

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Harris County Emergency
Services District No. 5
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. 5 (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 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 and the other supplementary information are 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

June 19, 2025

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

Management's discussion and analysis of Harris County Emergency Services District No. 5's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to the 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, billing revenues, costs of assessing and collecting taxes and general expenditures.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FUND FINANCIAL STATEMENTS (Continued)

The governmental fund is 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 THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

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 \$14,510,358 as of December 31, 2024.

A portion of the District’s net position reflects its net investment in capital assets (land, buildings, vehicles and equipment, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide ambulance emergency services.

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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	\$ 9,349,839	\$ 12,746,663	\$ (3,396,824)
Capital Assets (Net of Accumulated Depreciation)	11,551,242	6,379,503	5,171,739
Total Assets	\$ 20,901,081	\$ 19,126,166	\$ 1,774,915
Notes Payable	\$ 4,572,181	\$ 5,000,000	\$ 427,819
Other Liabilities	902,703	597,187	(305,516)
Current and Other Liabilities	\$ 5,474,884	\$ 5,597,187	\$ 122,303
Deferred Inflows of Resources	\$ 915,839	\$ 837,269	\$ (78,570)
Net Position:			
Net Investment in Capital Assets	\$ 9,466,861	\$ 4,823,231	\$ 4,643,630
Unrestricted	5,043,497	7,868,479	(2,824,982)
Total Net Position	\$ 14,510,358	\$ 12,691,710	\$ 1,818,648

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

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 849,554	\$ 429,362	\$ 420,192
Sales Tax Receipts	5,833,912	3,967,508	1,866,404
Service Revenues	1,587,329	1,591,465	(4,136)
Other Revenues	444,320	461,954	(17,634)
Total Revenues	\$ 8,715,115	\$ 6,450,289	\$ 2,264,826
Expenses for Services	6,896,467	5,959,324	(937,143)
Change in Net Position	\$ 1,818,648	\$ 490,965	\$ 1,327,683
Net Position, Beginning of Year	12,691,710	12,200,745	490,965
Net Position, End of Year	\$ 14,510,358	\$ 12,691,710	\$ 1,818,648

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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 \$5,705,521, a decrease of \$3,896,789 from the prior year. The decrease was primarily due to operating costs and capital costs exceeding operating revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did amend the budget during the current fiscal year to increase estimated property tax revenue and increase estimated contract labor, fleet maintenance and payroll tax expenses. Actual revenues were \$3,200,302 more than budgeted revenues. Actual expenditures were \$1,671,084 more than budgeted expenditures. This resulted in a positive variance of \$1,529,218. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of December 31, 2024, total \$11,551,242 (net of accumulated depreciation) and include land, buildings, vehicles and equipment. Capital asset purchases during the current fiscal year included the following:

Completed Projects/Purchases:	
Medical Equipment	\$ 131,545
Vehicles	1,069,384
Other Equipment	<u>278,008</u>
Total Completed Projects/Purchases	<u>\$ 1,478,937</u>
Construction in Progress:	
Metal Building-Storage	\$ 87,853
Station 3	<u>6,069,761</u>
Total Construction in Progress	<u>\$ 6,157,614</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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	\$ 1,164,030	\$ 1,164,030	\$
Construction in Progress	6,157,614	2,063,149	4,094,465
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	1,299,257	1,377,414	(78,157)
Vehicles	1,783,300	901,997	881,303
Medical Equipment	790,620	727,657	62,963
Other Equipment	274,990	60,282	214,708
Investment in Helipad	81,431	84,974	(3,543)
Total Net Capital Assets	<u>\$ 11,551,242</u>	<u>\$ 6,379,503</u>	<u>\$ 5,171,739</u>

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

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total long-term debt payable of \$4,572,181. The changes in the debt position of the District during the fiscal year ended December 31, 2024, are summarized as follows:

Notes Payable, January 1, 2024	\$ 5,000,000
Less: Note Principal Payments	<u>427,819</u>
Notes Payable, December 31, 2024	<u>\$ 4,572,181</u>

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of 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. 5, 5915 FM 2100, Crosby, Texas 77532.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 109,326	\$	\$ 109,326
Investments	5,277,376		5,277,376
Due from Harris County Tax Assessor/Collector	329,251		329,251
Receivables:			
Property Taxes	516,003		516,003
Sales Tax Receipts	769,795		769,795
Service Billings	2,306,136		2,306,136
Penalty and Interest on Delinquent Taxes		25,173	25,173
Accrued Interest	1,769		1,769
Other	15,010		15,010
Land		1,164,030	1,164,030
Construction in Progress		6,157,614	6,157,614
Capital Assets (Net of Accumulated Depreciation)		4,229,598	4,229,598
TOTAL ASSETS	<u>\$ 9,324,666</u>	<u>\$ 11,576,415</u>	<u>\$ 20,901,081</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
LIABILITIES			
Accounts Payable	\$ 353,141	\$	\$ 353,141
Accrued Compensated Absences		379,349	379,349
Accrued Interest Payable		170,213	170,213
Long-Term Liabilities:			
Note Payable, Due Within One Year		427,108	427,108
Note Payable, Due After One Year		4,145,073	4,145,073
TOTAL LIABILITIES	<u>\$ 353,141</u>	<u>\$ 5,121,743</u>	<u>\$ 5,474,884</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 959,868	\$ (44,029)	\$ 915,839
Service Billings	2,306,136	(2,306,136)	
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 3,266,004</u>	<u>\$ (2,350,165)</u>	<u>\$ 915,839</u>
FUND BALANCE			
Restricted for Construction	\$ 2,487,800	\$ (2,487,800)	\$
Unassigned	3,217,721	(3,217,721)	
TOTAL FUND BALANCE	<u>\$ 5,705,521</u>	<u>\$ (5,705,521)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 9,324,666</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 9,466,861	\$ 9,466,861
Unrestricted		5,043,497	5,043,497
TOTAL NET POSITION		<u>\$ 14,510,358</u>	<u>\$ 14,510,358</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balance - Governmental Funds	\$	5,705,521
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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.		11,551,242
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Accrued compensated absences are not payable with current financial resources and, therefore, are not reported in the governmental funds.		(379,349)
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Deferred inflows of resources related to property tax revenues and uncollected penalty and interest revenues on delinquent taxes for the 2023 and prior tax levies became part of recognized revenues in the governmental activities of the District.		69,202
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Uncollected service billing revenues became part of recognized revenues in the governmental activities of the District.		2,306,136
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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	\$ (170,213)	
Note Payable Within One Year	(427,108)	
Note Payable After One Year	<u>(4,145,073)</u>	<u>(4,742,394)</u>

Total Net Position - Governmental Activities	\$	<u>14,510,358</u>
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The accompanying notes to the financial
statements are an integral part of this report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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	\$ 835,249	\$ 14,305	\$ 849,554
Sales Tax Receipts	5,833,912		5,833,912
Service Billing Revenues	1,346,097	241,232	1,587,329
Penalty and Interest	21,645	3,776	25,421
Investment Revenues	398,566		398,566
Miscellaneous Revenues	20,333		20,333
TOTAL REVENUES	<u>\$ 8,455,802</u>	<u>\$ 259,313</u>	<u>\$ 8,715,115</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Appraisal District Fees	\$ 7,738	\$	\$ 7,738
Billings and Collections	131,868		131,868
Biohazard Removal	10,305		10,305
Building Maintenance and Supplies	216,643		216,643
Commissioner Fees	23,948		23,948
Contract Labor	18,000		18,000
Depreciation		401,663	401,663
Dispatch Fees	83,050		83,050
Dues and Fees	61,951		61,951
Insurance	220,363		220,363
Equipment Maintenance	40,824		40,824
Fleet Maintenance	136,493		136,493
Fuel	80,345		80,345
Legal and Accounting Fees	77,249		77,249
Legal - Delinquent Tax Collections	5,329		5,329
Medical Supplies	207,537		207,537
Office and Computers	29,990		29,990
Pagers and Radios	16,608		16,608
Salaries and Benefits	4,479,970	96,979	4,576,949
Tax Assessor/Collector Fees	21,905		21,905
Telephones	29,011		29,011
Training	56,591		56,591
Uniforms	12,093		12,093
Utilities	56,336		56,336
Other	36,635		36,635
Capital Outlay	5,669,012	(5,573,402)	95,610
Debt Service: Principal Expense	427,819	(427,819)	
Debt Service: Interest Expense	194,978	46,455	241,433
TOTAL EXPENDITURES/EXPENSES	<u>\$ 12,352,591</u>	<u>\$ (5,456,124)</u>	<u>\$ 6,896,467</u>
NET CHANGE IN FUND BALANCE	\$ (3,896,789)	\$ 3,896,789	\$
CHANGE IN NET POSITION		1,818,648	1,818,648
FUND BALANCE/NET POSITION - JANUARY 1, 2024	<u>9,602,310</u>	<u>3,089,400</u>	<u>12,691,710</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2024	<u>\$ 5,705,521</u>	<u>\$ 8,804,837</u>	<u>\$ 14,510,358</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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	\$ (3,896,789)
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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.	14,305
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Governmental funds report service billing revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which services were performed.	241,232
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Governmental funds report penalty and interest revenue on property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.	3,776
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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.	(401,663)
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Governmental funds do not report accrued compensated absences. However, in the government-wide financial statements, accrued compensated absences are recorded in the accounting period in which they were earned.	(96,979)
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Governmental funds report capital asset costs 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.	5,573,402
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Governmental funds report note principal payments as expenditures. However, in the Statement of Net Position, note principal payments decrease long-term liabilities and the Statement of Activities is not affected.	427,819
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(46,455)
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Change in Net Position - Governmental Activities	\$ <u>1,818,648</u>
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The accompanying notes to the financial
statements are an integral part of this report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1. CREATION OF DISTRICT

Harris County Emergency Services District No. 5 (the “District”) was created on November 2, 1993, in accordance with Article III, Section 48-e, of the Texas Constitution. The District operates under Chapter 775 of the Health and Safety Code. The District was established to provide emergency medical services within the boundaries 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”).

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a 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, billing revenues, costs of assessing and collecting taxes and general expenditures.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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 recorded as revenue 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 fund 2025 costs.

Ambulance service billings considered available by the District and included in revenue include billings collected during the current fiscal year. Deferred service billings are those billings which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Sales tax receipts considered available by the District and included in revenue include sales taxes collected during the period of January 1, 2024, to December 31, 2024.

Capital Assets

Capital assets, which include land, buildings, vehicles and equipment, 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. Engineering fees and certain other costs are capitalized as part of the asset.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

All personal tangible assets (computers, office machines, office furniture, etc.) with a total cost of \$500 or more (including installation costs and professional fees) and a useful life of at least two years are capitalized. 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 two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Buildings, vehicles, equipment, and other assets are amortized over periods ranging from 3 to 40 years.

Budgeting

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

Pensions

The District makes payments into the social security system for its employees. In December of 2006, the District established a 457(b) retirement plan and defined contribution plan for its employees. Additional disclosure is provided in Note 8 and Note 12. 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.

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 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:

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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. The District has restricted fund balances of \$2,487,800 for future vehicle purchases and planned construction costs.

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. The District does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. TAX LEVY

The voters of the District approved the levy and collection of an ad valorem tax not to exceed \$0.03 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 \$0.03 per \$100 of assessed valuation, which resulted in a tax levy of \$915,839 on the adjusted taxable valuation of \$3,052,696,036 for the 2024 tax year.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

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 \$348,594 and the bank balance was \$445,465. The District was not exposed to custodial 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	\$ 109,326	\$ 239,268	\$ 348,594

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

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.

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

As of December 31, 2024, the District had the following investments and maturities.

Fund and Investment Type	Fair Value	Maturities Less Than 1 Year
<u>GENERAL FUND</u>		
Certificates of Deposit	\$ 239,268	\$ 239,268
Texas CLASS	<u>5,038,109</u>	<u>5,038,109</u>
TOTAL INVESTMENTS	<u><u>\$ 5,277,376</u></u>	<u><u>\$ 5,277,376</u></u>

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 currently manages credit risk by investing in certificates of deposit with balances below FDIC coverage.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District currently manages interest risk by investing in certificates of deposit with maturities of approximately one year or less.

NOTE 5. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2024:

	January 1, 2024	Increases	Decreases	December 31, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,164,030	\$	\$	\$ 1,164,030
Construction in Progress	2,063,149	5,573,402	1,478,937	6,157,614
Total Capital Assets Not Being Depreciated	<u>\$ 3,227,179</u>	<u>\$ 5,573,402</u>	<u>\$ 1,478,937</u>	<u>\$ 7,321,644</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 2,381,192	\$	\$	\$ 2,381,192
Roads	120,000			120,000
Utilities	8,945			8,945
Vehicles	2,100,898	1,069,384		3,170,282
Medical Equipment	1,170,146	131,545		1,301,691
Other Equipment	641,744	278,008		919,752
Investment in Helipad	109,520			109,520
Total Capital Assets Subject to Depreciation	<u>\$ 6,532,445</u>	<u>\$ 1,478,937</u>	<u>\$ - 0 -</u>	<u>\$ 8,011,382</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 1,003,778	\$ 78,157	\$	\$ 1,081,935
Roads	120,000			120,000
Utilities	8,945			8,945
Vehicles	1,198,901	188,081		1,386,982
Medical Equipment	442,489	68,582		511,071
Other Equipment	581,462	63,300		644,762
Investment in Helipad	24,546	3,543		28,089
Total Accumulated Depreciation	<u>\$ 3,380,121</u>	<u>\$ 401,663</u>	<u>\$ - 0 -</u>	<u>\$ 3,781,784</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,152,324</u>	<u>\$ 1,077,274</u>	<u>\$ - 0 -</u>	<u>\$ 4,229,598</u>
Total Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 6,379,503</u></u>	<u><u>\$ 6,650,676</u></u>	<u><u>\$ 1,478,937</u></u>	<u><u>\$ 11,551,242</u></u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE 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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 7. 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 September 10, 2005, 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 September 19, 2005, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, effective January 1, 2006. During the current year, the District recorded \$5,833,912 in sales tax receipts, of which \$769,795 was due from the State Comptroller at December 31, 2024.

NOTE 8. RETIREMENT PLAN

In December 2006, the District established a 457(b) retirement plan for its employees. The plan is a qualified prototype plan approved by the Internal Revenue Service and administered by a national brokerage firm, which also serves as custodian of assets of the plan. The plan became effective as of January 1, 2007.

The 457(b) retirement plan is a defined contribution plan open to regular full-time employees only and is funded by the District. Employees may contribute to the plan and each employee participant directs the investment in his/her respective account. The plan was amended October 11, 2012. Prior to this amendment all participants were immediately fully vested in all contributions. Participants entering the plan after this amendment are subject to a six-year graded vesting schedule on discretionary profit sharing and match contributions. Forfeitures will be used to reduce a future District contribution, in the year forfeited.

The District approved contributions in an amount equal to 3% of each regular full-time employee's salary. During the current year, the District contributed \$57,885.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9. COMPENSATED ABSENCES

In addition to other benefits provided, the District compensates eligible employees for vacation and sick leave time. Vacation time is accrued every 4 months, which accruals are made at the end of each four-month period on April 30th, August 31st, and December 31st ("Vacation Period"). Vacation time must be taken by one year after the vacation time is accrued and any accrued but unused vacation time remaining may not be carried over into any subsequent Vacation Period. The District accrues sick leave at the end of each one-month period on the last day of the month following one full month of employment. This sick leave time can be carried over to subsequent years. The following is a summary of transactions regarding the compensated absences for the year ended December 31, 2024:

	January 1, 2024	Net Change	December 31, 2024	Due within One Year
Compensated Absences	\$ 282,370	\$ 96,979	\$ 379,349	\$ 132,772

NOTE 10. HELIPAD AGREEMENT

On December 18, 2014, and amended on March 26, 2015, the District executed the Interlocal Helipad Construction and Maintenance Agreement with Harris County ESD No. 80 ("ESD No. 80"), for the purpose of constructing and maintaining a helipad to be located at ESD No. 80's Fire Station No. 1 site. The cost of design, construction, and maintenance of the helipad will be shared equally. The helipad was completed in 2015.

ESD No. 80 is responsible for operation and maintenance of the helipad. ESD No. 80 will pay all invoices related to operation and maintenance and bill the District monthly for its 50% share of these costs.

In the event ESD No. 80 elects to sell or dispose of the site of its Station No. 1, upon which the helipad is constructed, the District will have the right of first refusal to purchase the portion of the site upon which the helipad is constructed. The term of this agreement is 40 years.

NOTE 11. LOAN PROCEEDS

On May 3, 2023, the District entered into a \$5,000,000 promissory note to finance the construction of Station No. 3. The note bears interest at the rate of 4.28% per year. The District makes annual payments of \$622,797 with the last payment due on April 1, 2033.

Notes Payable, January 1, 2024	\$ 5,000,000
Less: Note Principal Payments	<u>427,819</u>
Notes Payable, December 31, 2024	<u>\$ 4,572,181</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. LOAN PROCEEDS (Continued)

Notes Payable:	
Due Within One Year	\$ 427,108
Due After One Year	<u>4,145,073</u>
Notes Payable, December 31, 2024	<u>\$ 4,572,181</u>

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

Fiscal Year	Principal	Interest	Total
2025	\$ 427,108	\$ 195,689	\$ 622,797
2026	445,388	177,409	622,797
2027	464,450	158,347	622,797
2028	484,329	138,468	622,797
2029	505,058	117,739	622,797
2030-2033	<u>2,245,848</u>	<u>245,339</u>	<u>2,491,187</u>
	<u>\$ 4,572,181</u>	<u>\$ 1,032,991</u>	<u>\$ 5,605,172</u>

NOTE 12. TCDRS RETIREMENT PLAN

The District began participation in the Texas County & District Retirement System (TCDRS) as of May 1, 2024, and therefore did not have any participating employees as of the TCDRS measurement date, December 31, 2023. A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. The District participates in TCDRS, which is a statewide, agent multiple- employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the District plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest per year on beginning of year balances. At retirement, the account is matched at an employer set percentage(s) (current match is 200%) and is then converted to a lifetime annuity.
 - 4) There are no automatic COLAs. Each year, the District may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year but must remain in conformity with the Act.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12. TCDRS RETIREMENT PLAN (Continued)

- c. As of the measurement date (December 31, 2023), the District had no employees covered in TCDRS.
- d. The District's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The District's contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by District and are currently 7%. The actuarially determined employer contribution rate for 2023 was 7.23%. Contributions to the pension plan from the District were \$173,364 for the fiscal year ended December 31, 2024.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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	\$ 400,000	\$ 451,000	\$ 835,249	\$ 384,249
Sales Tax Receipts	3,840,000	3,840,000	5,833,912	1,993,912
Service Billing Revenues	816,000	816,000	1,346,097	530,097
Penalty and Interest			21,645	21,645
Investment Revenues	54,000	148,500	398,566	250,066
Miscellaneous Revenues			20,333	20,333
TOTAL REVENUES	<u>\$ 5,110,000</u>	<u>\$ 5,255,500</u>	<u>\$ 8,455,802</u>	<u>\$ 3,200,302</u>
EXPENDITURES				
Service Operations:				
Appraisal District Fees	\$ 3,000	\$ 3,000	\$ 7,738	\$ (4,738)
Billings and Collections	75,420	75,420	131,868	(56,448)
Biohazard Removal	10,800	10,800	10,305	495
Building Maintenance and Supplies	43,872	43,872	216,643	(172,771)
Commissioner Fees			23,948	(23,948)
Contract Labor	19,800	19,800	18,000	1,800
Dispatch Fees	77,220	88,800	83,050	5,750
Dues and Fees	55,008	55,008	61,951	(6,943)
Insurance	177,000	177,000	220,363	(43,363)
Equipment Maintenance	27,600	27,600	40,824	(13,224)
Fleet Maintenance	55,200	120,000	136,493	(16,493)
Fuel	70,200	70,200	80,345	(10,145)
Legal and Accounting Fees	65,840	65,840	77,249	(11,409)
Legal - Delinquent Tax Collections			5,329	(5,329)
Medical Supplies	180,500	180,500	207,537	(27,037)
Office and Computers	8,400	8,400	29,990	(21,590)
Pagers and Radios	13,800	13,800	16,608	(2,808)
Salaries and Benefits	4,242,060	4,372,000	4,479,970	(107,970)
Tax Assessor/Collector Fees			21,905	(21,905)
Telephones	36,648	36,648	29,011	7,637
Training	70,000	70,000	56,591	13,409
Uniforms	28,800	28,800	12,093	16,707
Utilities	45,840	45,840	56,336	(10,496)
Other	40,600	40,600	36,635	3,965
Capital Outlay	4,427,579	4,427,579	5,669,012	(1,241,433)
Debt Service: Principal Expense	427,819	427,819	427,819	0
Debt Service: Interest Expense	272,181	272,181	194,978	77,203
TOTAL EXPENDITURES	<u>\$ 10,475,187</u>	<u>\$ 10,681,507</u>	<u>\$ 12,352,591</u>	<u>\$ (1,671,084)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,365,187)</u>	<u>\$ (5,426,007)</u>	<u>\$ (3,896,789)</u>	<u>\$ 1,529,218</u>
FUND BALANCE - JANUARY 1, 2024	<u>9,602,310</u>	<u>9,602,310</u>	<u>9,602,310</u>	
FUND BALANCE - DECEMBER 31, 2024	<u>\$ 4,237,123</u>	<u>\$ 4,176,303</u>	<u>\$ 5,705,521</u>	<u>\$ 1,529,218</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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	3,631
Number of Emergency Responses Made Outside of the District	<u>87</u>
Total Emergency Responses	<u><u>3,718</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2024

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE BOND Treasurer	09/30/24 09/30/25	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE BLANKET BOND Crime Limit	09/30/24 09/30/25	\$ 100,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	09/30/24 09/30/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY Aggregate Each Wrongful Act	09/30/24 09/30/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY Aggregate Each Occurrence	09/30/24 09/30/25	\$ 2,000,000 1,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	09/30/24 09/30/25	\$ 1,000,000	National Union Fire Insurance Company
WORKER'S COMPENSATION Bodily Injury by Accident Bodily Injury by Disease (Each Employee) Bodily Injury by Disease (Policy Limit)	10/01/24 10/01/25	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company
PROPERTY LIABILITY Buildings and Equipment Contents Fences Deductible	09/30/24 09/30/25	\$ 2,682,576 378,101 81,382 1,000	National Union Fire Insurance Company
ACCIDENT & SICKNESS POLICY AD&D Medical Non-Covered Activity Rider	09/30/24 09/30/25	\$ 100,000 10,000 50,000	National Union Fire Insurance Company
PORTABLE EQUIPMENT Deductible	09/30/24 09/30/25	Blanket \$ 250	National Union Fire Insurance Company

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Maintenance Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2024	\$ 463,509	
Adjustments to Beginning Balance	<u>12,285</u>	\$ 475,794
Original 2024 Tax Levy	\$ 902,794	
Adjustment to 2024 Tax Levy	<u>13,045</u>	<u>915,839</u>
TOTAL TO BE ACCOUNTED FOR		\$ 1,391,633
TAX COLLECTIONS:		
Prior Years	\$ 431,765	
Current Year	<u>443,865</u>	<u>875,630</u>
TAXES RECEIVABLE - DECEMBER 31, 2024		<u>\$ 516,003</u>
TAXES RECEIVABLE BY YEAR:		
2024		\$ 471,974
2023		22,182
2022		5,406
2021		3,079
2020		2,203
2019		1,626
2018		1,065
2017		1,386
2016		926
2015		761
2014		761
2013		485
2012		465
2011		554
2010		535
2009		670
2008		309
2007		209
2006		225
2005		243
2004		229
2003		<u>710</u>
TOTAL		<u>\$ 516,003</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
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>\$ 3,052,696,036</u>	<u>\$ 2,790,283,731</u>	<u>\$ 2,451,748,485</u>	<u>\$ 2,095,588,083</u>
TAX RATES PER \$100				
VALUATION	<u>\$ 0.03000</u>	<u>\$ 0.03000</u>	<u>\$ 0.01766</u>	<u>\$ 0.01766</u>
ADJUSTED TAX LEVY*	<u>\$ 915,839</u>	<u>\$ 837,269</u>	<u>\$ 427,130</u>	<u>\$ 370,087</u>
PERCENTAGE OF TAXES				
COLLECTED TO				
TAXES LEVIED	<u>48.47 %</u>	<u>97.35 %</u>	<u>98.73 %</u>	<u>99.17 %</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. 5
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 835,249	\$ 427,663	\$ 368,896
Sales Tax Receipts	5,833,912	3,967,508	3,636,620
Service Billing Revenues	1,346,097	932,888	917,782
Penalty and Interest	21,645	16,575	12,882
Investment Revenues	398,566	431,906	89,223
Miscellaneous Revenues	20,333	13,161	7,135
TOTAL REVENUES	<u>\$ 8,455,802</u>	<u>\$ 5,789,701</u>	<u>\$ 5,032,538</u>
EXPENDITURES			
Appraisal District Fees	\$ 7,738	\$ 3,337	\$ 2,785
Billings and Collections	131,868	95,599	83,376
Biohazard Removal	10,305	9,814	8,160
Building Maintenance and Supplies	216,643	136,970	87,475
Commissioner Fees	23,948	32,018	11,100
Contract Labor	18,000	18,000	18,200
Dispatch Fees	83,050	70,200	57,816
Dues and Fees	61,951	78,045	62,792
Insurance	220,363	161,576	158,396
Equipment Maintenance	40,824	20,756	21,129
Fleet Maintenance	136,493	132,006	99,141
Fuel	80,345	70,063	75,635
Legal and Accounting Fees	77,249	116,292	120,285
Legal - Delinquent Tax Collections	5,329	3,440	3,385
Medical Supplies	207,537	207,715	147,734
Office and Computers	29,990	51,912	31,386
Pagers and Radios	16,608	13,905	19,586
Salaries and Benefits	4,479,970	3,890,803	3,369,924
Tax Assessor/Collector Fees	21,905	11,506	8,496
Telephones	29,011	23,710	19,772
Training	56,591	65,304	85,095
Uniforms	12,093	23,704	28,138
Utilities	56,336	60,885	54,746
Other	36,635	44,060	44,644
Capital Outlay/Debt Service	6,291,809	2,308,142	700,134
TOTAL EXPENDITURES	<u>\$ 12,352,591</u>	<u>\$ 7,649,762</u>	<u>\$ 5,319,330</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (3,896,789)</u>	<u>\$ (1,860,061)</u>	<u>\$ (286,792)</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	<u>\$ - 0 -</u>	<u>\$ 5,000,000</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,896,789)</u>	<u>\$ 3,139,939</u>	<u>\$ (286,792)</u>
BEGINNING FUND BALANCE	<u>9,602,310</u>	<u>6,462,371</u>	<u>6,749,163</u>
ENDING FUND BALANCE	<u><u>\$ 5,705,521</u></u>	<u><u>\$ 9,602,310</u></u>	<u><u>\$ 6,462,371</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 343,702	\$ 338,192	9.9 %	7.4 %	7.3 %	7.7 %	8.0 %
3,223,136	3,156,713	69.0	68.5	72.3	72.3	74.8
862,511	665,023	15.9	16.1	18.2	19.3	15.8
12,116	10,637	0.3	0.3	0.3	0.3	0.3
7,209	30,249	4.7	7.5	1.8	0.2	0.7
10,482	16,727	0.2	0.2	0.1	0.2	0.4
<u>\$ 4,459,156</u>	<u>\$ 4,217,541</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 2,513	\$ 2,550	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
86,340	61,236	1.6	1.7	1.7	1.9	1.5
6,143	5,670	0.1	0.2	0.2	0.1	0.1
67,630	55,986	2.6	2.4	1.7	1.5	1.3
11,200	12,700	0.3	0.6	0.2	0.3	0.3
16,365	18,000	0.2	0.3	0.4	0.4	0.4
48,319	48,156	1.0	1.2	1.1	1.1	1.1
57,487	32,070	0.7	1.3	1.2	1.3	0.8
180,118	155,786	2.6	2.8	3.1	4.0	3.7
7,774	23,382	0.5	0.4	0.4	0.2	0.6
116,513	104,344	1.6	2.3	2.0	2.6	2.5
46,225	38,475	1.0	1.2	1.5	1.0	0.9
78,667	67,742	0.9	2.0	2.4	1.8	1.6
2,986	2,653	0.1	0.1	0.1	0.1	0.1
159,368	144,105	2.5	3.6	2.9	3.6	3.4
40,575	37,140	0.4	0.9	0.6	0.9	0.9
15,833	13,728	0.2	0.2	0.4	0.4	0.3
2,372,279	1,895,643	53.0	67.2	67.0	53.2	44.9
9,208	4,725	0.3	0.2	0.2	0.2	0.1
32,753	16,838	0.3	0.4	0.4	0.7	0.4
31,664	9,373	0.7	1.1	1.7	0.7	0.2
17,824	21,286	0.1	0.4	0.6	0.4	0.5
38,194	31,751	0.7	1.1	1.1	0.9	0.8
42,456	15,938	0.4	0.8	0.9	1.0	0.4
1,078,183	438,916	74.4	39.9	13.9	24.2	10.4
<u>\$ 4,566,617</u>	<u>\$ 3,258,193</u>	<u>146.3 %</u>	<u>132.4 %</u>	<u>105.8 %</u>	<u>102.6 %</u>	<u>77.3 %</u>
<u>\$ (107,461)</u>	<u>\$ 959,348</u>	<u>(46.3) %</u>	<u>(32.4) %</u>	<u>(5.8) %</u>	<u>(2.6) %</u>	<u>22.7 %</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
<u>\$ (107,461)</u>	<u>\$ 959,348</u>					
<u>6,856,624</u>	<u>5,897,276</u>					
<u>\$ 6,749,163</u>	<u>\$ 6,856,624</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 5
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024**

District Mailing Address - Harris County Emergency Services District No. 5
P.O. Box 1604
Crosby, Texas 77532

District Telephone Number - (281) 328-6810

Commissioners	Term of Office (Appointed or Elected)	Fees of Office for the year ended December 31, 2024	Expense Reimbursements for the year ended December 31, 2024	Title
Sharon A. Cotton	06/01/22 05/31/26 (Elected)	\$ 4,420	\$ -0-	President
Luther Brady, Jr.	06/01/22 05/31/26 (Elected)	\$ 4,862	\$ -0-	Vice President
Larry Hall	06/01/24 05/31/28 (Elected)	\$ 5,525	\$ -0-	Secretary
James Blaha	06/01/24 05/31/28 (Elected)	\$ 6,188	\$ -0-	Treasurer/ Investment Officer
Brent Burley	10/27/22 05/31/26 (Appointed)	\$ 3,757	\$ -0-	Assistant Treasurer/ Secretary

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. 5
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>
Smith Murdaugh, Little & Bonham LLP	7/23/24	\$ 21,500	Attorney
Coveler & Peeler, P.C.		\$ 17,910	Prior Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	11/23/05	\$ 24,500	Auditor
Linebarger Goggan Blair & Sampson, LLP		\$ 5,329	Delinquent Tax Attorney
Sales Tax Assurance, LLC	7/31/14	\$ 13,577	Sales Tax Consultant
Harris County Tax Assessor/Collector	Legislative Action	\$ 21,906	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.