

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200**

**WALLER AND HARRIS COUNTIES, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2025**

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

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# *McCall Gibson Swedlund Barfoot Ellis PLLC*

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Waller-Harris Emergency  
Services District No. 200  
Waller and Harris Counties, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of Waller-Harris Emergency Services District No. 200 (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

### **Basis for Opinions**

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

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

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

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

### **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 Proportionate Share of Net Pension Liability and Contributions - TESRS, the Schedule of Changes in Net Pension Liability and Related Ratios - TCDRS and the Schedule of District Contributions - TCDRS 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 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

May 21, 2026

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

Management’s discussion and analysis of Waller-Harris Emergency Services District No. 200’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) 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 and sales tax revenues, costs of assessing and collecting taxes and general expenditures.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**FUND FINANCIAL STATEMENTS** (Continued)

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”) and other supplementary information. 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 \$35,743,667 as of December 31, 2025.

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).

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

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

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 37,647,910	\$ 35,634,147	\$ 2,013,763
Capital Assets (Net of Accumulated Depreciation)	39,681,860	33,059,947	6,621,913
Total Assets	\$ 77,329,770	\$ 68,694,094	\$ 8,635,676
Deferred Outflows of Resources	\$ 1,037,874	\$ 834,264	\$ 203,610
Long-Term Liabilities	\$ 18,929,589	\$ 18,652,257	\$ (277,332)
Other Liabilities	4,631,069	4,908,542	277,473
Total Liabilities	\$ 23,560,658	\$ 23,560,799	\$ 141
Deferred Inflows of Resources	\$ 19,063,319	\$ 15,943,473	\$ (3,119,846)
Net Position:			
Net Investment in Capital Assets	\$ 17,679,968	\$ 11,837,007	\$ 5,842,961
Unrestricted	18,063,699	18,187,079	(123,380)
Total Net Position	\$ 35,743,667	\$ 30,024,086	\$ 5,719,581

The following table provides a comparative analysis of the District's operations for the years ended December 31, 2025, and December 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 15,836,633	\$ 12,193,183	\$ 3,643,450
Sales Tax Receipts	10,059,851	8,478,702	1,581,149
Other Revenues	2,445,127	2,078,310	366,817
Total Revenues	\$ 28,341,611	\$ 22,750,195	\$ 5,591,416
Expenses for Services	22,622,030	17,290,284	5,331,746
Change in Net Position	\$ 5,719,581	\$ 5,459,911	\$ 259,670
Net Position, Beginning of Year	30,024,086	24,564,175	5,459,911
Net Position, End of Year	\$ 35,743,667	\$ 30,024,086	\$ 5,719,581

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

The District's General Fund fund balance as of December 31, 2025, was \$16,863,521, a decrease of \$448,141 from the prior year. The decrease was due to operating and capital expenditures exceeding property tax and investment revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Commissioners amended the budget during the fiscal year to increase projected property tax revenues, salaries and benefits and capital outlay. Actual revenues were \$3,696,157 more than budgeted revenues, actual expenditures were \$4,297,561 less than budgeted expenditures, and loan proceeds were \$1,353,850 more than budgeted, resulting in a positive budget variance of \$9,347,568.

**CAPITAL ASSETS**

Capital assets as of December 31, 2025, total \$39,681,860 (net of accumulated depreciation) and include land, buildings, vehicles and equipment. Capital asset events during the current fiscal year included the purchase or completion of the following:

- Katy Fire Station #6 - \$3,327,801
- Station #71 and Station #42 - \$2,359,624
- 2022 Chevrolet Tahoe - \$47,990
- Ambulances (3) - \$821,416
- 2024 Ford F-150 Responder - \$48,730
- 2023 Chevrolet Diesel Model G4500 - \$149,880
- 2025 Ford F-350 with Service Body - \$91,294
- Station Alert System - \$137,144
- Portable Radio All Band Model 2.5 - \$44,734
- HVAC new Daikin 7.5 ton system - \$11,229
- Kenwood Viking VM 7000 Dual Band - \$30,267
- 2021 Ford F-450 - \$60,000
- 2024 F-150 4x4 SuperCrew - \$52,800
- ERV Legend Side Mount Pumper with equipment - \$1,170,981
- 2024 Horton F-550 (2) - \$596,065
- 2025 Fouts 3000 Gallon Tanker - \$505,457
- 2024 F-350 4x4 Contract Replacement Truck - \$56,995
- 2025 Ford F-250 XL 4x4 SD Crew Cab - \$49,528

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**CAPITAL ASSETS (Continued)**

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	\$ 10,320,247	\$ 11,016,738	\$ (696,491)
Construction in Progress	6,170,986	6,369,499	(198,513)
Capital Assets, Net of Accumulated Depreciation:			
Equipment	3,285,553	3,523,017	(237,464)
Vehicles	9,051,020	6,585,633	2,465,387
Buildings and Improvements	10,846,286	5,555,376	5,290,910
Land Improvements	7,768	9,684	(1,916)
Total Net Capital Assets	\$ 39,681,860	\$ 33,059,947	\$ 6,621,913

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

**LONG-TERM DEBT ACTIVITY**

The changes in the debt position of the District during the fiscal year ended December 31, 2025, are summarized as follows:

Long-Term Debt Payable, January 1, 2025	\$ 21,222,940
Add: Note Proceeds	3,353,850
Less: Principal Paid	2,574,898
Long-Term Debt Payable, December 31, 2025	\$ 22,001,892

**CONTACTING THE DISTRICT'S FINANCIAL 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 Waller-Harris Emergency Services District No. 200, PO Box 510, Waller, TX 77484.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2025**

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 1,064,960	\$	\$ 1,064,960
Investments	15,210,371		15,210,371
Cash with Tax Assessor/Collector	6,314,846		6,314,846
Receivables:			
Property Taxes	12,609,211		12,609,211
Penalty and Interest on Delinquent Taxes		307,837	307,837
Sales Tax Receipts	1,642,405		1,642,405
Provider Advances	432,044		432,044
Other	26,926		26,926
Prepaid Costs	39,310		39,310
Land		10,320,247	10,320,247
Construction in Progress		6,170,986	6,170,986
Capital Assets (Net of Accumulated Depreciation)		23,190,627	23,190,627
<b>TOTAL ASSETS</b>	<b>\$ 37,340,073</b>	<b>\$ 39,989,697</b>	<b>\$ 77,329,770</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Plan Charges	\$ - 0 -	\$ 1,037,874	\$ 1,037,874
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 37,340,073</b>	<b>\$ 41,027,571</b>	<b>\$ 78,367,644</b>

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

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2025**

	General Fund	Adjustments	Statement of Net Position
<b>LIABILITIES</b>			
Accounts Payable	\$ 897,988	\$	\$ 897,988
Accrued Interest Payable		241,778	241,778
Net Pension Liability		419,000	419,000
Long-Term Debt:			
Due Within One Year		3,072,303	3,072,303
Due After One Year		18,929,589	18,929,589
<b>TOTAL LIABILITIES</b>	<b>\$ 897,988</b>	<b>\$ 22,662,670</b>	<b>\$ 23,560,658</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 19,578,564	\$ (593,039)	\$ 18,985,525
Deferred Pension Plan Charges		77,794	77,794
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 19,578,564</b>	<b>\$ (515,245)</b>	<b>\$ 19,063,319</b>
<b>FUND BALANCE/NET POSITION</b>			
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid Costs	\$ 39,310	\$ (39,310)	\$
Unassigned	16,824,211	(16,824,211)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 16,863,521</b>	<b>\$ (16,863,521)</b>	<b>\$ - 0 -</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 37,340,073</b>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ 17,679,968	\$ 17,679,968
Unrestricted		18,063,699	18,063,699
<b>TOTAL NET POSITION</b>		<b>\$ 35,743,667</b>	<b>\$ 35,743,667</b>

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

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2025**

Total Fund Balance - Governmental Funds	\$ 16,863,521
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Pension plan liabilities are not due and payable in the current period, and, therefore, are recorded on the government-wide financial statements only.	(419,000)
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Portions of the change in net pension liability that are not immediately recognized as pension expense are recorded as deferred outflows of resources.	960,080
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	39,681,860
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenues in the governmental activities of the District.	900,876
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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	\$ (241,778)	
Long-Term Debt Due Within One Year	(3,072,303)	
Long-Term Debt Due After One Year	<u>(18,929,589)</u>	<u>(22,243,670)</u>

Total Net Position - Governmental Activities	<u>\$ 35,743,667</u>
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The accompanying notes to the financial statements are an integral part of this report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 15,838,490	\$ (1,857)	\$ 15,836,633
Sales Tax Revenues	10,059,851		10,059,851
Penalty and Interest	367,515	(20,435)	347,080
Investment Revenues	918,380		918,380
Miscellaneous Revenues	1,179,667		1,179,667
<b>TOTAL REVENUES</b>	<u>\$ 28,363,903</u>	<u>\$ (22,292)</u>	<u>\$ 28,341,611</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
District Services:			
Monaville VFD	\$ 43,732	\$	\$ 43,732
Mount Zion VFD	22,230		22,230
Pattison Area VFD	81,051		81,051
Prairie View VFD	50,419		50,419
Waller VFD	64,303		64,303
Waller County EMS	4,736,012		4,736,012
Accounting and Auditing	66,575		66,575
Appraisal District Fees	183,993		183,993
Commissioner Fees	21,613		21,613
Election Expense	13,999		13,999
Insurance for Providers	7,238		7,238
Salaries and Benefits	8,872,310	(288,481)	8,583,829
Legal Fees - General	109,319		109,319
Legal Fees - Delinquent Tax Collections	105,785		105,785
Repairs and Maintenance	789,310		789,310
Tax Assessor/Collector Fees	1,021		1,021
Office Expense	1,154,610		1,154,610
Depreciation		1,666,294	1,666,294
Other	1,745,468		1,745,468
Loss on Sale of asset		1,075,214	1,075,214
Capital Outlay	10,749,206	(9,363,420)	1,385,786
Debt Service:			
Principal	2,574,898	(2,574,898)	
Interest	772,802	(58,573)	714,229
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 32,165,894</u>	<u>\$ (9,543,864)</u>	<u>\$ 22,622,030</u>

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

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (3,801,991)	\$ 9,521,572	\$ 5,719,581
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	\$ 3,353,850	\$ (3,353,850)	\$ - 0 -
<b>NET CHANGE IN FUND BALANCE</b>	\$ (448,141)	\$ 448,141	\$
<b>CHANGE IN NET POSITION</b>		5,719,581	5,719,581
<b>FUND BALANCE/NET POSITION - JANUARY 1, 2025</b>	<u>17,311,662</u>	<u>12,712,424</u>	<u>30,024,086</u>
<b>FUND BALANCE/NET POSITION - DECEMBER 31, 2025</b>	<u>\$ 16,863,521</u>	<u>\$ 18,880,146</u>	<u>\$ 35,743,667</u>

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

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
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, 2025**

Net Change in Fund Balance - Governmental Funds	\$ (448,141)
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.	(1,857)
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.	(20,435)
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.	(1,666,294)
The changes in the net pension liability as well as deferred outflows of resources are recorded as pension expense in the government-wide financial statements.	288,481
Governmental funds record 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.	8,288,206
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.	2,574,898
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 the long-term debt through fiscal year-end.	58,573
Governmental funds report note proceeds as other financing sources. Note proceeds increase long-term liabilities in the Statement of Net Position.	<u>(3,353,850)</u>
Change in Net Position - Governmental Activities	<u>\$ 5,719,581</u>

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

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 1. CREATION OF DISTRICT**

Waller-Harris Emergency Services District No. 200 (the “District”) was created on May 4, 2002, 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 operating funds for the contracting of fire prevention and 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.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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

Financial Statement Presentation (Continued)

- 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 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.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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

Governmental Funds

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

General Fund - To account for resources not required to be accounted for in another fund, property tax and sales tax revenues, 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 recorded as revenue include the 2024 tax levy collections during the period October 1, 2024, to December 31, 2025, and taxes collected from January 1, 2025, to December 31, 2025, for all prior tax levies. The 2025 tax levy has been fully deferred to meet the District’s planned expenditures in the 2026 fiscal year.

Capital Assets

Capital assets, which include land, buildings, vehicles 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 expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Installation costs, professional fees and certain other costs are capitalized as part of the asset. Assets are capitalized if they have an original cost of \$2,500 or more and a useful life over one year. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Buildings, vehicles, land improvements, and all other equipment are amortized over periods ranging from 5 to 32 years.

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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

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 for payroll tax purposes only. The District established pension plans for its employees and contracted service providers. Additional disclosure is provided in Notes 9 and 10.

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:

*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 does not have any restricted fund balances.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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

Measurement Focus (Continued)

*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**

Voters of the District have approved the levy and collection of an ad valorem tax not to exceed \$0.10 per \$100 of assessed valuation on taxable property within the District. During the year ended December 31, 2025, the District levied an ad valorem tax at the rate of \$0.10 per \$100 of assessed valuation. The tax rate consisted of \$0.020016 for debt service and \$0.079984 for maintenance. This resulted in a tax levy of \$18,985,525 on the adjusted taxable valuation of \$18,985,516,320 for the 2025 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.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**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 bank deposits was \$1,064,960 and the bank balance was \$1,135,993. Of the bank balance, \$326,291 was covered by federal depository insurance and the balance was covered by collateral pledged in the name of the District and held in a third-party depository.

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

	<u>Cash</u>
GENERAL FUND	<u>\$ 1,064,960</u>

Investments

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

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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

Investments (Continued)

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

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as 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.

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	<u>\$ 15,210,371</u>	<u>\$ 15,210,371</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2025, the District’s investments in Texas CLASS were rated AAAM by Standard and Poor’s. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have a maturity of less than one year due to the fact that the share position can usually be redeemed each day at the discretion of the District.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 5. FIRE PROTECTION SERVICES**

The District has contracted with area volunteer fire departments, voluntary fire associations, emergency medical services, the City of Brookshire, the City of Hempstead, and the City of Katy (the “Departments”) to provide firefighting and suppression services and emergency medical and rescue services to the residents of the District. The term of the current contracts is for a period of one year and was in effect during the period under audit. The continuation of the contracts from year to year is subject to the adoption each year of an operating and capital budget. Under the terms of the contracts, the Departments agree to provide emergency services to all the residents, commercial interests and others found within the Department service area, and those requesting mutual aid. The contract may be terminated by either party without cause upon thirty days written notice.

The Departments agree to submit annually to the District an operating budget and a capital budget for approval by the District. The District agrees to pay to the Departments monthly amounts as invoiced, which agree to the Departments approved budget. At the January and July regular meetings of the District, the Departments will submit a reconciliation of the funds received and expended to identify those District funds which have been not been expended. The District shall vote either to re-allocate such unexpended funds for other current or prospective District-approved expenditures of the Departments and purchases or to have the unexpended funds returned to the District for subsequent use and funding.

Title to and ownership of all assets of the Department acquired by the Department prior to contracting with the District shall remain with the Department, subject to the contractual lien provisions. Thereafter, title to all assets, capital and otherwise, exceeding \$5,000 (specifically including land and buildings, vehicles, fire apparatus and all equipment used therein) and all land and/or improvements purchased with District appropriated funds shall be taken in the name of the District and be owned by the District.

It is the agreement and intent of the District and the Departments that the District be a lien holder (subordinate to a bona fide first lien holder) on those assets of the Department purchased or improved in whole or in part with District funds. The purpose of such lien holder status is to provide that in the event any such asset is sold, traded, assigned or conveyed to another person or entity for any reason or is damaged or subject to other casualty, the District will be reimbursed for its monetary contribution of District funds. If such asset was purchased wholly with District funds, the District’s interest in the asset proceeds shall be for the entire amount. If such asset was purchased or repaired in part with District funds, the District’s interest in the asset proceeds shall be based upon the pro-rata portion of the purchase price and/or repair cost paid for with District funds.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 5. FIRE PROTECTION SERVICES (Continued)**

<b>SERVICE PROVIDER</b>	2025	Advances
Monaville Volunteer Fire Department	\$ 43,732	\$
Mount Zion Volunteer Fire Department	22,230	1,859
Pattison Area Volunteer Fire Department	81,051	7,015
Prairie View Volunteer Fire Department	50,419	4,255
Waller Volunteer Fire Department	64,303	5,512
Waller County Emergency Medical Services	4,736,012	413,403
<b>TOTAL SERVICE PROVIDER FEES/ ADVANCES</b>	<b>\$ 4,997,747</b>	<b>\$ 432,044</b>

**NOTE 6. CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	January 1, 2025	Increases	Decreases	December 31, 2025
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 11,016,738	\$	\$ 696,491	\$ 10,320,247
Construction in Progress	6,369,499	9,363,420	9,561,933	6,170,986
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 17,386,237</b>	<b>\$ 9,363,420</b>	<b>\$ 10,258,424</b>	<b>\$ 16,491,233</b>
<b>Capital Assets Subject to Depreciation</b>				
Equipment	\$ 6,704,103	\$ 212,145	\$	\$ 6,916,248
Vehicles	13,859,162	3,651,136	1,016,578	16,493,720
Buildings and Improvements	6,734,112	5,698,653		12,432,765
Land Improvements	55,338			55,338
<b>Total Capital Assets Subject to Depreciation</b>	<b>\$ 27,352,715</b>	<b>\$ 9,561,934</b>	<b>\$ 1,016,578</b>	<b>\$ 35,898,071</b>
<b>Less Accumulated Depreciation</b>				
Equipment	\$ 3,181,086	\$ 449,609	\$	\$ 3,630,695
Vehicles	7,273,529	807,026	637,855	7,442,700
Buildings and Improvements	1,178,736	407,743		1,586,479
Land Improvements	45,654	1,916		47,570
<b>Total Accumulated Depreciation</b>	<b>\$ 11,679,005</b>	<b>\$ 1,666,294</b>	<b>\$ 637,855</b>	<b>\$ 12,707,444</b>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 15,673,710</b>	<b>\$ 7,895,640</b>	<b>\$ 378,723</b>	<b>\$ 23,190,627</b>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 33,059,947</b>	<b>\$ 17,259,060</b>	<b>\$ 10,637,147</b>	<b>\$ 39,681,860</b>

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 7. LONG-TERM DEBT PAYABLE**

On October 9, 2020, the District executed a promissory note in the amount of \$4,000,000 with Government Capital Corporation at an interest rate of 2.222%. The funds will be used to fund the construction of a fire station in Prairie View, Texas. Annual payments of \$450,494, including accrued interest, are due annually beginning October 16, 2021 through October 16, 2030.

On April 30, 2021, the District executed a promissory note in the amount of \$1,640,076 with Trustmark National Bank at an interest rate of 1.160%. The funds will be used to fund three Spartan Pumper Fire trucks. Annual payments of \$246,096, including accrued interest, are due bi-annually on April 30 and October 31, beginning April 30, 2021 through April 30, 2028.

On July 15, 2021, the District executed a promissory note in the amount of \$2,000,000 with Prosperity Bank at an interest rate of 2.690%. The funds will be used to fund Land at Cryan Acres, Lot 13, Waller County, Texas. Annual principal payments of \$200,000, plus accrued interest, are due annually beginning July 15, 2022 and ending July 15, 2031.

On August 3, 2022, the District executed a promissory note for a total amount of \$3,500,000 with an interest rate of 3.00%. The funds will be used to fund the construction of fire station 6. Annual payments of \$764,241, including accrued interest, are due annually beginning August 3, 2023 and ending August 3, 2027.

On December 28, 2023, the District executed a promissory note for a total amount of \$7,000,000 with an interest rate of 4.685%. The funds will be used to fund the construction of fire station 43. Annual payments of \$660,213, including accrued interest, are due annually beginning December 28, 2024 and ending December 28, 2038.

On February 21, 2024, the District executed a promissory note for a total amount of \$2,213,216 with an interest rate of 4.73%. The funds will be used to fund the purchase of three new fire engines from Metro Fire Apparatus Specialists. Annual payments of \$507,388, including accrued interest, are due annually beginning March 1, 2025 and ending March 1, 2029.

On September 16, 2024, the District executed a promissory note for a total amount of \$5,500,000 with J.P. Morgan Chase with an interest rate of 3.39%. The funds will be used to fund the land purchase on FM 2855. Annual payments of \$473,840, including accrued interest, are due bi-annually on March 10 and September 10, beginning March 10, 2025 through September 10, 2039.

On July 25, 2025, the District executed a promissory note for a total amount of \$3,353,850 with Trustmark National Bank at an interest rate of 4.05%. The funds will be used to fund the purchase of an ERV Legend Side Mount Pumper with equipment for the pumper and acquire additional funding for renovations to Fire Station 72. Annual payments of \$559,817, including accrued interest, are due annually beginning August 15, 2026 and ending August 15, 2032.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 7. LONG-TERM DEBT PAYABLE (Continued)**

The following is a summary of transactions regarding long-term debt payable for the year ended December 31, 2025:

Long-Term Debt Payable, January 1, 2025	\$	21,222,940
Add: Note Proceeds		3,353,850
Less: Principal Paid		<u>2,574,898</u>
Long-Term Debt Payable, December 31, 2025	\$	<u><u>22,001,892</u></u>
Long-Term Debt Payable:		
Due Within One Year	\$	3,072,303
Due After One Year		<u>18,929,589</u>
Long-Term Debt Payable, December 31, 2025	\$	<u><u>22,001,892</u></u>

Fiscal Year	Principal	Interest	Total
2026	\$ 3,072,303	\$ 822,383	\$ 3,894,686
2027	3,169,962	719,269	3,889,231
2028	2,373,175	612,487	2,985,662
2029	2,340,873	527,112	2,867,985
2030	1,916,068	439,076	2,355,144
2031-2035	5,576,301	1,346,752	6,923,053
2036-2039	<u>3,553,210</u>	<u>322,367</u>	<u>3,875,577</u>
	<u><u>\$ 22,001,892</u></u>	<u><u>\$ 4,789,446</u></u>	<u><u>\$ 26,791,338</u></u>

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions 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.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 9. TESRS PENSION PLAN**

Plan Description

Effective August 1, 2011, the District provides retirement, disability, and death benefits for each person who performs qualified service as a volunteer and auxiliary member of its contracted service providers through a cost-sharing multiple employer pension system (System), the statewide Texas Emergency Services Retirement System (TESRS). TESRS was created as a standalone agency by the 83<sup>rd</sup> Legislature via the passage of SB220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the Agency is new, the System has been in existence since 1977. As of August 31, 2025, there were 244 contributing fire or emergency services department members in the System. Eligible participants include volunteer emergency services personnel who are members in good standing of a participating department. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Comprehensive Annual Financial Report. TESRS issues an annual financial report on a fiscal year basis. The annual financial report is available from the Texas Emergency Services Retirement System web site at <http://tesrs.org>.

Plan Description

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases. Members are 50% vested after the 10th year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled but not yet receiving benefits	4
Active employees	24

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 9. TESRS PENSION PLAN (Continued)**

Funding Policy

Contributions are made by governing bodies for 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 are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The State is required to contribute an amount necessary to make the System “actuarially sound” each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2025, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

Pension Expense and Net Pension Liability

For the District’s accounting year ending December 31, 2025, the amount of expense recognized by the District for the TESRS plan for provider members was \$12,024. The District’s proportionate share of the collective net pension liability was \$105,996 and the District’s proportion of the collective pension liability was 0.218% as of the measurement date of August 31, 2025, which is the date of the most recent TESRS Report on Pension Information. The District’s proportionate share of the collective net pension liability was \$260,921 and the District’s proportion of the collective pension liability was 0.243% as of the prior measurement date of August 31, 2024. The participating department’s proportionate share of the net pension liability is equal to the collective net pension liability multiplied by the participating department’s allocation percentage of the collective pension expense for TESRS’s fiscal year ended August 31, 2025. The District has recognized deferred outflows of resources of \$34,912 and deferred inflows or resources of \$77,794 as of December 31, 2025.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT 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 850 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, Finance Division, Barton Oaks Plaza IV Suite 500, 901 S. MoPac Expressway, Austin, Texas 78746 or at [www.TCDRS.org](http://www.TCDRS.org).

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 5 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 5 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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	<u>3</u>
Inactive employees entitled but not yet receiving benefits	<u>68</u>
Active employees	<u>110</u>

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT PLAN (Continued)**

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 9.96% for the months of the 2025 accounting year. The deposit rate payable by the employee members for calendar year 2025 is 7% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

For the District's accounting year ended December 31, 2025, the annual pension cost for the TCDRS plan for its employees was \$620,691; the actual contributions were \$620,691. The employees contributed \$436,229 to the plan for the 2025 fiscal year.

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumption:

Actuarial valuation date	12/31/24
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	15.0 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return <sup>1</sup>	7.50%
Projected salary increases <sup>1</sup>	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

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

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2024. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT PLAN (Continued)**

Actuarial Assumptions (Continued)

Mortality rates were based on the following:

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.6%. The discount rate did not change from the previous year.

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

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

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT PLAN (Continued)**

Discount Rate (Continued)

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

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

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 2025 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on a long-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. Milliman relies on the expertise of Cliffwater in this assessment.

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT PLAN (Continued)**

Discount Rate (Continued)

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	13.00%	5.35%
Global Equities	4.00%	5.15%
International Equities-Development	6.00%	4.75%
International Equities-Emerging	0.00%	4.75%
Investment-Grade Bonds	3.00%	2.55%
Strategic Credit	9.00%	3.70%
Direct Lending	16.00%	6.85%
Distressed Debt	4.00%	6.80%
REIT Equities	2.00%	3.95%
Master Limited Partnerships (MLPs)	2.00%	4.95%
Commodities	2.00%	1.00%
Private Real Estate Partnerships	6.00%	5.75%
Private Equity	25.00%	8.15%
Hedge Funds	6.00%	3.60%
Cash Equivalents	2.00%	1.10%

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT PLAN (Continued)**

Changes in Net Pension Liability/(Asset)

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2024 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances of December 31, 2023	\$ 1,163,863	\$ 843,119	\$ 320,744
Changes for the year:			
Service Cost	675,068		675,068
Interest on the Total Pension Liability	139,282		139,282
Effect of Plan Changes			
Effect of Economic/Demographic gains or losses	297,986		297,986
Effect of Assumptions Changes or Inputs			
Refund of Contributions	(10,661)	(10,661)	
Benefit Payments	(2,126)	(2,126)	
Administrative Expenses		(1,062)	1,062
Member Contributions		402,741	(402,741)
Net Investment Income		106,064	(106,064)
Employer Contributions		559,810	(559,810)
Other		52,523	(52,523)
Balances of December 31, 2024	<u>\$ 2,263,412</u>	<u>\$ 1,950,408</u>	<u>\$ 313,004</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%	Current	1%
	Decrease	Discount Rate	Increase
	6.60%	7.60%	8.60%
Total Pension Liability	\$ 2,764,837	\$ 2,263,412	\$ 1,865,435
Fiduciary Net Position	<u>1,950,408</u>	<u>1,950,408</u>	<u>1,950,408</u>
Net Pension Liability/(Asset)	<u>\$ 814,429</u>	<u>\$ 313,004</u>	<u>\$ (84,973)</u>

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 10. TCDRS RETIREMENT PLAN (Continued)**

Deferred Inflows/Outflows of Resources

As of December 31, 2025, the deferred inflows and outflows of resources are as follows:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ -0-	\$ 368,885
Net difference between projected and actual earnings		13,386
Contributions paid to TCDRS subsequent to the measurement date		620,691
Total	\$ -0-	\$ 1,002,962

\$620,691 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, 2025 (i.e. recognized in the District's financial statements for the year ending December 31, 2026). 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:

2025	\$ 49,784
2026	49,783
2027	42,002
2028	41,489
2029	42,418
Thereafter	156,795

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 11. GROUP TERM LIFE INSURANCE**

The District participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at [www.tcdrs.org](http://www.tcdrs.org). TCDRS' CAFR may also be obtained by writing to the Texas County & District Retirement System; P.O. Box 2034, Austin, TX 78768-2034, or by calling 800~823-7782.

Funding Policy: Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The District's contribution to the GTLF for the years ending December 31, 2025, 2024 and 2023 were \$4,983, 6,213 and \$3,620, respectively, which equaled the contractually required contribution.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2025**

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 15,841,496	\$ 15,841,496	\$ 15,838,490	\$ (3,006)
Sales Tax Revenues	8,268,750	8,268,750	10,059,851	1,791,101
Penalty and Interest	113,000	113,000	367,515	254,515
Investment Revenues	403,500	403,500	918,380	514,880
Miscellaneous Revenues	41,000	41,000	1,179,667	1,138,667
<b>TOTAL REVENUES</b>	<u>\$ 24,667,746</u>	<u>\$ 24,667,746</u>	<u>\$ 28,363,903</u>	<u>\$ 3,696,157</u>
<b>EXPENDITURES</b>				
Service Operations:				
District Services:				
Monaville VFD	\$ 71,019	\$ 71,019	\$ 43,732	\$ 27,287
Mount Zion VFD	22,305	22,305	22,230	75
Pattison Area VFD	84,177	84,177	81,051	3,126
Prairie View VFD	51,060	51,060	50,419	641
Waller VFD	92,681	92,681	64,303	28,378
Waller County EMS	5,036,450	5,036,450	4,736,012	300,438
Accounting and Auditing	69,000	69,000	66,575	2,425
Appraisal District Fees	150,000	150,000	183,993	(33,993)
Commissioner Fees	35,000	35,000	21,613	13,387
Election Expense	35,000	35,000	13,999	21,001
Insurance for Providers			7,238	(7,238)
Salaries and Benefits	10,677,796	11,874,289	8,872,310	3,001,979
Legal Fees - General	140,000	140,000	109,319	30,681
Legal Fees - Delinquent Tax Collections	50,000	50,000	105,785	(55,785)
Repairs and Maintenance	890,832	202,158	789,310	(587,152)
Tax Assessor/Collector Fees	80,000	80,000	1,021	78,979
Office Expense	1,295,862	1,292,302	1,154,610	137,692
Other	969,832	1,906,106	1,745,468	160,638
Capital Outlay	8,827,492	11,875,510	10,749,206	1,126,304
Debt Service: Principal and Interest	3,396,398	3,396,398	3,347,700	48,698
<b>TOTAL EXPENDITURES</b>	<u>\$ 31,974,904</u>	<u>\$ 36,463,455</u>	<u>\$ 32,165,894</u>	<u>\$ 4,297,561</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (7,307,158)</u>	<u>\$ (11,795,709)</u>	<u>\$ (3,801,991)</u>	<u>\$ 7,993,718</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Loan Proceeds	\$ 2,000,000	\$ 2,000,000	\$ 3,353,850	\$ 1,353,850
<b>NET CHANGE IN FUND BALANCE</b>	\$ (5,307,158)	\$ (9,795,709)	\$ (448,141)	\$ 9,347,568
<b>FUND BALANCE - JANUARY 1, 2025</b>	<u>17,311,662</u>	<u>17,311,662</u>	<u>17,311,662</u>	
<b>FUND BALANCE - DECEMBER 31, 2025</b>	<u>\$ 12,004,504</u>	<u>\$ 7,515,953</u>	<u>\$ 16,863,521</u>	<u>\$ 9,347,568</u>

See accompanying independent auditor's report.

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF NET**  
**PENSION LIABILITY AND CONTRIBUTIONS TO TESRS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

<b>Contributing Entity's Proportionate Share of Collective Net Pension Liability</b>						
Date of Actuarial Valuation	8/31/2025	8/31/2024	8/31/2023	8/31/2022	8/31/2021	8/31/2020
Proportionate Share per TESRS	<u>0.218%</u>	<u>0.243%</u>	<u>0.475%</u>	<u>0.475%</u>	<u>0.346%</u>	<u>0.432%</u>
TESRS Net Pension Liability	\$ 48,621,858	\$ 107,374,812	\$ 43,287,107	\$ 41,031,160	\$ 10,714,152	\$ 25,210,882
proportionate share	\$ 105,996	\$ 260,921	\$ 205,613	\$ 194,898	\$ 37,071	\$ 108,911
<b>Contributing Entity's Contributions to TESRS</b>						
Contributions	\$ 12,024	\$ 12,528	\$ 16,164	\$ 25,303	\$ 16,632	\$ 20,160

See accompanying independent auditor's report.

8/31/2019	8/31/2018	8/31/2017	8/31/2016
<u>0.407%</u>	<u>0.493%</u>	<u>0.508%</u>	<u>0.535%</u>
\$ 28,345,563	\$ 21,650,451	\$ 24,001,678	\$ 29,128,103
\$ 115,366	\$ 106,737	\$ 121,929	\$ 155,835
\$ 18,230	\$ 23,602	\$ 24,552	\$ 24,516

See accompanying independent auditor's report.

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>Total Pension Liability</b>			
Service cost	\$ 675,068	\$ 338,373	\$ 293,518
Interest on total pension liability	139,282	49,603	22,224
Effect of plan changes		339,722	
Effect of economic/demographic (gains) or losses	297,986	123,670	2,518
Effect of assumptions changes or inputs			
Benefit payments/refunds of contributions	<u>(12,787)</u>	<u>(3,538)</u>	<u>(2,227)</u>
Net change in total pension liability	\$ 1,099,549	\$ 847,830	\$ 316,033
Total pension liability, beginning	<u>1,163,863</u>	<u>316,033</u>	<u></u>
Total pension liability, ending (a)	<u>\$ 2,263,412</u>	<u>\$ 1,163,863</u>	<u>\$ 316,033</u>
<b>Fiduciary Net Position</b>			
Employer contributions	\$ 559,810	\$ 177,161	\$ 117,391
Member contributions	402,741	285,743	189,341
Investment income net of investment expenses	106,064	39,848	(25,968)
Benefit payments/refunds of contributions	(12,787)	(3,538)	(2,227)
Administrative expenses	(1,062)	(440)	(188)
Other	<u>52,523</u>	<u>23,125</u>	<u>42,871</u>
Net change in plan fiduciary net position	\$ 1,107,289	\$ 521,899	\$ 321,220
Fiduciary net position, beginning	<u>843,119</u>	<u>321,220</u>	<u></u>
Fiduciary net position, ending (b)	<u>\$ 1,950,408</u>	<u>\$ 843,119</u>	<u>\$ 321,220</u>
<b>Net Pension Liability/(Asset), Ending = (a) - (b)</b>	<u>\$ 313,004</u>	<u>\$ 320,744</u>	<u>\$ (5,187)</u>
<b>Fiduciary net position as a percentage of the total pension liability</b>	86.17%	72.44%	101.64%
<b>Pensionable covered payroll</b>	\$ 5,753,443	\$ 4,082,042	\$ 2,704,866
<b>Net pension liability as a percentage of covered employee payroll</b>	5.44%	7.86%	-0.19%

Note : 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.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
DECEMBER 31, 2025**

Fiscal Year Ending December 31	Actuarially Determined Contribution (1)	Actual Employer Contribution (1)	Contribution Deficiency (Excess)	Pensionable Covered Payroll (2)	Actual Contribution as a Percentage of Covered Payroll
2022	\$ 117,391	\$ 117,391	\$ -0-	\$ 2,704,866	4.3%
2023	\$ 177,161	\$ 177,161	\$ -0-	\$ 4,082,042	4.3%
2024	\$ 559,810	\$ 559,810	\$ -0-	\$ 5,753,443	9.7%
2025	\$ 620,691	\$ 620,691	\$ -0-	\$ 6,231,843	10.0%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis.

(2) Payroll is calculated based on contributions as reported by TCDRS

A full 10-year schedule will be displayed as it becomes available.

See accompanying independent auditor's report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
NOTES TO SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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	15.0 years (based on contribution rate calculated in 12/31/24 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 investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Change 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 assumptions were reflected 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: Not applicable, prior to TCDRS participation. 2016: Not applicable, prior to TCDRS participation. 2017: Not applicable, prior to TCDRS participation. 2018: Not applicable, prior to TCDRS participation. 2019: Not applicable, prior to TCDRS participation. 2020: Not applicable, prior to TCDRS participation. 2021: Not applicable, prior to TCDRS participation. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule. 2024: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits.

See accompanying independent auditor's report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY HARRIS COUNTY**

**DECEMBER 31, 2025**



**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
LISTING OF THE NUMBER OF EMERGENCY  
RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(UNAUDITED)**

Number of emergency responses made within the District	6,221
Number of emergency responses made outside of the District	<u>78</u>
Total emergency responses	<u><u>6,299</u></u>

See accompanying independent auditor's report.

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**SCHEDULE OF INSURANCE AND BONDING COVERAGE**  
**DECEMBER 31, 2025**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC OFFICIAL BOND Treasurer	01/01/25 01/01/26	\$ 100,000	Merchants Bonding Company
PUBLIC EMPLOYEE DISHONESTY BLANKET Crime	08/17/25 08/17/26	\$ 300,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	08/17/25 08/17/26	\$ 3,000,000 \$ 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY General Aggregate Each Occurrence	08/17/25 08/17/26	\$ 3,000,000 \$ 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY General Aggregate Each Occurrence	08/17/25 08/17/26	\$ 8,000,000 \$ 4,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit Deductible	08/17/25 08/17/26	\$ 1,000,000 \$ 1,000	National Union Fire Insurance Company
PORTABLE EQUIPMENT  Deductible	08/17/25 08/17/26	Blanket Replacement Cost \$ 500	National Union Fire Insurance Company
PROPERTY Buildings Contents Deductible	08/17/25 08/17/26	\$ 21,552,671 \$ 2,540,410 \$ 1,000	National Union Fire Insurance Company
ACCIDENT & SICKNESS Accidental Death & Dismemberment	08/17/25 08/17/26	\$ 500,000	National Union Fire Insurance Company

See accompanying independent auditor's report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
STATEMENT OF ACTIVITIES  
OF SERVICE PROVIDERS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(UNAUDITED)**

	Mount Zion VFD	Pattison Area VFD	Prairie View VFD	Waller VFD	Waller EMS
<b>REVENUES</b>					
Waller Harris ESD 200	\$ 22,230	\$ 82,814	\$ 62,226	\$ 65,222	\$ 4,848,426
Ambulance Billing					3,134,932
Other Revenues	3,809	120,671		13,240	74,469
Unused funds returned/ Miscellaneous Revenue					
<b>TOTAL REVENUES</b>	<u>\$ 26,039</u>	<u>\$ 203,485</u>	<u>\$ 62,226</u>	<u>\$ 78,462</u>	<u>\$ 8,057,827</u>
<b>EXPENSES:</b>					
Administrative	\$ 8,396	\$ 67,250	\$ 13,082	\$ 8,568	\$ 215,153
Vehicle Maintenance	716	19,575	1,367	130	49,329
Fuel	121	9,081	2,384	7,959	145,361
Insurance Expense	1,820		12,527	2,800	
Payroll					6,226,441
Station Repairs and Maintenance	6,292	18,142	9,298	6,153	48,343
Professional Fees					5,922
Supplies					330,981
Equipment and Gear		3,694	2,541	9,098	32,256
Training	1,904	1,543	714	3,146	30,961
Utilities	2,243	29,069	9,366	18,351	62,957
Other					173,872
<b>TOTAL EXPENSES</b>	<u>\$ 21,492</u>	<u>\$ 148,354</u>	<u>\$ 51,279</u>	<u>\$ 56,205</u>	<u>\$ 7,321,576</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 4,547</u>	<u>\$ 55,131</u>	<u>\$ 10,947</u>	<u>\$ 22,257</u>	<u>\$ 736,251</u>

See accompanying independent auditor's report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2025**

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Property Taxes	
TAXES RECEIVABLE - JANUARY 1, 2025	\$ 12,207,573	
Adjustments to Beginning Balance	(107,227)	\$ 12,100,346
Original 2025 Tax Levy	\$ 18,927,173	
Adjustment to 2025 Tax Levy	58,352	18,985,525
TOTAL TO BE ACCOUNTED FOR		\$ 31,085,871
TAX COLLECTIONS:		
Prior Years	\$ 11,507,307	
Current Year	6,969,353	18,476,660
TAXES RECEIVABLE - DECEMBER 31, 2025		\$ 12,609,211
TAXES RECEIVABLE BY YEAR:		
2025		\$ 12,016,172
2024		232,607
2023		123,267
2022		69,678
2021		38,545
2020		25,249
2019		15,067
2018		14,253
2017		11,536
2016		19,790
2015		8,046
2014		5,264
2013		4,287
2012		4,846
2011		3,184
2010		3,280
2009		3,540
2008		2,958
2007		6,952
2006		224
2005		466
TOTAL		\$ 12,609,211

See accompanying independent auditor's report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>HARRIS COUNTY</b>				
TOTAL PROPERTY VALUATIONS	\$ <u>6,529,230,040</u>	\$ <u>5,523,043,643</u>	\$ <u>4,862,770,026</u>	\$ <u>3,942,209,411</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.100000</u>	\$ <u>0.096641</u>	\$ <u>0.086301</u>	\$ <u>0.097426</u>
ADJUSTED TAX LEVY*	\$ <u>6,529,239</u>	\$ <u>5,310,768</u>	\$ <u>4,182,951</u>	\$ <u>3,840,737</u>
<b>WALLER COUNTY</b>				
TOTAL PROPERTY VALUATIONS	\$ <u>12,456,286,280</u>	\$ <u>11,002,271,903</u>	\$ <u>9,488,131,014</u>	\$ <u>7,577,283,579</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.100000</u>	\$ <u>0.096641</u>	\$ <u>0.086301</u>	\$ <u>0.097426</u>
ADJUSTED TAX LEVY*	\$ <u>12,456,286</u>	\$ <u>10,632,706</u>	\$ <u>8,207,917</u>	\$ <u>7,382,245</u>
<b>TOTAL TAX LEVY*</b>	<u>\$ 18,985,525</u>	<u>\$ 15,943,473</u>	<u>\$ 12,390,868</u>	<u>\$ 11,222,982</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>36.71 %</u>	<u>98.54 %</u>	<u>99.01 %</u>	<u>99.38 %</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.

**WALLER-HARRIS**  
**EMERGENCY SERVICES DISTRICT NO. 200**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amount		
	2025	2024	2023
<b>REVENUES</b>			
Property Taxes	\$ 15,838,490	\$ 12,175,259	\$ 11,216,413
Sales Tax Revenues	10,059,851	8,478,702	7,821,780
Penalty and Interest	367,515	382,301	224,642
Investment Revenues	918,380	1,181,325	574,328
Grant Revenues			
Miscellaneous Revenues	1,179,667	476,146	93,194
<b>TOTAL REVENUES</b>	<b>\$ 28,363,903</b>	<b>\$ 22,693,733</b>	<b>\$ 19,930,357</b>
<b>EXPENDITURES</b>			
Service Operations			
District Services:			
Providers	\$ 4,997,747	\$ 3,854,941	\$ 3,778,987
Accounting & Auditing	66,575	87,000	78,746
Appraisal District Fees	183,993	150,165	126,930
Commissioner Fees	21,613	36,000	43,000
Election Expense	13,999	35,792	
Insurance for Providers	7,238	7,348	29,387
Katy Station			
Hockley Station			
Station 51			
Station 11			
Station 71			
Station 42			
Salaries and Benefits/Paid Fire Fighters	8,872,310	7,567,570	4,930,371
Legal Fees - General	109,319	98,967	129,110
Legal Fees - Delinquent Tax Collections	105,785	75,606	68,294
Repairs and Maintenance	789,310	556,298	1,341,891
Tax Assessor/Collector Fees	1,021	55,163	64,658
Office Expense	1,154,610	1,255,502	926,678
Other	1,745,468	1,142,992	1,234,196
Loss on Sale of Asset			
Capital Outlay	10,749,206	12,018,853	6,754,403
Debt Service Principal	2,574,898	1,833,341	1,268,692
Debt Service Interest	772,802	577,856	192,140
<b>TOTAL EXPENDITURES</b>	<b>\$ 32,165,894</b>	<b>\$ 29,353,394</b>	<b>\$ 20,967,483</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (3,801,991)</b>	<b>\$ (6,659,661)</b>	<b>\$ (1,037,126)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	\$ 3,353,850	\$ 7,713,216	\$ 7,000,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (448,141)</b>	<b>\$ 1,053,555</b>	<b>\$ 5,962,874</b>
<b>BEGINNING FUND BALANCE</b>	<b>17,311,662</b>	<b>16,258,107</b>	<b>10,295,233</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 16,863,521</b>	<b>\$ 17,311,662</b>	<b>\$ 16,258,107</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 9,042,608	\$ 7,844,744	55.8 %	53.6 %	56.3 %	56.6 %	66.4 %
6,473,023	3,365,870	35.5	37.4	39.2	40.3	28.5
311,195	174,667	1.3	1.7	1.1	1.9	1.5
144,523	42,324	3.2	5.2	2.9	0.9	0.4
	90,393					0.8
41,501	285,272	4.2	2.1	0.5	0.3	2.4
<u>\$ 16,012,850</u>	<u>\$ 11,803,270</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 3,103,346	\$ 2,338,411	17.6 %	17.0 %	19.0 %	19.4 %	19.7 %
134,066	53,600	0.2	0.4	0.4	0.8	0.5
111,597	93,354	0.6	0.7	0.6	0.7	0.8
24,900	30,400	0.1	0.2	0.2	0.2	0.3
37,626	13,408		0.2		0.2	0.1
89,356	146,185			0.1	0.6	1.2
173,062	1,503,789				1.1	12.7
7,771	6,984					0.1
34,918					0.2	
18,533					0.1	
86,769					0.5	
41,562					0.3	
3,683,376	1,295,787	31.3	33.3	24.7	23.0	11.0
89,886	85,009	0.4	0.4	0.6	0.6	0.7
61,801	58,102	0.4	0.3	0.3	0.4	0.5
881,811	231,840	2.8	2.5	6.7	5.5	2.0
16,324	60,760		0.2	0.3	0.1	0.5
592,041	70,875	4.1	5.5	4.6	3.7	0.6
505,653	220,849	6.2	5.0	6.2	3.2	1.9
3,145,334	8,040,178	37.9	53.0	33.9	19.6	68.1
1,053,169	1,345,287	9.1	8.1	6.4	6.6	11.4
152,516	121,300	2.7	2.5	1.0	1.0	1.0
<u>\$ 14,045,417</u>	<u>\$ 15,716,118</u>	<u>113.4 %</u>	<u>129.3 %</u>	<u>105.0 %</u>	<u>87.8 %</u>	<u>133.1 %</u>
<u>\$ 1,967,433</u>	<u>\$ (3,912,848)</u>	<u>(13.4) %</u>	<u>(29.3) %</u>	<u>(5.0) %</u>	<u>12.2 %</u>	<u>(33.1) %</u>
<u>\$ 3,500,000</u>	<u>\$ 3,640,076</u>					
<u>\$ 5,467,433</u>	<u>\$ (272,772)</u>					
<u>4,827,800</u>	<u>5,100,572</u>					
<u>\$ 10,295,233</u>	<u>\$ 4,827,800</u>					

See accompanying independent auditor's report.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
BOARD OF COMMISSIONERS AND CONSULTANTS  
DECEMBER 31, 2025**

District Mailing Address - Waller-Harris Emergency Services District No. 200  
PO Box 510  
Waller, Texas 77484

District Telephone Number - (936) 372-8084

<u>Board Members</u>	Term of Office (Appointed or Elected)	Fees of Office for the year ended December 31, 2025	Expense Reimbursements for the year ended December 31, 2025	Title
Brenda Bundick	01/01/25 12/31/28 (Elected)	\$ 7,200	\$ -0-	President
Denna Elliott	10/21/25 12/31/26 (Elected)	-0-	-0-	Vice President
Ann Saunders	01/01/23 10/21/25 (Resigned)	\$ 7,200	\$ 158	Former Vice President
Melinda Zepeda Hashaw	01/01/23 12/31/26 (Elected)	\$ -0-	\$ 45	Secretary
Sherry Whiteley	01/01/23 12/31/26 (Elected)	\$ 7,200	\$ -0-	Treasurer
Brian Davis	01/01/25 12/31/28 (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.

**WALLER-HARRIS  
EMERGENCY SERVICES DISTRICT NO. 200  
BOARD OF COMMISSIONERS AND CONSULTANTS  
DECEMBER 31, 2025**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2025 *</u>	<u>Title</u>
Coveler & Peeler, P.C.		\$ 103,170	Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	04/08/13	\$ 29,500	Auditor
Better Bookkeepers	6/17/25	\$ 10,350	Bookkeeper
Randall F. Parr, CPA		\$ 6,000	Former Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 19,222	Harris County Delinquent Tax Attorney
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/19/13	\$ 86,563	Waller County Delinquent Tax Attorney
HdL Companies	11/19/24	\$ 146,977	Sales Tax Consultant
Harris County Tax Assessor	Legislative Action	\$ 25,153	Tax Assessor/ Collector
Waller County Tax Assessor	Legislative Action	\$ 21,261	Tax Assessor/ Collector

\* Accrual Basis

See accompanying independent auditor's report.