

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET	9-10
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	12
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	13
NOTES TO FINANCIAL STATEMENTS	14-31
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	33
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	34-35
SCHEDULE OF DISTRICT CONTRIBUTIONS	36
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	37
SUPPLEMENTARY INFORMATION REQUIRED BY HARRIS COUNTY	
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA	39
LISTING OF THE NUMBER OF EMERGENCY RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT	40
SCHEDULE OF INSURANCE AND BONDING COVERAGE	41
OTHER SUPPLEMENTARY INFORMATION	
TAXES LEVIED AND RECEIVABLE	43-44
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – GENERAL FUND – FIVE YEARS	45-46
BOARD OF COMMISSIONERS AND CONSULTANTS	47-48

McCall Gibson Swedlund Barfoot Ellis 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 Ellis PLLC

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

August 12, 2025

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2024. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) 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 Fund 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, 2024**

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 Fund 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”) and other supplementary information. 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,922,802 as of December 31, 2024.

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, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 16,974,535	\$ 15,184,036	\$ 1,790,499
Capital Assets (Net of Accumulated Depreciation)	23,984,717	24,605,617	(620,900)
Total Assets	\$ 40,959,252	\$ 39,789,653	\$ 1,169,599
Deferred Outflows of Resources	\$ 1,598,410	\$ 1,286,517	\$ 311,893
Long-Term Liabilities	\$ 5,503,709	\$ 6,269,503	\$ 765,794
Other Liabilities	1,788,247	1,223,145	(565,102)
Total Liabilities	\$ 7,291,956	\$ 7,492,648	\$ 200,692
Deferred Inflows of Resources	\$ 8,342,904	\$ 6,765,695	\$ (1,577,209)
Net Position:			
Net Investment in Capital Assets	\$ 17,219,705	\$ 17,597,435	\$ (377,730)
Restricted	531,535	531,535	
Unrestricted	9,171,562	8,688,857	482,705
Total Net Position	\$ 26,922,802	\$ 26,817,827	\$ 104,975

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

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 6,460,578	\$ 6,174,363	\$ 286,215
Sales Tax Receipts	5,271,999	5,857,072	(585,073)
Other Revenues	672,065	601,733	70,332
Total Revenues	\$ 12,404,642	\$ 12,633,168	\$ (228,526)
Expenses for Services	12,299,667	11,478,365	(821,302)
Change in Net Position	\$ 104,975	\$ 1,154,803	\$ (1,049,828)
Net Position, Beginning of Year	26,817,827	25,663,024	1,154,803
Net Position, End of Year	\$ 26,922,802	\$ 26,817,827	\$ 104,975

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2024, was \$8,116,528, an increase of \$242,952 from the prior year. The increase was primarily due to debt proceeds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners amended the budget during the current fiscal year. Actual revenues were \$1,012,621 more than budgeted revenues; actual expenditures were \$1,568,081 less than budgeted expenditures; and unbudgeted debt proceeds. This resulted in a positive budget variance of \$3,080,702. See the budget to actual variance analysis for further information.

CAPITAL ASSETS

Capital assets as of December 31, 2024, total \$23,984,717 (net of accumulated depreciation) and include land, buildings and equipment.

Completed Projects/Purchases:	
Zodiak MK3 Grand Raid boat	\$ 20,683
Generator	20,021
Pierce Enforcer Pumper	1,771,342
Renovations Station No. 83	<u>1,648,075</u>
Total Completed Projects/Purchases	<u>\$ 3,460,121</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CAPITAL ASSETS (Continued)

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,191,362	\$ 1,191,362	\$
Construction in Progress		2,538,629	(2,538,629)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	19,156,574	18,338,679	817,895
Machinery and Equipment	598,865	810,420	(211,555)
Vehicles	3,037,916	1,726,527	1,311,389
Total Net Capital Assets	\$ 23,984,717	\$ 24,605,617	\$ (620,900)

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

LONG-TERM DEBT ACTIVITY

At December 31, 2024, the District had total long-term debt payable of \$6,712,377. The changes in the debt position of the District during the year ended December 31, 2024, are summarized as follows:

Notes Payable, January 1, 2024	\$ 6,951,073
Add: Note Proceeds Received	500,000
Less: Note Principal Paid	738,696
Notes Payable, December 31, 2024	\$ 6,712,377

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, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash-Unrestricted	\$ 300,717	\$	\$ 300,717
Investments-Unrestricted	6,612,441		6,612,441
Investments-Restricted	531,535		531,535
Cash with Harris County	1,845,812		1,845,812
Receivables:			
Property Taxes	5,772,323		5,772,323
Penalty and Interest on Delinquent Taxes		184,928	184,928
Sales Tax	1,541,757		1,541,757
Prepaid Costs	185,022		185,022
Land		1,191,362	1,191,362
Capital Assets (Net of Accumulated Depreciation)		22,793,355	22,793,355
TOTAL ASSETS	\$ 16,789,607	\$ 24,169,645	\$ 40,959,252
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Plan Charges	\$ -0-	\$ 1,598,410	\$ 1,598,410
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 16,789,607	\$ 25,768,055	\$ 42,557,662

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, 2024

	General Fund	Adjustments	Statement of Net Position
LIABILITIES			
Accounts Payable	\$ 206,201		\$ 206,201
Accrued Interest Payable		42,063	42,063
Net Pension Liability		278,680	278,680
Long-Term Debt:			
Notes Payable Within One Year		1,261,303	1,261,303
Notes Payable After One Year		5,503,709	5,503,709
TOTAL LIABILITIES	\$ 206,201	\$ 7,085,755	\$ 7,291,956
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 8,466,878	\$ (323,770)	\$ 8,143,108
Deferred Pension Plan Income		199,796	199,796
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 8,466,878	\$ (123,974)	\$ 8,342,904
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 185,022	\$ (185,022)	\$
Restricted for Debt Service	531,535	(531,535)	
Assigned to 2025 Budget	2,840,750	(2,840,750)	
Unassigned	4,559,221	(4,559,221)	
TOTAL FUND BALANCE	\$ 8,116,528	\$ (8,116,528)	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 16,789,607		
NET POSITION			
Net Investment in Capital Assets		\$ 17,219,705	\$ 17,219,705
Restricted for Debt Service		531,535	531,535
Unrestricted		9,171,562	9,171,562
TOTAL NET POSITION		\$ 26,922,802	\$ 26,922,802

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, 2024**

Total Fund Balance - Governmental Fund \$ 8,116,528

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. 23,984,717

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. 1,398,614

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenues in the governmental activities of the District. 508,698

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	\$ (42,063)	
Net Pension Liability	(278,680)	
Notes Payable Within One Year	(1,261,303)	
Notes Payable After One Year	<u>(5,503,709)</u>	<u>(7,085,755)</u>

Total Net Position - Governmental Activities \$ 26,922,802

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, 2024

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 6,396,609	\$ 63,969	\$ 6,460,578
Sales Tax Receipts	5,271,999		5,271,999
Penalty and Interest	109,151	23,644	132,795
Investment Revenues	271,271		271,271
Unrealized Investment Gain	175,531		175,531
Miscellaneous Revenues	92,468		92,468
TOTAL REVENUES	<u>\$ 12,317,029</u>	<u>\$ 87,613</u>	<u>\$ 12,404,642</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Accounting and Auditing	\$ 78,560		\$ 78,560
Appraisal District Fees	55,260		55,260
Building Maintenance and Supplies	299,816		299,816
Contracted Services	5,000		5,000
Depreciation		1,542,392	1,542,392
Dispatch	74,800		74,800
Election Expenses	57,646		57,646
EMS Supplies	16,084		16,084
Fire Vehicle Maintenance	344,393		344,393
Fuel	106,262		106,262
Information Technology	143,127		143,127
Insurance	333,135		333,135
Legal Fees - General	52,751		52,751
Legal Fees - Delinquent Tax Collections	28,998		28,998
Office Equipment and Supplies	17,665		17,665
Personnel	66,673		66,673
Protective Gear	165,525		165,525
Public Relations	29,914		29,914
Salaries and Benefits	7,757,584	(146,663)	7,610,921
Sales Tax Consultant	6,000		6,000
Tax Assessor/Collector Fees	41,007		41,007
Training	176,770		176,770
Uniforms	59,619		59,619
Utilities	179,229		179,229
Other-Fire Operations	79,466		79,466
Other-Administration	44,640		44,640
Capital Outlay	1,386,909	(921,492)	465,417
Debt Service:			
Note Principal	738,696	(738,696)	
Note Interest	228,548	(9,951)	218,597
TOTAL EXPENDITURES/EXPENSES	<u>\$ 12,574,077</u>	<u>\$ (274,410)</u>	<u>\$ 12,299,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER			
EXPENDITURES	<u>\$ (257,048)</u>	<u>\$ 257,048</u>	<u>\$ - 0 -</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 500,000	\$ (500,000)	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 242,952	\$ (242,952)	\$
CHANGE IN NET POSITION		104,975	104,975
FUND BALANCE/NET POSITION - JANUARY 1, 2024	<u>7,873,576</u>	<u>18,944,251</u>	<u>26,817,827</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2024	<u>\$ 8,116,528</u>	<u>\$ 18,806,274</u>	<u>\$ 26,922,802</u>

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, 2024**

Net Change in Fund Balance - Governmental Fund	\$	242,952
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.		63,969
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.		23,644
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.		146,663
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.		(1,542,392)
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.		921,492
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.		738,696
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.		9,951
Governmental funds report note proceeds as other financing sources. However, issued debt is recorded as a liability in the government-wide financial statements.		(500,000)
Change in Net Position - Governmental Activities	\$	<u>104,975</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, 2024

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, 2024

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, 2024

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 2023 tax levy collections during the period October 1, 2023 to December 31, 2024, and taxes collected from January 1, 2024, to December 31, 2024, for all prior tax levies. The 2024 tax levy has been fully deferred to meet the District's planned expenditures in the 2025 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, 2024

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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 appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. As of December 31, 2024, the District has restricted funds of \$531,535 for 2024 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, 2024, the District has assigned \$2,840,750 of the General Fund fund balance for a projected budget deficit for the year ending December 31, 2025.

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, the District levied an ad valorem tax at the rate of \$0.10 per \$100 of assessed valuation, which resulted in a tax levy of \$8,143,108 on the adjusted taxable valuation of \$8,168,592,106 for the 2024 tax year.

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 \$540,717 and the bank balance was \$657,727. 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, 2024, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 300,717	\$ 240,000	\$ 540,717

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.

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, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Less Than 1 Year	Maturities of		
			1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
Texas CLASS	\$ 1,473,292	\$ 1,473,292	\$	\$	\$
U.S. Treasury Notes and Bills	5,430,684	5,430,684			
Certificates of Deposit	240,000	240,000			
TOTAL INVESTMENTS	<u>\$ 7,143,976</u>	<u>\$ 7,143,976</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024, 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.

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, 2024:

	January 1, 2024	Increases	Decreases	December 31, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,191,362	\$	\$	\$ 1,191,362
Construction in Progress	<u>2,538,629</u>	<u>921,492</u>	<u>3,460,121</u>	<u></u>
Total Capital Assets Not Being Depreciated	<u>\$ 3,729,991</u>	<u>\$ 921,492</u>	<u>\$ 3,460,121</u>	<u>\$ 1,191,362</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 22,580,954	\$ 1,648,075	\$	\$ 24,229,029
Machinery and Equipment	2,069,148	20,022		2,089,170
Vehicles	<u>6,849,061</u>	<u>1,792,024</u>	<u></u>	<u>8,641,085</u>
Total Capital Assets at Subject to Depreciation	<u>\$ 31,499,163</u>	<u>\$ 3,460,121</u>	<u>\$ - 0 -</u>	<u>\$ 34,959,284</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 4,242,275	\$ 830,180		\$ 5,072,455
Machinery and Equipment	1,258,728	231,577		1,490,305
Vehicles	<u>5,122,534</u>	<u>480,635</u>	<u></u>	<u>5,603,169</u>
Total Accumulated Depreciation	<u>\$ 10,623,537</u>	<u>\$ 1,542,392</u>	<u>\$ - 0 -</u>	<u>\$ 12,165,929</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,875,626</u>	<u>\$ 1,917,729</u>	<u>\$ - 0 -</u>	<u>\$ 22,793,355</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 24,605,617</u>	<u>\$ 2,839,221</u>	<u>\$ 3,460,121</u>	<u>\$ 23,984,717</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

NOTE 7. NOTES PAYABLE

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 November 1, 2021 and ending May 1, 2031. 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 April 30, 2024, the District entered into a revolving line of credit with Texas Regional Bank to support working capital and operational expenses at an interest rate of 7.0%. The District can request up to \$2,000,000. Interest payments are due on last day of the month beginning May 31, 2024, calculated on outstanding balance of principal advanced. Principal balance is due on April 30, 2025. As of December 31, 2024, the District has received \$500,000 from this line of credit.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7. NOTES PAYABLE (Continued)

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

	January 1, 2024	Additions	Retirements	December 31, 2024
Notes Payable	\$ 6,951,073	\$ 500,000	\$ 738,696	\$ 6,712,377
Unamortized Premiums	57,109		4,474	52,635
Notes Payable, Net	<u>\$ 7,008,182</u>	<u>\$ 500,000</u>	<u>\$ 743,170</u>	<u>\$ 6,765,012</u>

Amounts Due Within One Year	\$ 1,261,303
Amounts Due After One Year	5,503,709
Notes Payable, Net	<u>\$ 6,765,012</u>

The debt service requirements on these notes as of December 31, 2024 were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,261,303	\$ 207,384	\$ 1,468,687
2026	579,376	180,614	759,990
2027	475,354	164,408	639,762
2028	490,298	149,464	639,762
2029	505,745	134,017	639,762
2030-2034	2,887,137	464,414	3,351,551
2035-2036	513,164	18,371	531,535
	<u>\$ 6,712,377</u>	<u>\$ 1,318,672</u>	<u>\$ 8,031,049</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 \$16,944 from this lease.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

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, 2024, the District recorded \$5,271,999 in sales tax receipts, of which \$1,541,757 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 \$110,452 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 consisting of over 870 non-traditional defined benefit pension plans. TCDRS issues a publicly available annual comprehensive financial report (ACFR) which includes financial statements, notes and required supplementary information which can be obtained at TCDRS.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2023, 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	34
Active employees	80

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 2024 accounting year. The deposit rate payable by the employee members for calendar year 2024 is 7.00% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

For the District’s accounting year ended December 31, 2024, the annual pension cost for the TCDRS plan for its employees was \$954,001; with the District’s share totaling \$561,177 and the employees share totaling \$392,824.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

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

Actuarial valuation date	12/31/23
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	9.6 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return ¹	7.50%
Projected salary increases ¹	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

¹ Includes inflation at the stated rate

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

Mortality rates were based on the following:

Depositing members – 135% of Pub-2010 Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 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 Healthy Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 Healthy 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 Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 Disabled Retirees Amount-Weighted Mortality Table for females, both projected from 2010 with 100% of the MP-2021 Ultimate scale after 2010.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. There was no change in the discount rate since the previous year. 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.

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 for GASB 68 purposes. The actuary has used a discount rate of 7.60% which reflects the long-term assumed rate of return on assets of 7.5%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Long-Term Expected Rate of Return

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return (Continued)

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Estimated geometric real rates of return for each major asset class are summarized below.

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2022	\$ 3,758,945	\$ 3,446,916	\$ 312,029
Changes for the year:			
Service costs	665,775		665,775
Interest on the total pension liability	335,103		335,103
Effect of Plan Changes			
Effect of economic/demographic gains or losses	271,706		271,706
Effect of assumptions changes or inputs			
Refund of Contributions	(22,138)	(22,138)	
Benefit Payments	(9,361)	(9,361)	
Administrative expenses		(2,465)	2,465
Member contributions		361,313	(361,313)
Net investment income		387,191	(387,191)
Employer contributions		516,162	(516,162)
Other		43,732	(43,732)
Balances of December 31, 2023	<u>\$ 5,000,030</u>	<u>\$ 4,721,350</u>	<u>\$ 278,680</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	\$ 6,179,535	\$ 5,000,030	\$ 4,074,761
Fiduciary net position	<u>4,721,350</u>	<u>4,721,350</u>	<u>4,721,350</u>
Net pension liability/(asset)	<u>\$ 1,458,185</u>	<u>\$ 278,680</u>	<u>\$ (646,589)</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	\$ 628,863
Changes in assumptions	974	122,282
Net difference between projected and actual earnings	198,822	286,088
Contributions paid subsequent to the measurement date		561,177
Total	\$ 199,796	\$ 1,598,410

\$561,177 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024 (i.e. recognized in the District's financial statements for the year ending December 31, 2025). Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2024	\$ 117,902
2025	119,838
2026	181,432
2027	86,067
2028	104,724
Thereafter	227,474

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 \$4,830 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, 2024, 11 active employees were covered by the benefit terms.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 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, 2024

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, 2024

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 5,631,348	\$ 6,065,952	\$ 6,396,609	\$ 330,657
Sales Tax Receipts	4,959,616	5,142,056	5,271,999	129,943
Penalty and Interest	49,000	49,000	109,151	60,151
Investment Revenues	2,000	2,000	271,271	269,271
Unrealized Investment Gain			175,531	175,531
Miscellaneous Revenues	45,400	45,400	92,468	47,068
TOTAL REVENUES	\$ 10,687,364	\$ 11,304,408	\$ 12,317,029	\$ 1,012,621
EXPENDITURES				
Service Operations:				
Accounting and Auditing	\$ 76,000	\$ 76,000	\$ 78,560	\$ (2,560)
Appraisal District Fees	40,000	40,000	55,260	(15,260)
Building Maintenance and Supplies	194,000	199,000	299,816	(100,816)
Contracted Services	5,000	5,000	5,000	
Dispatch	65,000	65,000	74,800	(9,800)
Election Expenses	500	500	57,646	(57,146)
EMS Supplies	17,000	18,500	16,084	2,416
Fire Vehicle Maintenance	137,440	431,300	344,393	86,907
Fuel	116,500	122,500	106,262	16,238
Information Technology	122,000	122,000	143,127	(21,127)
Insurance	330,605	330,605	333,135	(2,530)
Legal Fees - General	60,000	60,000	52,751	7,249
Legal Fees - Delinquent Tax Collections	9,000	9,000	28,998	(19,998)
Office Equipment and Supplies	25,500	25,500	17,665	7,835
Personnel	65,500	65,500	66,673	(1,173)
Protective Gear		153,000	165,525	(12,525)
Public Relations	25,000	25,000	29,914	(4,914)
Salaries and Benefits	8,548,253	8,357,253	7,757,584	599,669
Sales Tax Consultant	6,000	6,000	6,000	
Tax Assessor/Collector Fees	32,500	32,500	41,007	(8,507)
Training		190,000	176,770	13,230
Uniforms	52,050	52,050	59,619	(7,569)
Utilities	160,000	160,000	179,229	(19,229)
Other-Fire Operations	69,000	69,000	79,466	(10,466)
Other-Administration	39,500	38,000	44,640	(6,640)
Capital Outlay	946,500	2,406,500	1,386,909	1,019,591
Debt Service:				
Note Principal	659,242	562,845	738,696	(175,851)
Note Interest	529,369	519,605	228,548	291,057
TOTAL EXPENDITURES	\$ 12,331,459	\$ 14,142,158	\$ 12,574,077	\$ 1,568,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,644,095)	\$ (2,837,750)	\$ (257,048)	\$ 2,580,702
OTHER FINANCING SOURCES(USES)				
Note Proceeds	\$ -0-	\$ -0-	\$ 500,000	\$ 500,000
NET CHANGE IN FUND BALANCE	\$ (1,644,095)	\$ (2,837,750)	\$ 242,952	\$ 3,080,702
FUND BALANCE - JANUARY 1, 2024	7,873,576	7,873,576	7,873,576	
FUND BALANCE - DECEMBER 31, 2024	\$ 6,229,481	\$ 5,035,826	\$ 8,116,528	\$ 3,080,702

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, 2024

	Year Ended December 31, 2023	Year Ended December 31, 2022
Total Pension Liability		
Service cost	\$ 665,775	\$ 515,524
Interest on total pension liability	335,103	249,057
Effect of plan changes		
Effect of economic/demographic (gains) or losses	271,706	
Effect of assumptions changes or inputs		252,486
Benefit payments/refunds of contributions	<u>(31,499)</u>	<u>(38,636)</u>
Net change in total pension liability	\$ 1,241,085	\$ 978,431
Total pension liability, beginning	<u>3,758,945</u>	<u>2,780,514</u>
Total pension liability, ending (a)	<u>\$ 5,000,030</u>	<u>\$ 3,758,945</u>
Fiduciary Net Position		
Employer contributions	\$ 516,162	\$ 431,849
Member contributions	361,313	302,294
Investment income net of investment expenses	387,191	(228,219)
Benefit payments/refunds of contributions	(31,499)	(38,636)
Administrative expenses	(2,465)	(2,020)
Other	<u>43,732</u>	<u>100,329</u>
Net change in plan fiduciary net position	\$ 1,274,434	\$ 565,597
Fiduciary net position, beginning	<u>3,446,916</u>	<u>2,881,319</u>
Fiduciary net position, ending (b)	<u>\$ 4,721,350</u>	<u>\$ 3,446,916</u>
Net Pension Liability/(Asset), Ending = (a) - (b)	<u>\$ 278,680</u>	<u>\$ 312,029</u>
Fiduciary net position as a percentage of the total pension liability	94.43%	91.70%
Pensionable covered payroll	\$ 5,161,620	\$ 4,318,488
Net pension liability as a percentage of covered employee payroll	5.40%	7.23%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

See accompanying independent auditor's report.

Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
\$ 567,183	\$ 468,167	\$ 353,559	\$ 196,108	\$ 157,520
197,145	135,482	78,044	29,313	12,759
			119,013	(2,675)
2,217	56,244	184,796	101,783	135
2,971	200,505			
<u>(31,090)</u>	<u>(44,663)</u>		<u>(4,002)</u>	
\$ 738,426	\$ 815,735	\$ 616,399	\$ 442,215	\$ 167,739
<u>2,042,088</u>	<u>1,226,353</u>	<u>609,954</u>	<u>167,739</u>	
<u>\$ 2,780,514</u>	<u>\$ 2,042,088</u>	<u>\$ 1,226,353</u>	<u>\$ 609,954</u>	<u>\$ 167,739</u>
\$ 310,775	\$ 252,804	\$ 245,116	\$ 298,137	\$ 95,042
263,688	259,096	237,319	153,540	79,296
469,672	129,527	104,862	1,659	2,804
(31,090)	(44,663)		(4,002)	
(1,559)	(1,357)	(948)	(515)	(119)
<u>15,905</u>	<u>13,949</u>	<u>16,691</u>	<u>13,355</u>	<u>2,335</u>
\$ 1,027,391	\$ 609,356	\$ 603,040	\$ 462,174	\$ 179,358
<u>1,853,928</u>	<u>1,244,572</u>	<u>641,532</u>	<u>179,358</u>	
<u>\$ 2,881,319</u>	<u>\$ 1,853,928</u>	<u>\$ 1,244,572</u>	<u>\$ 641,532</u>	<u>\$ 179,358</u>
<u>\$ (100,805)</u>	<u>\$ 188,160</u>	<u>\$ (18,219)</u>	<u>\$ (31,578)</u>	<u>\$ (11,619)</u>
103.63%	90.79%	101.49%	105.18%	106.93%
\$ 3,766,969	\$ 3,701,371	\$ 3,390,270	\$ 2,193,429	\$ 1,132,801
-2.68%	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, 2024

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽¹⁾	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	\$ 462,481	\$ 516,162	\$ (53,681)	\$ 5,161,614	10.0%
2024	\$ 561,177	\$ 561,177	\$ -0-	\$ 5,611,771	10.0%

⁽¹⁾ 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, 2024

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	9.6 years (based on contribution rate calculated in 12/31/23 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 Retirees Table for males and 120% of the Pub-2010 Retirees Table for females, both projected with 100% of MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumption were reflected 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015-2016: Not applicable, prior to TCDRS participation. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the schedule. 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. 2023: No changes in plan provisions were reflected in the schedule.

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA
DECEMBER 31, 2024
(UNAUDITED)

Long-Term Debt at December 31, 2024	\$ 6,712,377
Less: Amount in Debt Service Fund	<u> </u>
Net Long-Term Debt at December 31, 2024	\$ 6,712,377
Estimated District Population	<u>90,000</u>
Net Long-Term Debt Per Capita at December 31, 2024	<u>\$ 74.58</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, 2024
(UNAUDITED)

Number of Emergency Responses made Within the District	3,223
Number of Emergency Responses made Outside of the District	<u>322</u>
Total Emergency Responses	<u><u>3,545</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2024

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE BOND Treasurer	06/17/24 06/17/25	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE BLANKET BOND	06/17/24 06/17/25	\$ 100,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	06/17/24 06/17/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY General Aggregate Per Wrongful Act	06/17/24 06/17/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY General Aggregate Per Occurrence	06/17/24 06/17/25	\$ 2,000,000 1,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	06/17/24 06/17/25	\$ 1,000,000	National Union Fire Insurance Company
WORKER'S COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	06/17/24 06/17/25	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company
PROPERTY Buildings Contents Portable Equipment Deductible	06/17/24 06/17/25	\$ 20,882,077 1,105,896 Replacement Cost 5,000	National Union Fire Insurance Company
CYBER LIABILITY	03/29/24 03/29/25	\$ 3,000,000	National Specialty Insurance Company
NOTARY BOND	03/29/24 03/29/28	\$ 10,000	Merchants Bonding Company

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2024	\$ 4,670,499	
Adjustments to Beginning Balance	(303,900)	\$ 4,366,599
Original 2024 Tax Levy	\$ 8,052,715	
Adjustment to 2024 Tax Levy	90,393	8,143,108
TOTAL TO BE ACCOUNTED FOR		\$ 12,509,707
TAX COLLECTIONS:		
Prior Years	\$ 4,042,828	
Current Year	2,694,556	6,737,384
TAXES RECEIVABLE - DECEMBER 31, 2024		\$ 5,772,323
TAXES RECEIVABLE BY YEAR:		
2024		\$ 5,448,552
2023		131,122
2022		53,391
2021		28,891
2020		19,866
2019		14,847
2018		11,212
2017		13,031
2016		8,925
2015		8,486
2014		8,605
2013		4,259
2012		3,506
2011		3,176
2010		2,974
2009		4,311
2008		1,153
2007		919
2006		859
2005		453
2004		451
2003		3,334
TOTAL		\$ 5,772,323

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS	<u>\$ 8,168,592,106</u>	<u>\$ 8,083,341,157</u>	<u>\$ 6,889,899,786</u>	<u>\$ 5,989,162,339</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.10</u>	<u>\$ 0.083846</u>	<u>\$ 0.091147</u>	<u>\$ 0.097454</u>
ADJUSTED TAX LEVY*	<u>\$ 8,143,108</u>	<u>\$ 6,764,478</u>	<u>\$ 6,226,110</u>	<u>\$ 5,836,658</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>33.09 %</u>	<u>98.06 %</u>	<u>99.14 %</u>	<u>99.51 %</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.

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

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 6,396,609	\$ 6,145,049	\$ 5,643,403
Sales Tax Receipts	5,271,999	5,857,072	5,255,938
Penalty and Interest	109,151	81,361	87,405
Investment Revenues	271,271	249,199	136,531
Sale of Assets		2,353	9,574
Unrealized Investment Gain	175,531	161,147	
Miscellaneous Revenues	92,468	92,294	107,686
TOTAL REVENUES	\$ 12,317,029	\$ 12,588,475	\$ 11,240,537
EXPENDITURES			
Accounting and Auditing	\$ 78,560	\$ 62,000	\$ 71,500
Appraisal District Fees	55,260	48,830	55,404
Building Maintenance and Supplies	299,816	235,218	273,902
Contracted Services	5,000	5,000	46,251
Dispatch	74,800	55,400	54,436
Dues and Fees			
Election Expenses	57,646		17,542
EMS Supplies	16,084	21,570	9,622
Fire Vehicle Maintenance	344,393	384,839	357,816
Fuel	106,262	104,573	119,570
Information Technology	143,127	151,572	119,791
Insurance	333,135	290,255	261,955
Legal Fees - General	52,751	63,832	48,161
Legal Fees - Delinquent Tax Collections	28,998	24,663	31,973
Office Equipment and Supplies	17,665	14,046	27,962
Personnel	66,673	57,716	62,229
Protective Gear	165,525	141,375	158,860
Public Relations	29,914	31,840	26,907
Salaries and Benefits	7,757,584	7,053,854	5,947,129
Sales Tax Consultant	6,000	6,000	6,000
Tax Assessor/Collector Fees	41,007	29,158	30,777
Training	176,770	187,048	181,773
Uniforms	59,619	57,735	70,674
Utilities	179,229	162,784	157,160
Other-Fire Operations	79,466	74,160	83,707
Other-Administration	44,640	68,805	32,056
Capital Outlay	1,386,909	4,017,407	2,399,896
Debt Service:			
Note Principal and Interest	967,244	1,059,251	1,070,798
TOTAL EXPENDITURES	\$ 12,574,077	\$ 14,408,931	\$ 11,723,851
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (257,048)	\$ (1,820,456)	\$ (483,314)
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 500,000	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 242,952	\$ (1,820,456)	\$ (483,314)
BEGINNING FUND BALANCE	7,873,576	9,694,032	10,177,346
ENDING FUND BALANCE	\$ 8,116,528	\$ 7,873,576	\$ 9,694,032

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 5,333,913	\$ 4,766,428	51.9 %	48.9 %	50.1 %	54.1 %	52.0 %
4,284,226	4,121,267	42.8	46.5	46.8	43.3	45.0
76,478	69,002	0.9	0.6	0.8	0.8	0.8
30,488	97,927	2.2	2.0	1.2	0.3	1.1
				0.1		
		1.4	1.3			
<u>143,134</u>	<u>103,918</u>	<u>0.8</u>	<u>0.7</u>	<u>1.0</u>	<u>1.5</u>	<u>1.1</u>
\$ <u>9,868,239</u>	\$ <u>9,158,542</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 61,100	\$ 55,425	0.6 %	0.5 %	0.6 %	0.6 %	0.6 %
30,191	37,488	0.5	0.4	0.5	0.3	0.4
282,297	343,235	2.4	1.9	2.4	2.9	3.7
54,690	135,199			0.4	0.6	1.5
222,687	53,424	0.6	0.4	0.5	2.3	0.6
1,100	1,850					
130	900	0.5		0.2		
16,452	13,220	0.1	0.2	0.1	0.2	0.1
442,553	518,270	2.8	3.1	3.2	4.5	5.7
		0.9	0.8	1.1		
88,716		1.2	1.2	1.1	0.9	
266,439	237,561	2.7	2.3	2.3	2.7	2.6
68,986	75,284	0.4	0.5	0.4	0.7	0.8
25,444	21,495	0.2	0.2	0.3	0.3	0.2
13,626	40,085	0.1	0.1	0.2	0.1	0.4
54,055	31,891	0.5	0.5	0.6	0.5	0.3
150,526	63,882	1.3	1.1	1.4	1.5	0.7
11,430	10,520	0.2	0.3	0.2	0.1	0.1
5,414,583	4,982,510	63.0	56.0	52.9	54.9	54.4
6,278	13,115	0.1		0.1	0.1	0.1
32,722	21,497	0.3	0.2	0.3	0.3	0.2
156,593	109,354	1.4	1.5	1.6	1.6	1.2
39,443	142,674	0.5	0.5	0.6	0.4	1.6
202,941	223,504	1.5	1.3	1.4	2.1	2.4
52,336	43,965	0.7	0.6	0.7	0.5	0.5
3,571	21,970	0.4	0.5	0.3		0.2
1,581,924	1,144,254	11.3	31.9	21.4	16.0	12.5
<u>1,016,673</u>	<u>962,559</u>	<u>7.9</u>	<u>8.4</u>	<u>9.5</u>	<u>10.3</u>	<u>10.5</u>
\$ <u>10,297,486</u>	\$ <u>9,305,131</u>	<u>102.1 %</u>	<u>114.4 %</u>	<u>104.3 %</u>	<u>104.4 %</u>	<u>101.3 %</u>
\$ <u>(429,247)</u>	\$ <u>(146,589)</u>	<u>(2.1) %</u>	<u>(14.4) %</u>	<u>(4.3) %</u>	<u>(4.4) %</u>	<u>(1.3) %</u>
\$ <u>1,000,000</u>	\$ <u>- 0 -</u>					
\$ 570,753	\$ (146,589)					
<u>9,606,593</u>	<u>9,753,182</u>					
\$ <u>10,177,346</u>	\$ <u>9,606,593</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 17
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024**

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, 2024</u>	<u>Expense Reimbursement for the year ended December 31, 2024</u>	<u>Title</u>
William C. Blasdel, Jr.	06/01/24 05/31/28 (Elected)	\$ -0-	\$ -0-	President
Robin L. Hayslip	06/01/22 05/31/26 (Elected)	\$ -0-	\$ -0-	Secretary/ Treasurer/ Investment Officer
Kenneth Adcock	09/03/22 05/31/26 (Appointed)	\$ -0-	\$ -0-	Commissioner
Everett Griffin	06/01/24 05/31/28 (Elected)	\$ -0-	\$ -0-	Commissioner
Don Gilkey	06/01/24 05/31/28 (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, 2024**

Consultants:	<u>Date Hired</u>	<u>Fees for the Year ended December 31, 2024*</u>	<u>Title</u>
Coveler & Peeler, P.C.		\$ 52,752	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/23/11	\$ 36,500	Auditor
RIT Financial, Inc.		\$ 42,060	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 28,998	Delinquent Tax Attorney
Hdl Companies	02/28/2013	\$ 6,000	Sales Tax Consultant
Harris County Tax Assessor/Collector	Legislative Action	\$ 41,007	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.