued Interest Payable		47,540	47,540
Net Pension Liability		312,029	312,029
Long-Term Debt:			
Notes Payable Within One Year		738,679	738,679
Notes Payable After One Year		6,269,503	6,269,503
<b>TOTAL LIABILITIES</b>	<b>\$ 124,897</b>	<b>\$ 7,367,751</b>	<b>\$ 7,492,648</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 7,024,279	\$ (259,801)	\$ 6,764,478
Deferred Pension Plan Income		1,217	1,217
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 7,024,279</b>	<b>\$ (258,584)</b>	<b>\$ 6,765,695</b>
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid Costs	\$ 154,729	\$ (154,729)	\$
Restricted for Debt Service	531,535	(531,535)	
Assigned to 2024 Budget	2,837,750	(2,837,750)	
Unassigned	4,349,562	(4,349,562)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 7,873,576</b>	<b>\$ (7,873,576)</b>	<b>\$ - 0 -</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 15,022,752</b>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ 17,597,435	\$ 17,597,435
Restricted for Debt Service		531,535	531,535
Unrestricted		8,688,857	8,688,857
<b>TOTAL NET POSITION</b>		<b>\$ 26,817,827</b>	<b>\$ 26,817,827</b>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

Total Fund Balance - Governmental Fund	\$	7,873,576
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		24,605,617
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Certain assets are not available in the current period and, therefore, are not reported as assets in the governmental funds. These assets at year-end consist of net pension liabilities.		(312,029)
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Portions of the change in net pension asset that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources.		1,285,300
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenues in the governmental activities of the District.		421,085
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:

Accrued Interest Payable	\$	(47,540)	
Notes Payable Within One Year		(738,679)	
Notes Payable After One Year		<u>(6,269,503)</u>	<u>(7,055,722)</u>

Total Net Position - Governmental Activities	\$	<u>26,817,827</u>
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The accompanying notes to financial statements are an integral part of this report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 6,145,049	\$ 29,314	\$ 6,174,363
Sales Tax Receipts	5,857,072		5,857,072
Penalty and Interest	81,361	15,379	96,740
Investment Revenues	249,199		249,199
Sale of Assets	2,353		2,353
Unrealized Investment Gain	161,147		161,147
Miscellaneous Revenues	92,294		92,294
<b>TOTAL REVENUES</b>	<b>\$ 12,588,475</b>	<b>\$ 44,693</b>	<b>\$ 12,633,168</b>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Accounting and Auditing	\$ 62,000		\$ 62,000
Appraisal District Fees	48,830		48,830
Building Maintenance and Supplies	235,218		235,218
Contracted Services	5,000		5,000
Depreciation		1,451,338	1,451,338
Dispatch	55,400		55,400
EMS Supplies	21,570		21,570
Fire Vehicle Maintenance	384,839		384,839
Fuel	104,573		104,573
Information Technology	151,572		151,572
Insurance	290,255		290,255
Legal Fees - General	63,832		63,832
Legal Fees - Delinquent Tax Collections	24,663		24,663
Office Equipment and Supplies	14,046		14,046
Personnel	57,716		57,716
Protective Gear	141,375		141,375
Public Relations	31,840		31,840
Salaries and Benefits	7,053,854	(292,009)	6,761,845
Sales Tax Consultant	6,000		6,000
Tax Assessor/Collector Fees	29,158		29,158
Training	187,048		187,048
Uniforms	57,735		57,735
Utilities	162,784		162,784
Other-Fire Operations	74,160		74,160
Other-Administration	68,805		68,805
Capital Outlay	4,017,407	(3,269,334)	748,073
Debt Service:			
Note Principal	809,682	(809,682)	
Note Interest	249,569	(10,879)	238,690
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 14,408,931</b>	<b>\$ (2,930,566)</b>	<b>\$ 11,478,365</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,820,456)</b>	<b>\$ 1,820,456</b>	<b>\$</b>
<b>CHANGE IN NET POSITION</b>		<b>1,154,803</b>	<b>1,154,803</b>
<b>FUND BALANCE/NET POSITION - JANUARY 1, 2023</b>	<b>9,694,032</b>	<b>15,968,992</b>	<b>25,663,024</b>
<b>FUND BALANCE/NET POSITION - DECEMBER 31, 2023</b>	<b>\$ 7,873,576</b>	<b>\$ 18,944,251</b>	<b>\$ 26,817,827</b>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balance - Governmental Funds	\$ (1,820,456)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.	29,314
Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when the penalty and interest are assessed.	15,379
The changes in the net pension asset as well as deferred inflows and outflows of resources are recorded as pension expense in the government-wide financial statements.	292,009
Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(1,451,338)
Governmental funds report capital asset purchases as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.	3,269,334
Governmental funds report principal payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, liabilities are reduced when principal payments are made and the Statement of Activities is not affected.	809,682
Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on long-term debt through fiscal year-end.	10,879
Change in Net Position - Governmental Activities	<u>\$ 1,154,803</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1. CREATION OF DISTRICT**

Harris County Rural Fire Prevention District No. 17 (the “District”) was created by the Commissioners Court of Harris County, Texas on August 20, 1985, as a political subdivision of the State of Texas under the provision of Section 48-d of Article III of the State Constitution in accordance with Title 44, Article 3351a-6 of The Revised Civil Statutes of the State of Texas. This action was taken by the Commissioners as a result of voter approval by residents of the District on August 10, 1985. Effective September 1, 2003, Texas Legislature Senate Bill 1021 converted all rural fire prevention districts to emergency services districts and mandated a name change to Harris County Emergency Services District No. 17 (the “District”). In accordance with Senate Bill 1021, the District now operates under Chapter 775 of the Health and Safety Code.

Chapter 775 of the Health and Safety Code provides that an emergency services district may provide all or any one of the emergency services included in the code, including fire prevention and firefighting, but is not required to perform all emergency services. The District transitioned from a volunteer fire department-based service provider to a direct District-based provider in 2016.

The District is governed by a Board of Commissioners consisting of five individuals residing within the District who are elected by voters within the District. The Board of Commissioners sets the policies of the District.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

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

Financial Statement Presentation

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

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

Governmental Funds

The District has one governmental fund; therefore, this fund is a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, sales tax receipts, costs of assessing and collecting taxes and general expenditures.

Basis of Accounting

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

Property taxes considered available by the District and included in revenues include the 2022 tax levy collections during the period October 1, 2022 to December 31, 2023, and taxes collected from January 1, 2023, to December 31, 2023, for all prior tax levies. The 2023 tax levy has been fully deferred to meet the District's planned expenditures in the 2024 fiscal year.

Capital Assets

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued)

Personal tangible assets (computers, office machines, office furniture, etc.) are capitalized if they have a total cost of \$5,000 or more (including installation costs and professional fees) and a useful life of more than one year. All other capital assets are capitalized if they have a total cost of \$5,000 or more (including installation costs and professional fees) and a useful life of more than one year. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings and Improvements	30
Machinery and Equipment	2-15
Vehicles	7-15

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax withholding for payroll tax purposes only. The District has a 457(b) retirement plan for its employees. See Note 10. The District also participates in the Texas County and District Retirement System and Length of Service Awards Program for its employees. See Notes 11 and 12.

Measurement Focus

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

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



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

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

*Restricted:* amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. As of December 31, 2023, the District has restricted funds of \$531,535 for 2023 note payments to Capital One Public Funding, LLC. See Note 7.

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

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of December 31, 2023, the District has assigned \$2,837,750 of the General Fund fund balance for a projected budget deficit for the year ending December 31, 2024.

*Unassigned:* all other spendable amounts in the General Fund.

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

Accounting Estimates

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

**NOTE 3. TAX LEVY**

On May 13, 2006, the voters of the District approved the levy and collection of a tax not to exceed \$0.10 per \$100 of assessed valuation of taxable property within the District. During the year ended December 31, 2023, the District levied an ad valorem tax at the rate of \$ 0.083846 per \$100 of assessed valuation, which resulted in a tax levy of \$6,764,478 on the adjusted taxable valuation of \$8,083,341,157 for the 2023 tax year.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3. TAX LEVY (Continued)**

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

**NOTE 4. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$943,038 and the bank balance was \$663,903. The District was not exposed to custodial credit risk at year end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2023, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 463,038	\$ 480,000	\$ 943,038

Investments

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District invests in U.S. Treasury Notes and Bills. These investments are considered to be Level 1 investments because their fair value is measured by quoted prices in active markets.

Certificates of deposit are valued at acquisition cost at the date of purchase.

As of December 31, 2023, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	\$ 1,638,845	\$ 1,638,845
U.S. Treasury Notes and Bills	5,194,397	5,194,397
Certificates of Deposit	<u>480,000</u>	<u>480,000</u>
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 7,313,242</u></u>	<u><u>\$ 7,313,242</u></u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2023, the District’s investment in Texas CLASS was rated “AAAm” by Standard and Poor’s. The District’s investments in U.S. Treasury Notes and Bills are rated “AA+” by Standard and Poor’s. The District also manages credit risk by investing in certificates of deposit covered by FDIC coverage.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year because the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District's investments in U.S. Treasury Notes and Bills can be sold at any time. The District also manages interest rate risk by investing in certificates of deposit with maturities of approximately one year or less.

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023:

	January 1, 2023	Increases	Decreases	December 31, 2023
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 669,964	\$ 521,398	\$	\$ 1,191,362
Construction in Progress	<u>2,867,199</u>	<u>2,747,936</u>	<u>3,076,506</u>	<u>2,538,629</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 3,537,163</u>	<u>\$ 3,269,334</u>	<u>\$ 3,076,506</u>	<u>\$ 3,729,991</u>
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 19,741,026	\$ 2,839,928	\$	\$ 22,580,954
Machinery and Equipment	1,902,086	167,062		2,069,148
Vehicles	<u>6,779,545</u>	<u>69,516</u>		<u>6,849,061</u>
<b>Total Capital Assets at Subject to Depreciation</b>	<u>\$ 28,422,657</u>	<u>\$ 3,076,506</u>	<u>\$ - 0 -</u>	<u>\$ 31,499,163</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ 3,574,252	\$ 668,023		\$ 4,242,275
Machinery and Equipment	1,040,492	218,236		1,258,728
Vehicles	<u>4,557,455</u>	<u>565,079</u>		<u>5,122,534</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 9,172,199</u>	<u>\$ 1,451,338</u>	<u>\$ - 0 -</u>	<u>\$ 10,623,537</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 19,250,458</u>	<u>\$ 1,625,168</u>	<u>\$ - 0 -</u>	<u>\$ 20,875,626</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 22,787,621</u>	<u>\$ 4,894,502</u>	<u>\$ 3,076,506</u>	<u>\$ 24,605,617</u>

**NOTE 6. RISK MANAGEMENT**

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7. NOTES PAYABLE**

On September 4, 2008, the District entered into a \$1,200,000 real estate lien note with Wells Fargo Brokerage Services at an interest rate of 4.99%. The proceeds were used to fund the construction of Station No. 83. On January 15, 2014, this note was refinanced with Wells Fargo Bank, National Association at an interest rate of 2.59%. The new note is for \$930,000 and is secured by a pledge and lien against all gross sales and use taxes it receives during each calendar year. Principal and interest payments of \$53,080.18 are payable semi-annually, on the 1<sup>st</sup> day of each March and September beginning March 1, 2014 and ending September 1, 2023. This note was paid in full during the current fiscal year.

On October 20, 2016, the District entered into a \$7,500,000 loan agreement with Capital One Public Funding, LLC at an interest rate of 3.58%. The proceeds were used to finance the construction of two fire stations, an administration building and related equipment. The loan is secured by and payable solely from sales tax revenues received by the District. Principal and interest payments of \$531,535.23 are payable annually, on October 20 beginning October 20, 2017 and ending October 20, 2036. The District has the right to prepay the note in full on any date on or after October 20, 2026 with three days prior written notice to the lender.

On March 1, 2018, the District entered into a \$2,300,000 loan agreement with Trustmark National Bank at an interest rate of 2.95%. The proceeds will be used to finance the acquisition of three fire apparatus and secured by the titles to the purchased vehicles. Principal and interest payments of \$162,431.78 are payable semi-annually, on September 1 and March 1 beginning September 1, 2018 and ending March 1, 2026. The District has the right to prepay at any time, and from time to time, all or any part of the principal amount of this note, without notice, penalty or fee.

On June 16, 2021, the district entered into a \$1,000,000 loan agreement with Trustmark National Bank at an interest rate of 1.53%. The proceeds will be used to finance the remodeling of Station No. 83. Principal and interest payments of \$54,113.14 are payable semi-annually beginning six months from the loan execution date. The District has the right to prepay at any time, and from time to time, all or any part of the principal amount of this note, without notice, penalty or fee.

The following is a summary of transactions regarding notes payable for the year ended December 31, 2023:

	January 1, 2023	Additions	Retirements	December 31, 2023
Notes Payable	\$ 7,760,755	\$	\$ 809,682	\$ 6,951,073
Unamortized Premiums	61,569		4,460	57,109
Notes Payable, Net	<u>\$ 7,822,324</u>	<u>\$ -0-</u>	<u>\$ 814,142</u>	<u>\$ 7,008,182</u>
		Amounts Due Within One Year		\$ 738,679
		Amounts Due After One Year		<u>6,269,503</u>
		Notes Payable, Net		<u>\$ 7,008,182</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7. NOTES PAYABLE (Continued)**

The debt service requirements on these notes as of December 31, 2023 were as follows:

Fiscal Year	Principal	Interest	Total
2024	738,679	225,945	964,624
2025	761,286	203,339	964,625
2026	579,410	180,639	760,049
2027	475,354	164,408	639,762
2028	490,298	149,464	639,762
2029-2033	2,419,150	509,092	2,928,242
2034-2036	1,486,896	107,710	1,594,606
	<u>\$ 6,951,073</u>	<u>\$ 1,540,597</u>	<u>\$ 8,491,670</u>

**NOTE 8. TOWER LEASE AGREEMENT**

On March 20, 2000, the District entered into an agreement with Nextel of Texas, LLC for the lease of land within the District. In September 2000, the lease interest transferred to SpectraSite, which subsequently merged with American Tower Corporation on August 5, 2005. The initial term of the lease is 5 years, with automatic renewals for up to 5 additional 5-year terms, unless the lessee notifies the District prior to commencement of any subsequent renewal term. Effective January 30, 2015, the agreement was amended to extend the term of the agreement for four additional 5-year renewal terms. If all renewal options are exercised final expiration of the lease would be April 17, 2050. Commencing with the first rental payment due following the effective date, the rent will increase to \$1,360 per month. Commencing on April 18, 2015 and each renewal term thereafter, rent due will increase by 15 percent. Currently, the rent payable to the District is \$1,799 per month. During the current fiscal year the District recorded revenue of \$20,469 from this lease.

**NOTE 9. SALES AND USE TAX**

In accordance with Chapter 775 of the Health and Safety Code, the District is authorized to adopt and impose a sales and use tax if authorized by a majority of the qualified voters of the District. The election to adopt a sales and use tax is governed by the provisions of Subchapter E, Chapter 323 of the Tax Code.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9. SALES AND USE TAX (Continued)**

On May 12, 2012, the voters of the District approved the establishment and adoption of a sales and use tax of up to a maximum of one percent. On May 30, 2012, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, excluding any territory in the District where sales and use tax is currently two percent. The sales tax became effective on October 1, 2012. During the year ended December 31, 2023, the District recorded \$5,857,072 in sales tax receipts, of which \$1,225,833 was recorded as a receivable.

**NOTE 10. RETIREMENT PLANS**

Deferred Compensation Plan 457(b)

The District offers its employees a deferred compensation plan, a Section 457 (B) plan, created in accordance with the Internal Revenue Service Codes, Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination, death, or unforeseeable emergencies. Federal law requires all assets and income of the plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries. The District's deferred compensation plans are administered by a private corporation under contract with the District. During the current year, the employees contributed \$138,947 to the plan.

**NOTE 11. DEFINED BENEFIT PENSION PLAN**

Plan Description

The District provides retirement, disability, and death benefits for all its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS issues a publicly available comprehensive annual financial report (CAFR) which includes financial statements, notes and required supplementary information which can be obtained at TCDRS, Finance Division, Barton Oaks Plaza IV Suite 500, 901 S. MoPac Expressway, Austin, Texas 78746 or at [www.TCDRS.org](http://www.TCDRS.org).

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)**

Benefits Provided

Benefit provisions are adopted by the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

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

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled but not yet receiving benefits	29
Active employees	83

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 10.00% for the months of the 2023 accounting year. The deposit rate payable by the employee members for calendar year 2023 is 7% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

For the District’s accounting year ended December 31, 2023, the annual pension cost for the TCDRS plan for its employees was \$516,162; the actual contributions were \$516,162. The employees contributed \$361,313 to the plan for the 2023 fiscal year.



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumption:

Actuarial valuation date	12/31/22
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	8.4 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return <sup>1</sup>	7.50%
Projected salary increases <sup>1</sup>	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

<sup>1</sup> Includes inflation at the stated rate

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Mortality rates were based on the following:

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

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

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. There was no change in the discount rate since the previous year.

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

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

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

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

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

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.95%
Private Equity	25.00%	7.95%
Global Equities	2.50%	4.95%
International Equities-Developed Markets	5.00%	4.95%
International Equities-Emerging Markets	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)**

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2022 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2021	\$ 2,780,514	\$ 2,881,319	\$ (100,805)
Changes for the year:			
Service costs	515,524		515,524
Interest on the total pension liability	249,057		249,057
Effect of Plan Changes			
Effect of economic/demographic gains or losses	252,486		252,486
Effect of assumptions changes or inputs			
Refund of Contributions	(29,275)	(29,275)	
Benefit Payments	(9,361)	(9,361)	
Administrative expenses		(2,020)	2,020
Member contributions		302,294	(302,294)
Net investment income		(228,219)	228,219
Employer contributions		431,849	(431,849)
Other		100,329	(100,329)
Balances of December 31, 2022	<u>\$ 3,758,945</u>	<u>\$ 3,446,916</u>	<u>\$ 312,029</u>

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 4,660,812	\$ 3,758,945	\$ 3,056,167
Fiduciary net position	<u>3,446,915</u>	<u>3,446,916</u>	<u>3,446,915</u>
Net pension liability/(asset)	<u>\$ 1,213,897</u>	<u>\$ 312,029</u>	<u>\$ (390,748)</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)**

As of December 31, 2023, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	\$ 441,511
Changes in assumptions	1,217	142,663
Net difference between projected and actual earnings		186,181
Contributions paid subsequent to the measurement date		516,162
Total	\$ 1,217	\$ 1,286,517

\$516,162 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2023 (i.e. recognized in the District’s financial statements for the year ending December 31, 2024). Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 102,535
2024	109,156
2025	111,092
2026	172,686
2027	77,323
Thereafter	196,346

**NOTE 12. LENGTH OF SERVICE AWARD PLAN (LOSAP)**

Effective January 1, 2021, the District signed agreements to provide retirement for their participating members through a non-traditional defined contribution length of service award plan (LOSAP) managed by VFIS of Texas. The District budgets a specific amount each year as a contributing entity to the Providers’ LOSAP plan but does not meet the requirements as a non-employer contributing entity under current Governmental Accounting Standards Board standards. The District recorded \$4,180 Support Expense-LOSAP for the District’s contribution toward the Providers plan.

Upon reaching age 18 and completing at least 5 years of participation in the plan, each vested member may retire and receive a lump-sum benefit equal to his account balance in the plan. Members are 100% vested after the 5th year of service, with active emergency service prior to participation in the plan included. At December 31, 2023, 11 active employees were covered by the benefit terms.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 12. LENGTH OF SERVICE AWARD PLAN (LOSAP) (Continued)**

The plan provisions are adopted by the governing body of the participating departments. No contributions are required from the individuals who are members of the system, nor are they allowed. The governing bodies of each participating department set the contribution rate annually per member. The District has agreed to make annual contributions of \$500 for per participating active member per year.

**NOTE 13. RADIO CHANNEL COMMUNICATIONS DISPATCH SYSTEM**

The District has entered into the Emergency Communication Center Dispatch Service Agreement with Harris County Emergency Corps (the “HCEC”) to receive emergency dispatch and communications services as well as computer aid dispatching information and monthly reporting data. The term of this agreement is for one year and shall automatically renew for additional one year periods. Either party may terminate this agreement without cause at any time by giving the other party 90 days advance written notice of termination.

**NOTE 14. INTERLOCAL AGREEMENT**

On August 24, 2020, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 11 (“ESD No. 11”) to provide housing at certain stations located within the District’s service area, as may be necessary for the ESD 11’s EMS service provider to perform such services within their boundaries. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. ESD 11 shall pay to the District a monthly amount of \$1,000 for each station housing ESD 11 facilities.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**





**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 5,631,348	\$ 5,631,348	\$ 6,145,049	\$ 513,701
Sales Tax Receipts	4,959,616	4,959,616	5,857,072	897,456
Penalty and Interest	71,000	71,000	81,361	10,361
Investment Revenues	13,000	13,000	249,199	236,199
Sale of Assets	500	500	2,353	1,853
Unrealized Investment Gain			161,147	161,147
Miscellaneous Revenues	28,268	28,268	92,294	64,026
<b>TOTAL REVENUES</b>	<b>\$ 10,703,732</b>	<b>\$ 10,703,732</b>	<b>\$ 12,588,475</b>	<b>\$ 1,884,743</b>
<b>EXPENDITURES</b>				
Service Operations:				
Accounting and Auditing	\$ 81,000	\$ 81,000	\$ 62,000	\$ 19,000
Appraisal District Fees	40,000	40,000	48,830	(8,830)
Building Maintenance and Supplies	162,000	222,000	235,218	(13,218)
Contracted Services	5,000	5,000	5,000	
Dispatch	59,000	59,000	55,400	3,600
EMS Supplies	18,500	18,500	21,570	(3,070)
Fire Vehicle Maintenance	485,540	485,540	384,839	100,701
Fuel	114,700	114,700	104,573	10,127
Information Technology	117,000	117,000	151,572	(34,572)
Insurance	232,000	232,000	290,255	(58,255)
Legal Fees - General	85,000	85,000	63,832	21,168
Legal Fees - Delinquent Tax Collections	6,000	6,000	24,663	(18,663)
Office Equipment and Supplies	34,000	24,000	14,046	9,954
Personnel	59,000	59,000	57,716	1,284
Protective Gear	163,000	163,000	141,375	21,625
Public Relations	25,000	25,000	31,840	(6,840)
Salaries and Benefits	6,932,837	6,932,837	7,053,854	(121,017)
Sales Tax Consultant	6,000	6,000	6,000	
Tax Assessor/Collector Fees	32,500	32,500	29,158	3,342
Training	185,000	185,000	187,048	(2,048)
Uniforms	50,000	50,000	57,735	(7,735)
Utilities	183,000	183,000	162,784	20,216
Other-Fire Operations	58,000	58,000	74,160	(16,160)
Other-Administration	102,000	52,000	68,805	(16,805)
Capital Outlay	1,691,500	4,016,500	4,017,407	(907)
Debt Service:				
Note Principal	885,242	885,242	809,682	75,560
Note Interest	303,369	303,369	249,569	53,800
<b>TOTAL EXPENDITURES</b>	<b>\$ 12,116,188</b>	<b>\$ 14,441,188</b>	<b>\$ 14,408,931</b>	<b>\$ 32,257</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,412,456)</b>	<b>\$ (3,737,456)</b>	<b>\$ (1,820,456)</b>	<b>\$ 1,917,000</b>
<b>FUND BALANCE - JANUARY 1, 2023</b>	<b>9,694,032</b>	<b>9,694,032</b>	<b>9,694,032</b>	
<b>FUND BALANCE - DECEMBER 31, 2023</b>	<b>\$ 8,281,576</b>	<b>\$ 5,956,576</b>	<b>\$ 7,873,576</b>	<b>\$ 1,917,000</b>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Year Ended December 31, 2022	Year Ended December 31, 2021
	<u>2022</u>	<u>2021</u>
<b>Total Pension Liability</b>		
Service cost	\$ 515,524	\$ 567,183
Interest on total pension liability	249,057	197,145
Effect of plan changes		
Effect of economic/demographic (gains) or losses		2,217
Effect of assumptions changes or inputs	252,486	2,971
Benefit payments/refunds of contributions	<u>(38,636)</u>	<u>(31,090)</u>
Net change in total pension liability	\$ 978,431	\$ 738,426
Total pension liability, beginning	<u>2,780,514</u>	<u>2,042,088</u>
Total pension liability, ending (a)	<u>\$ 3,758,945</u>	<u>\$ 2,780,514</u>
<b>Fiduciary Net Position</b>		
Employer contributions	\$ 431,849	\$ 310,775
Member contributions	302,294	263,688
Investment income net of investment expenses	(228,219)	469,672
Benefit payments/refunds of contributions	(38,636)	(31,090)
Administrative expenses	(2,020)	(1,559)
Other	<u>100,329</u>	<u>15,905</u>
Net change in plan fiduciary net position	\$ 565,597	\$ 1,027,391
Fiduciary net position, beginning	<u>2,881,319</u>	<u>1,853,928</u>
Fiduciary net position, ending (b)	<u>\$ 3,446,916</u>	<u>\$ 2,881,319</u>
<b>Net Pension Liability/(Asset), Ending = (a) - (b)</b>	<u>\$ 312,029</u>	<u>\$ (100,805)</u>
<b>Fiduciary net position as a percentage of the total pension liability</b>	91.70%	103.63%
<b>Pensionable covered payroll</b>	\$ 4,318,488	\$ 3,766,969
<b>Net pension liability as a percentage of covered employee payroll</b>	7.23%	-2.68%

See accompanying independent auditor's report.

Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
\$ 468,167	\$ 353,559	\$ 196,108	\$ 157,520
135,482	78,044	29,313	12,759
		119,013	(2,675)
56,244	184,796	101,783	135
200,505			
<u>(44,663)</u>	<u>                    </u>	<u>(4,002)</u>	<u>                    </u>
\$ 815,735	\$ 616,399	\$ 442,215	\$ 167,739
<u>1,226,353</u>	<u>609,954</u>	<u>167,739</u>	<u>                    </u>
<u>\$ 2,042,088</u>	<u>\$ 1,226,353</u>	<u>\$ 609,954</u>	<u>\$ 167,739</u>
\$ 252,804	\$ 245,116	\$ 298,137	\$ 95,042
259,096	237,319	153,540	79,296
129,527	104,862	1,659	2,804
(44,663)		(4,002)	
(1,357)	(948)	(515)	(119)
<u>13,949</u>	<u>16,691</u>	<u>13,355</u>	<u>2,335</u>
\$ 609,356	\$ 603,040	\$ 462,174	\$ 179,358
<u>1,244,572</u>	<u>641,532</u>	<u>179,358</u>	<u>                    </u>
<u>\$ 1,853,928</u>	<u>\$ 1,244,572</u>	<u>\$ 641,532</u>	<u>\$ 179,358</u>
<u>\$ 188,160</u>	<u>\$ (18,219)</u>	<u>\$ (31,578)</u>	<u>\$ (11,619)</u>
90.79%	101.49%	105.18%	106.93%
\$ 3,701,371	\$ 3,390,270	\$ 2,193,429	\$ 1,132,801
5.08%	-0.54%	-1.44%	-1.03%

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**DECEMBER 31, 2023**

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>(1)</sup>	Actual Contribution as a Percentage of Covered Payroll
2017	\$ 95,042	\$ 95,042	\$ -0-	\$ 1,132,801	8.4%
2018	\$ 184,029	\$ 298,137	\$ (114,108)	\$ 2,193,429	13.6%
2019	\$ 245,116	\$ 245,116	\$ -0-	\$ 3,390,270	7.2%
2020	\$ 252,804	\$ 252,804	\$ -0-	\$ 3,701,371	6.8%
2021	\$ 268,585	\$ 310,775	\$ (42,190)	\$ 3,766,969	8.3%
2022	\$ 399,892	\$ 431,849	\$ (31,957)	\$ 4,318,488	10.0%
2023	\$ 516,162	\$ 516,162	\$ -0-	\$ 5,161,614	10.0%

<sup>(1)</sup> Payroll is calculated based on contributions as reported to TCDRS.

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2023**

Assumptions

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

Valuation Date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	8.4 years (based on contribution rate calculated in 12/31/22 valuation)
Asset Valuation Method	5-year, smoothed market
Inflation	2.50%
Salary Increases	4.7%, average over career including inflation. Varies by age and service.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females both projected with 100% of MP-2014 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumption were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions. 2016: No changes in plan provisions. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions. 2019: Employer contributions reflect that the prior service matching rate was increased to 100%. 2020: No changes in plan provisions were reflected in the schedule. 2021: No changes in plan provisions were reflected in the schedule. 2022: No changes in plan provisions were reflected in the schedule.

See accompanying independent auditor's report.

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**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY HARRIS COUNTY**

**DECEMBER 31, 2023**





**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**COMPUTATION OF NET LONG-TERM DEBT PER CAPITA**  
**DECEMBER 31, 2023**  
**(UNAUDITED)**

Long-Term Debt at December 31, 2023	\$ 6,951,090
Less: Amount in Debt Service Fund	<u>                    </u>
Net Long-Term Debt at December 31, 2023	\$ 6,951,090
Estimated District Population	<u>90,000</u>
Net Long-Term Debt Per Capita at December 31, 2023	<u>\$ 77.23</u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
LISTING OF THE NUMBER OF EMERGENCY RESPONSES  
MADE WITHIN AND OUTSIDE THE DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

Number of Emergency Responses made Within the District	3,167
Number of Emergency Responses made Outside of the District	<u>308</u>
Total Emergency Responses	<u><u>3,475</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**SCHEDULE OF INSURANCE AND BONDING COVERAGE**  
**DECEMBER 31, 2023**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE BOND Treasurer	06/17/23 06/17/24	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE BLANKET BOND	06/17/23 06/17/24	\$ 100,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	06/17/23 06/17/24	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY General Aggregate Per Wrongful Act	06/17/23 06/17/24	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY General Aggregate Per Occurrence	06/17/23 06/17/24	\$ 2,000,000 1,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	06/17/23 06/17/24	\$ 1,000,000	National Union Fire Insurance Company
WORKER'S COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	06/17/23 06/17/24	\$ 1,000,000 1,000,000 1,000,000	Benchmark Insurance
PROPERTY Buildings Contents Portable Equipment Deductible	06/17/23 06/17/24	\$ 20,078,920 1,063,362 Replacement Cost 5,000	National Union Fire Insurance Company
CYBER LIABILITY	03/29/23 03/29/24	\$ 3,000,000	National Union Fire Insurance Company

See accompanying independent auditor's report.

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**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2023	\$ 4,394,530	
Adjustments to Beginning Balance	(51,747)	\$ 4,342,783
Original 2023 Tax Levy	\$ 6,485,426	
Adjustment to 2023 Tax Levy	279,052	6,764,478
 TOTAL TO BE ACCOUNTED FOR		 \$ 11,107,261
 TAX COLLECTIONS:		
Prior Years	\$ 4,082,982	
Current Year	2,353,780	6,436,762
 TAXES RECEIVABLE - DECEMBER 31, 2023		 \$ <u>4,670,499</u>
 TAXES RECEIVABLE BY YEAR:		
2023		\$ 4,410,698
2022		91,650
2021		39,060
2020		25,016
2019		17,270
2018		12,221
2017		13,825
2016		10,958
2015		10,621
2014		8,967
2013		7,257
2012		4,288
2011		3,384
2010		3,108
2009		4,486
2008		1,289
2007		1,072
2006		910
2005		475
2004		468
2003		403
2002		3,073
TOTAL		<u>\$ 4,670,499</u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS	<u>\$ 8,083,341,157</u>	<u>\$ 6,889,899,786</u>	<u>\$ 5,989,162,339</u>	<u>\$ 5,480,607,126</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.083846</u>	<u>\$ 0.091147</u>	<u>\$ 0.097454</u>	<u>\$ 0.099044</u>
ADJUSTED TAX LEVY*	<u>\$ 6,764,478</u>	<u>\$ 6,226,110</u>	<u>\$ 5,836,658</u>	<u>\$ 5,428,565</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>34.80 %</u>	<u>98.53 %</u>	<u>99.33 %</u>	<u>99.54 %</u>

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

See accompanying independent auditor's report.



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**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amounts		
	2023	2022	2021
<b>REVENUES</b>			
Property Taxes	\$ 6,145,049	\$ 5,643,403	\$ 5,333,913
Sales Tax Receipts	5,857,072	5,255,938	4,284,226
Penalty and Interest	81,361	87,405	76,478
Investment Revenues	249,199	136,531	30,488
Sale of Assets	2,353	9,574	
Unrealized Investment Gain	161,147		
Miscellaneous Revenues	92,294	107,686	143,134
<b>TOTAL REVENUES</b>	<b>\$ 12,588,475</b>	<b>\$ 11,240,537</b>	<b>\$ 9,868,239</b>
<b>EXPENDITURES</b>			
Accounting and Auditing	\$ 62,000	\$ 71,500	\$ 61,100
Appraisal District Fees	48,830	55,404	30,191
Building Maintenance and Supplies	235,218	273,902	282,297
Contracted Services	5,000	46,251	54,690
Dispatch	55,400	54,436	222,687
Dues and Fees			1,100
Election Expenses		17,542	130
EMS Supplies	21,570	9,622	16,452
Equipment and Supplies			
Fire Vehicle Maintenance	384,839	357,816	442,553
Fuel	104,573	119,570	
Information Technology	151,572	119,791	88,716
Insurance	290,255	261,955	266,439
Legal Fees - General	63,832	48,161	68,986
Legal Fees - Delinquent Tax Collections	24,663	31,973	25,444
Office Equipment and Supplies	14,046	27,962	13,626
Personnel	57,716	62,229	54,055
Protective Gear	141,375	158,860	150,526
Public Relations	31,840	26,907	11,430
Salaries and Benefits	7,053,854	5,947,129	5,414,583
Sales Tax Consultant	6,000	6,000	6,278
Tax Assessor/Collector Fees	29,158	30,777	32,722
Training	187,048	181,773	156,593
Uniforms	57,735	70,674	39,443
Utilities	162,784	157,160	202,941
Other-Fire Operations	74,160	83,707	52,336
Other-Administration	68,805	32,056	3,571
Capital Outlay	4,017,407	2,399,896	1,581,924
Debt Service:			
Note Principal and Interest	1,059,251	1,070,798	1,016,673
<b>TOTAL EXPENDITURES</b>	<b>\$ 14,408,931</b>	<b>\$ 11,723,851</b>	<b>\$ 10,297,486</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,820,456)</b>	<b>\$ (483,314)</b>	<b>\$ (429,247)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Note Proceeds	\$ - 0 -	\$ - 0 -	\$ 1,000,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,820,456)</b>	<b>\$ (483,314)</b>	<b>\$ 570,753</b>
<b>BEGINNING FUND BALANCE</b>	<b>9,694,032</b>	<b>10,177,346</b>	<b>9,606,593</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 7,873,576</b>	<b>\$ 9,694,032</b>	<b>\$ 10,177,346</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 4,766,428	\$ 4,475,316	48.9 %	50.1 %	54.1 %	52.0 %	51.4 %
4,121,267	3,838,222	46.5	46.8	43.3	45.0	44.0
69,002	85,457	0.6	0.8	0.8	0.8	1.0
97,927	254,222	2.0	1.2	0.3	1.1	2.9
			0.1			
		1.3				
<u>103,918</u>	<u>60,906</u>	<u>0.7</u>	<u>1.0</u>	<u>1.5</u>	<u>1.1</u>	<u>0.7</u>
\$ <u>9,158,542</u>	\$ <u>8,714,123</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 55,425	\$ 59,714	0.5 %	0.6 %	0.6 %	0.6 %	0.7 %
37,488	34,029	0.4	0.5	0.3	0.4	0.4
343,235	510,940	1.9	2.4	2.9	3.7	5.9
135,199	132,150		0.4	0.6	1.5	1.5
53,424	48,002	0.4	0.5	2.3	0.6	0.6
1,850						
900			0.2			
13,220	24,519	0.2	0.1	0.2	0.1	0.3
	8,365					0.1
518,270	293,353	3.1	3.2	4.5	5.7	3.4
		0.8	1.1			
		1.2	1.1	0.9		
237,561	225,691	2.3	2.3	2.7	2.6	2.6
75,284	28,279	0.5	0.4	0.7	0.8	0.3
21,495	23,001	0.2	0.3	0.3	0.2	0.3
40,085	31,914	0.1	0.2	0.1	0.4	0.4
31,891	35,926	0.5	0.6	0.5	0.3	0.4
63,882	78,253	1.1	1.4	1.5	0.7	0.9
10,520	12,880	0.3	0.2	0.1	0.1	0.1
4,982,510	4,501,274	56.0	52.9	54.9	54.4	51.7
13,115	50,549		0.1	0.1	0.1	0.6
21,497	35,683	0.2	0.3	0.3	0.2	0.4
109,354	98,856	1.5	1.6	1.6	1.2	1.1
142,674	54,140	0.5	0.6	0.4	1.6	0.6
223,504	141,080	1.3	1.4	2.1	2.4	1.6
43,965	52,382	0.6	0.7	0.5	0.5	0.6
21,970	26,058	0.5	0.3		0.2	0.3
1,144,254	1,845,602	31.9	21.4	16.0	12.5	21.2
<u>962,559</u>	<u>962,560</u>	<u>8.4</u>	<u>9.5</u>	<u>10.3</u>	<u>10.5</u>	<u>11.0</u>
\$ <u>9,305,131</u>	\$ <u>9,315,200</u>	<u>114.4 %</u>	<u>104.3 %</u>	<u>104.4 %</u>	<u>101.3 %</u>	<u>107.0 %</u>
\$ <u>(146,589)</u>	\$ <u>(601,077)</u>	<u>(14.4) %</u>	<u>(4.3) %</u>	<u>(4.4) %</u>	<u>(1.3) %</u>	<u>(7.0) %</u>
\$ <u>- 0 -</u>	\$ <u>(34,384)</u>					
\$ <u>(146,589)</u>	\$ <u>(635,461)</u>					
<u>9,753,182</u>	<u>10,388,643</u>					
\$ <u>9,606,593</u>	\$ <u>9,753,182</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2023**

District Mailing Address - Harris County Emergency Services District No. 17  
10410 Airline Drive  
Houston, Texas 77037

District Telephone Number - (281) 448-0391

<u>Commissioners</u>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended December 31, 2023</u>	<u>Expense Reimbursement for the year ended December 31, 2023</u>	<u>Title</u>
William C. Blasdel, Jr.	06/01/20 05/31/24 (Elected)	\$ -0-	\$ -0-	President
Robin L. Hayslip	06/01/22 05/31/26 (Elected)	\$ -0-	\$ -0-	Secretary/ Treasurer/ Investment Officer
Kenneth Adcock	06/01/22 05/31/26 (Elected)	\$ -0-	\$ -0-	Commissioner
Everett Griffin	06/01/20 05/31/24 (Elected)	\$ -0-	\$ -0-	Commissioner
Don Gilkey	06/01/20 05/31/24 (Elected)	\$ -0-	\$ -0-	Commissioner

The limit on fees of office that a Commissioner may receive during a year is set by the Health and Safety Code-Chapter 775. Effective September 1, 2017, a Commissioner is entitled to receive compensation in the same manner and amount as are provided by Section 49.060 of the Texas Water Code, currently \$7,200 per fiscal year. The above fees of office and expense reimbursements are the amounts paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17  
BOARD OF COMMISSIONERS AND CONSULTANTS  
DECEMBER 31, 2023**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the Year ended December 31, 2023 *</u>	<u>Title</u>
Coveler & Peeler, P.C.		\$ 63,832	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/23/11	\$ 20,000	Auditor
RIT Financial, Inc.		\$ 42,000	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 24,663	Delinquent Tax Attorney
Hdl Companies	02/28/2013	\$ 6,000	Sales Tax Consultant
Harris County Tax Assessor/Collector	Legislative Action	\$ 35,847	Tax Assessor/ Collector

\* Accrual basis

See accompanying independent auditor's report.

