

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

*Mike M. McCall
(retired)
Debbie Gibson
(retired)*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Harris County Emergency
Services District No. 15
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Harris County Emergency Services District No. 15 (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

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

June 12, 2025

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

Management's discussion and analysis of Harris County Emergency Services District No. 15's (the "District") financial performance provides an overview of the District's financial activities for the year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to 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 period. All current year revenues and expenses are included regardless of when cash is received or paid.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

FUND FINANCIAL STATEMENTS

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

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 exceeded liabilities and deferred inflows of resources by \$10,830,519 as of December 31, 2024.

A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment, less any debt used to acquire those assets that is still outstanding).

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

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		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 5,983,125	\$ 6,667,861	\$ (684,736)
Capital Assets	13,035,992	12,897,301	138,691
Total Assets	\$ 19,019,117	\$ 19,565,162	\$ (546,045)
Long-Term Liabilities	\$ 5,314,201	\$ 5,850,225	\$ 536,024
Current and Other Liabilities	1,498,192	1,445,271	(52,921)
Total Liabilities	\$ 6,812,393	\$ 7,295,496	\$ 483,103
Deferred Inflows of Resources	\$ 1,376,205	\$ 1,224,040	\$ (152,165)
Net Position:			
Net Investment in Capital Assets	\$ 7,185,767	\$ 6,708,715	\$ 477,052
Restricted	122,642	6,873	115,769
Unrestricted	3,522,110	4,330,038	(807,928)
Total Net Position	\$ 10,830,519	\$ 11,045,626	\$ (215,107)

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

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,201,481	\$ 972,879	\$ 228,602
Sales Tax Receipts	2,545,992	2,269,484	276,508
Other Revenues	228,283	354,987	(126,704)
Total Revenues	\$ 3,975,756	\$ 3,597,350	\$ 378,406
Expenses for Services	4,190,863	2,954,289	(1,236,574)
Change in Net Position	\$ (215,107)	\$ 643,061	\$ (858,168)
Net Position, Beginning of Year	11,045,626	10,402,565	643,061
Net Position, End of Year	\$ 10,830,519	\$ 11,045,626	\$ (215,107)

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2024, was \$3,674,126, a decrease of \$887,679 from the prior year. The decrease was primarily due to service operations and capital costs exceeding property tax revenues and sales tax revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners amended the budget during the current year. Actual revenues were \$75,542 less than budgeted revenues and actual expenditures were \$499,087 more than budgeted expenditures. This resulted in a negative budget variance of \$574,629. See the budget to actual comparison for further information.

CAPITAL ASSETS

Capital assets as of December 31, 2024 total \$13,035,992 (net of accumulated depreciation) and include land, buildings, vehicles, and equipment. Significant capital activity in the current year is for construction, architect and engineering fees for proposed Station 4 on Mahaffey Road, as well as amounts paid for pumper trucks.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	\$ 662,191	\$ 662,191	\$
Construction in Progress		8,931,488	(8,931,488)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	11,320,390	3,303,622	8,016,768
Machinery and Equipment	992,579		992,579
Vehicles	60,832		60,832
Total Net Capital Assets	<u>\$ 13,035,992</u>	<u>\$ 12,897,301</u>	<u>\$ 138,691</u>

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total long-term debt payable of \$5,850,225. The change in the debt position of the District during the fiscal year ended December 31, 2024, is summarized as follows:

Notes Payable, January 1, 2024	\$ 6,368,041
Less: Principal Paid	<u>517,816</u>
Notes Payable, December 31, 2024	<u>\$ 5,850,225</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Emergency Services District No. 15, c/o Coveler & Peeler, P.C., 820 Gessner, Suite 1710, Houston, TX 77024.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 2,351,294	\$	\$ 2,351,294
Restricted Cash	122,642		122,642
Investments	1,703,713		1,703,713
Due from Harris County Tax Assessor/Collector	454,695		454,695
Receivables:			
Property Taxes	799,312		799,312
Penalty and Interest on Delinquent Taxes		21,846	21,846
Other	30,000		30,000
Sales Tax Receipts	499,623		499,623
Land		662,191	662,191
Capital Assets (Net of Accumulated Depreciation)		12,373,801	12,373,801
TOTAL ASSETS	<u>\$ 5,961,279</u>	<u>\$ 13,057,838</u>	<u>\$ 19,019,117</u>
LIABILITIES			
Accounts Payable	\$ 869,928	\$	\$ 869,928
Accrued Interest Payable		92,240	92,240
Long-Term Liabilities:			
Notes Payable, Due Within One Year		536,024	536,024
Notes Payable, Due After One Year		5,314,201	5,314,201
TOTAL LIABILITIES	<u>\$ 869,928</u>	<u>\$ 5,942,465</u>	<u>\$ 6,812,393</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ 1,417,225</u>	<u>\$ (41,020)</u>	<u>\$ 1,376,205</u>
FUND BALANCE			
Restricted	\$ 122,642	\$ (122,642)	\$
Unassigned	3,551,484	(3,551,484)	
TOTAL FUND BALANCE	<u>\$ 3,674,126</u>	<u>\$ (3,674,126)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 5,961,279</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 7,185,767	\$ 7,185,767
Restricted		122,642	122,642
Unrestricted		3,522,110	3,522,110
TOTAL NET POSITION		<u>\$ 10,830,519</u>	<u>\$ 10,830,519</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balance - Governmental Funds	\$	3,674,126
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Land, construction in progress, and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		13,035,992
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenues in the governmental activities of the District.		62,866
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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	\$ (92,240)	
Notes Payable Within One Year	(536,024)	
Notes Payable After One Year	<u>(5,314,201)</u>	<u>(5,942,465)</u>
Total Net Position - Governmental Activities	\$	<u>10,830,519</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 1,192,996	\$ 8,485	\$ 1,201,481
Sales Tax Receipts	2,545,992		2,545,992
Penalty and Interest	14,742	3,562	18,304
Investment Revenues	177,732		177,732
Lease Revenue	30,000		30,000
Miscellaneous Revenues	2,247		2,247
TOTAL REVENUES	<u>\$ 3,963,709</u>	<u>\$ 12,047</u>	<u>\$ 3,975,756</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - City of Tomball	\$ 3,467,767	\$	\$ 3,467,767
Accounting and Auditing	15,500		15,500
Appraisal District Fees	10,106		10,106
Legal Fees - General	27,643		27,643
Legal Fees - Delinquent Tax Collections	4,515		4,515
Tax Assessor/Collector Fees	11,107		11,107
Depreciation		367,102	367,102
Other	79,179		79,179
Capital Outlay	505,793	(505,793)	
Debt Service:			
Note Principal	517,816	(517,816)	
Note Interest	211,962	(4,018)	207,944
TOTAL EXPENDITURES/EXPENSES	<u>\$ 4,851,388</u>	<u>\$ (660,525)</u>	<u>\$ 4,190,863</u>
NET CHANGE IN FUND BALANCE	\$ (887,679)	\$ 887,679	\$
CHANGE IN NET POSITION		(215,107)	(215,107)
FUND BALANCE/NET POSITION - JANUARY 1, 2024	<u>4,561,805</u>	<u>6,483,821</u>	<u>11,045,626</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2024	<u><u>\$ 3,674,126</u></u>	<u><u>\$ 7,156,393</u></u>	<u><u>\$ 10,830,519</u></u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balance - Governmental Funds	\$	(887,679)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.		8,485
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Governmental funds report penalty and interest revenues on property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.		3,562
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Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(367,102)
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Governmental funds report capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.		505,793
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Governmental funds report principal payments on long-term liabilities 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.		517,816
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Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on long-term debt through the fiscal year-end.		4,018
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Change in Net Position - Governmental Activities	\$	<u>(215,107)</u>
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The accompanying notes to the financial
statements are an integral part of this report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1. CREATION OF DISTRICT

Harris County Emergency Services District No. 15 (the “District”) was created by the Commissioners’ Court of Harris County on April 12, 2005, in accordance with Article III, Section 48-e, of the Texas Constitution. This action was taken by the Commissioners as a result of voter approval by residents of the District on September 11, 2004. The District operates under Chapter 775 of the Health and Safety Code. The District was established to provide funds for the contracting of emergency 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 in the government-wide Statement of Activities.

Fund Financial Statements

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

Governmental Funds

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenues include the 2023 tax levy collections during the period October 1, 2023, to December 31, 2024, and taxes collected from January 1, 2024, to December 31, 2024, for all prior tax levies. The 2024 tax levy has been fully deferred to meet the District’s planned expenditures in the 2025 fiscal year.

Capital Assets

Capital assets, which include land, buildings, 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 an expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset after completion. Installation costs, professional fees and certain other costs are capitalized as part of the asset.

Capital assets are capitalized if they have an original cost of \$5,000 or more (including installation costs and professional fees) and a useful life of two years or more. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimates useful lives are as follows:

	<u>Years</u>
Buildings and Vehicles	40
All Other Equipment	5-20

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

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

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

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. The District does not have any nonspendable fund balances.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. As of December 31, 2024, \$122,642 was restricted for the Debt Service Fund.

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

On May 14, 2011, the voters of the District approved to increase the maximum tax rate from \$0.03 to \$0.05 per \$100 of assessed valuation assessed valuation of taxable property within the District. During the fiscal year ended December 31, 2024, the District levied an ad valorem tax at the maintenance tax rate of \$0.03340 per \$100 of assessed valuation and an ad valorem tax at the debt service tax rate of \$0.01541, which resulted in a total tax levy of \$1,376,205 the on the adjusted taxable valuation of \$2,819,493,340 for the 2024 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter. Homestead exemptions which serve to reduce the assessed value of a person's home are established and approved by the Commissioners of the District.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$2,473,936 and the bank balance was \$2,473,936. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2024, as listed below:

	<u>Cash</u>
Unrestricted	\$ 2,351,294
Restricted:	
Debt Service Fund	<u>122,642</u>
Total Deposits	<u>\$ 2,473,936</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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB, 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 1 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, 2024, 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>\$ 1,703,713</u>	<u>\$ 1,703,713</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024 the District's investment in Texas CLASS was rated "AAAm" by Standard & 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 investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024:

	January 1, 2024	Increases	Decreases	December 31, 2024
Capital Assets Not Being Depreciated				
Land	\$ 662,191	\$	\$	\$ 662,191
Construction in Progress	8,931,488	505,793	9,437,281	
Total Capital Assets Not Being Depreciated	<u>\$ 9,593,679</u>	<u>\$ 505,793</u>	<u>\$ 9,437,281</u>	<u>\$ 662,191</u>
Capital Assets at Historical Cost Subject to Depreciation				
Buildings and Improvements	\$ 4,088,878	\$ 8,327,169	\$	\$ 12,416,047
Machinery and Equipment		1,047,240		1,047,240
Vehicles		62,872		62,872
Total Capital Assets at Historical Cost Subject to Depreciation	<u>\$ 4,088,878</u>	<u>\$ 9,437,281</u>	<u>\$ - 0 -</u>	<u>\$ 13,526,159</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 785,256	\$ 310,401	\$	\$ 1,095,657
Machinery and Equipment		54,661		54,661
Vehicles		2,040		2,040
Total Accumulated Depreciation	<u>\$ 785,256</u>	<u>\$ 367,102</u>	<u>\$ - 0 -</u>	<u>\$ 1,152,358</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,303,622</u>	<u>\$ 9,070,179</u>	<u>\$ - 0 -</u>	<u>\$ 12,373,801</u>
Total Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 12,897,301</u></u>	<u><u>\$ 9,575,972</u></u>	<u><u>\$ 9,437,281</u></u>	<u><u>\$ 13,035,992</u></u>

NOTE 6. CONTRACT FOR PROVIDING EMERGENCY SERVICES

The District has contracted with the City of Tomball ("Tomball") for fire protection, fire suppression and emergency medical first responder and rescue services to the persons and commercial interests within the boundaries of the District. The term of the current contract is for 15 years commencing on December 31, 2015 and ending September 30, 2030. The District approved amendments to the contract effective October 1, 2017, January 1, 2019, February 24, 2023, and subsequent to year-end, January 1, 2025.

The District has constructed and maintains a fire station on Telge Road, and a new fire station to be constructed on Mahaffey Road, for use by the Tomball Fire Department.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6. CONTRACT FOR PROVIDING EMERGENCY SERVICES (Continued)

Either party may terminate this agreement by providing one-year written notice to the other party, the Tomball Fire Department and the Harris County Fire Marshal's office. If this agreement is terminated prior to September 30, 2030, the Tomball Fire Department may continue to provide emergency services to the District and Tomball may continue to have use, occupancy and quiet enjoyment of the Telge Station under the terms of the agreement and any lease agreements.

During the term of this agreement, Tomball will assign three (3) firefighters per shift for a total of nine (9) firefighters to serve at each of the District's two fire stations, for a total of eighteen (18) firefighters. Tomball will also assign one (1) Battalion Chief to the District to be housed at one of the two fire stations. Both Tomball and the District may reevaluate at any time during the term of the agreement if more firefighters are needed to be staffed at any of the two stations and if it is feasible.

The District will be responsible for the payment of the following to Tomball: 100% of the actual costs associated with hours worked by the firefighter in the provision of fire protection services as outlined in the agreement; 100% of the actual costs associated with hours worked by one Battalion Chief in the provision of fire protection services as outlined in the agreement, and any overtime hours worked by the firefighters or the Battalion Chief not in connection with the duties to support the District will be paid in full by Tomball; 100% of the costs associated with any training that is mandated; 100% of the operating costs of the District's stations; and 25% of the costs of actual salaries and benefits of the Fire Department Administration for each term in the agreement. These costs will be invoiced to the District on a quarterly basis.

The District will be responsible for future capital expenses related to the fire station and will purchase its own apparatus for fire protection services. The District will be responsible for providing property, hazard and liability insurance related to its assets at the fire station. Any repair, replacement or maintenance due to the negligence of the District or Tomball will be the sole responsibility of the party causing the same. Any and all costs related to the operations of the District are solely the responsibility of the District.

The District will no longer be obligated to provide any portion of its tax rate (previously the annual compensation to be paid by the District to Tomball was calculated by applying a three cent (\$0.03) tax rate per \$100 valuation to the assessed valuation of the tax role as certified by the Harris County Appraisal District). The District will now pay a proportion of support services provided by Tomball required to operate fire protection services in the District as follows: 25% of Tomball's cost to operate its telecommunications and dispatch services; 10% of Tomball's cost to operate information technology services; 15% of Tomball's cost to operate human resource services; 5% of Tomball's cost to operate finance department services; and 1% of Tomball's cost to provide city management. Payments will be made on a quarterly basis in arrears, based upon the reasonable actual expenditures made by Tomball, no later than 45 days following presentation of an invoice from Tomball.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7. 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.

NOTE 8. SALES AND USE TAX

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

On May 12, 2012, the voters of the District approved the establishment and adoption of a sales and use tax of up to a maximum of one percent. On June 28, 2012, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, except in those areas that already have a two percent tax, effective January 1, 2013. During the current fiscal year, the District recorded \$2,545,992 in sales tax receipts, of which \$499,623 was recorded as a receivable at year-end.

NOTE 9. LONG-TERM DEBT

On December 11, 2014, the District issued its Series 2014 Tax-Exempt Note ("Note") in the amount of \$3,500,000 to Capital One Public Funding, LLC. Proceeds were used to finance the cost of constructing a fire station and paying the costs of issuing the loan. The interest rate is 3.59%. Beginning January 15, 2015, payments of principal and related interest of \$25,185.90 are due monthly through December 15, 2029. The note is secured by a lien on the fire station and pledge of its sales tax revenues.

The District has the right to prepay the Note in whole on any payment due date on or after December 12, 2022 through December 11, 2026 at a price equal to 102% of the principal amount plus accrued interest or; on December 12, 2026 and thereafter, at a price equal to 100% of the principal amount plus accrued interest. The District does not have the right to repay the Note in part. During the current fiscal year, the District made total note payments of \$302,231, of which \$247,793 was principal.

On June 1, 2022, the District executed a loan agreement with First Security Finance, Inc. in the amount of \$5,000,000. Proceeds from the Note are being used to finance the construction of the Mahaffey Road fire station. The interest rate is 3.394%. During the current fiscal year, the District made total note payments of \$430,859, of which \$270,023 was principal.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9. LONG-TERM DEBT (Continued)

The Note is not subject to prepayment prior to June 1, 2026. With at least 40 days prior written notice to the lender, the District has the right to prepay the Note in whole only on any payment date on or after June 1, 2026 at a price equal to 102% of the principal amount being prepaid plus accrued interest without any premium.

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

Notes Payable, January 1, 2024	\$ 6,368,041
Less: Principal Paid	<u>517,816</u>
Notes Payable, December 31, 2024	<u>\$ 5,850,225</u>
Notes Payable:	
Due Within One Year	\$ 536,024
Due After One Year	<u>5,314,201</u>
Notes Payable, December 31, 2024	<u>\$ 5,850,225</u>

As of December 31, 2024, debt service requirements on the note are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 536,024	\$ 197,066	\$ 733,090
2026	554,874	178,216	733,090
2027	574,387	158,703	733,090
2028	594,587	138,503	733,090
2029	615,498	117,591	733,089
2030-2034	1,765,294	389,002	2,154,296
2035-2038	<u>1,209,561</u>	<u>83,018</u>	<u>1,292,579</u>
	<u>\$ 5,850,225</u>	<u>\$ 1,262,099</u>	<u>\$ 7,112,324</u>

NOTE 10. MASTER TRUST INDENTURE AND SECURITY AGREEMENT

The District entered into the Master Trust Indenture and Security Agreement (“Agreement”) dated December 11, 2014; and the Supplemental Master Trust Indenture No. 1 dated December 11, 2014 with BOKF, NA dba Bank of Texas (“Master Trustee”) for the purpose of providing for the incurrence of debt and the issuance of notes to evidence and secure such debt. The Frost National Bank is also acting in the capacity of Paying Agent or Note Register.

The District has pledged and assigned to the Master Trustee a security interest in among other things, all of the Sales Tax Revenues to secure the payment of the principal and interest on the notes in accordance with terms and the provisions of the Master Indenture. The following are certain requirements and provisions of the Agreement.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10. MASTER TRUST INDENTURE AND SECURITY AGREEMENT
(Continued)

The District is required to maintain a Revenue Fund. All of the funds collected by the County from the levy of the Sales and Use Tax, without deduction, offset or credit for any administrative charges or expenses incurred by the State or the District in connection with the levy and collection of the Sales and Use Tax, other than any amounts due and owing to the Comptroller of Public Accounts of the State for collection costs and other charges shall be deposited into this account.

The Agreement calls for the establishment of a Debt Service Fund. On or before the last business day of each month, beginning on the last business day of the month in which the closing date occurs, the District will deposit into the Debt Service Fund from the Revenue Fund amounts necessary to accumulate the pro-rata monthly amount required to pay the initial debt service requirements on the note. Once such amount has been deposited, on or before the last business day of each month, there shall be transferred into this fund from the Revenue Fund such pro rata monthly amounts as will be sufficient to accumulate the amount required to pay the debt service requirement scheduled to become due on the Note during the District's current fiscal year. At December 31, 2024, the balance in the Debt Service Fund was \$122,642.

After making any transfers required into the Debt Service Fund, any money remaining in the Revenue Fund shall be considered surplus, and may be deposited into the Surplus Fund and, notwithstanding the pledge of revenues hereunder, may be used by the District for any lawful purpose.

For so long as any amounts remain outstanding under the Note, the District will furnish to the Lender its audited financial statements within 210 days of each fiscal year-end and from time to time upon request such information regarding the business and affairs and financial condition of the District as the Lender may reasonably request.

The District shall maintain insurance with reasonable insurance companies on its properties, in such amounts and against such risk as is customarily maintained by similar business operating in the same vicinity, including fire and extended coverage insurance covering all assets, business interruption insurance, workers compensation insurance, and liability insurance, all to be with such companies and in such amounts as are satisfactory to the Lender, naming Master Trustee as "additional insured".

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Note, within the meaning of section 148 (f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the 5th year anniversary of the Note.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11. LEASE AGREEMENTS

On June 22, 2023, the District entered into a lease agreement with Harris County Emergency Services District No. 8 (“ESD 8”). The District and ESD 8 entered into a revised agreement on November 9, 2023. The agreement gives ESD 8 the right to use and occupy the emergency services station owned and operated by the District and permission to utilize certain areas of the emergency services station, with one bay to be reserved solely for the use and operation of ESD 8’s emergency services vehicle and related equipment. ESD 8 will also be entitled to and provided with sufficient space, furniture and bedding within the emergency services station to house a two-person operating crew on a twenty-four hour per day, seven days per week basis. ESD 8 will pay the District \$30,000 per year for use and occupancy of the emergency services station before the first day of the contract year. The term of the lease agreement is for one year commencing on November 9, 2023 and will automatically renew thereafter for successive one-year terms unless terminated by one of the parties pursuant the terms of the lease.

On November 14, 2023, the District entered into a lease agreement with Harris County Emergency Services District No. 3 (“ESD 3”). The agreement gives ESD 3 the right to use and occupy the emergency services station owned and operated by the District and permission to utilize certain areas of the emergency services station, with one bay to be reserved solely for the use and operation of ESD 3’s emergency services vehicle and related equipment. ESD 3 will also be entitled to and provided with sufficient space, furniture and bedding within the emergency services station to house a two-person operating crew on a twenty-four hour per day, seven days per week basis. ESD 3 will pay the District \$30,000 per year for use and occupancy of the emergency services station before the first day of the contract year. The term of the lease agreement is for one year commencing on November 14, 2023 and will automatically renew thereafter for successive one-year terms unless terminated by one of the parties pursuant the terms of the lease. On January 11, 2024, the District approved an amended lease agreement with ESD 3 to change the term of the lease to commence on January 1, 2024.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 1,217,385	\$ 1,217,385	\$ 1,192,996	\$ (24,389)
Sales Tax Receipts	2,523,500	2,523,500	2,545,992	22,492
Penalty and Interest	8,250	8,250	14,742	6,492
Investment Revenues	206,116	206,116	177,732	(28,384)
Lease Revenue	54,000	84,000	30,000	(54,000)
Miscellaneous Revenues			2,247	2,247
TOTAL REVENUES	<u>\$ 4,009,251</u>	<u>\$ 4,039,251</u>	<u>\$ 3,963,709</u>	<u>\$ (75,542)</u>
EXPENDITURES				
Service Operations:				
District Services - City of Tomball	\$ 3,436,959	\$ 3,436,959	\$ 3,467,767	\$ (30,808)
Accounting and Auditing	13,000	13,000	15,500	(2,500)
Appraisal District Fees	8,000	8,000	10,106	(2,106)
Election Costs	30,630	30,630		30,630
Legal Fees - General	32,000	32,000	27,643	4,357
Legal Fees - Delinquent Tax Collections	2,000	2,000	4,515	(2,515)
Tax Assessor/Collector Fees	12,360	12,360	11,107	1,253
Other	84,385	84,385	79,179	5,206
Capital Outlay			505,793	(505,793)
Debt Service	732,967	732,967	729,778	3,189
TOTAL EXPENDITURES	<u>\$ 4,352,301</u>	<u>\$ 4,352,301</u>	<u>\$ 4,851,388</u>	<u>\$ (499,087)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (343,050)</u>	<u>\$ (313,050)</u>	<u>\$ (887,679)</u>	<u>\$ (574,629)</u>
FUND BALANCE - JANUARY 1, 2024	<u>4,561,805</u>	<u>4,561,805</u>	<u>4,561,805</u>	
FUND BALANCE - DECEMBER 31, 2024	<u>\$ 4,218,755</u>	<u>\$ 4,248,755</u>	<u>\$ 3,674,126</u>	<u>\$ (574,629)</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA
DECEMBER 31, 2024
(UNAUDITED)

Long-Term Debt at December 31, 2024	\$ 5,850,225
Less: Amount in Debt Service Fund	<u>122,642</u>
Net Long-Term Debt at December 31, 2024	<u>\$ 5,727,583</u>
Estimated District Population	<u>34,000</u>
Net Long-Term Debt Per Capita at December 31, 2024 *	<u>\$ 168.46</u>

* Payable solely from sales tax receipts

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
LISTING OF THE NUMBER OF EMERGENCY RESPONSES
MADE WITHIN AND OUTSIDE THE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	<u>Total</u>
Number of Emergency Responses Made Within the District	3,064
Number of Emergency Responses Made Outside the District	<u>94</u>
Total Emergency Responses	<u><u>3,158</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2024

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC EMPLOYEE DISHONESTY BOND - POSITION Treasurer - Barbara Seber	10/20/24 10/20/25	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE DISHONESTY BOND Blanket Per Employee	10/20/24 10/20/25	\$ 100,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	10/20/24 10/20/25	\$ 10,000,000 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY General Aggregate Each Wrongful Act	10/20/24 10/20/25	\$ 10,000,000 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY General Aggregate Per Occurrence	10/20/24 10/20/25	\$ 2,000,000 1,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit Per Accident	10/20/24 10/20/25	\$ 1,000,000	National Union Fire Insurance Company
PROPERTY Buildings Contents Deductible Deductible - Earthquake Deductible - Flood	10/20/24 10/20/25	\$ 12,480,472 287,930 1,000 5% 1,000	National Union Fire Insurance Company

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Maintenance Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2024	\$ 682,730	
Adjustments to Beginning Balance	<u>(22,559)</u>	\$ 660,171
Original 2024 Tax Levy	\$ 1,359,657	
Adjustment to 2024 Tax Levy	<u>16,548</u>	<u>1,376,205</u>
TOTAL TO BE ACCOUNTED FOR		\$ 2,036,376
TAX COLLECTIONS:		
Prior Years	\$ 619,151	
Current Year	<u>617,913</u>	<u>1,237,064</u>
TAXES RECEIVABLE - DECEMBER 31, 2024		<u>\$ 799,312</u>
TAXES RECEIVABLE BY YEAR:		
2024		\$ 758,292
2023		17,452
2022		6,048
2021		3,616
2020		2,940
2019		2,087
2018		1,671
2017		1,413
2016		1,187
2015		928
2014		960
2013		790
2012		528
2011		446
2010		254
2009		225
2008		185
2007		26
2006		239
2005		<u>25</u>
TOTAL		<u>\$ 799,312</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS	<u>\$ 2,819,493,340</u>	<u>\$2,512,268,925</u>	<u>\$2,011,207,651</u>	<u>\$1,746,001,737</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.01541	\$ 0.00000	\$ 0.00000	\$ 0.00000
Maintenance	<u>0.03340</u>	<u>0.04881</u>	<u>0.04881</u>	<u>0.04881</u>
TOTAL TAX RATES PER \$100 VALUATION**	<u>\$ 0.048810</u>	<u>\$ 0.048810</u>	<u>\$ 0.04881</u>	<u>\$ 0.04881</u>
ADJUSTED TAX LEVY*	<u>\$ 1,376,205</u>	<u>\$ 1,224,040</u>	<u>\$ 974,491</u>	<u>\$ 852,204</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>44.90 %</u>	<u>98.57 %</u>	<u>99.38 %</u>	<u>99.58 %</u>

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

** Maximum tax rate of \$0.05 per \$100 of assessed valuation approved by voters on May 14, 2011.

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 1,192,996	\$ 970,785	\$ 841,094
Sales Tax Receipts	2,545,992	2,269,484	2,260,404
Penalty and Interest	14,742	14,218	10,685
Investment Revenues	177,732	250,123	86,129
Lease Revenue	30,000	87,000	18,000
Miscellaneous Revenues	<u>2,247</u>	<u>1,823</u>	<u>1,175</u>
TOTAL REVENUES	<u>\$ 3,963,709</u>	<u>\$ 3,593,433</u>	<u>\$ 3,217,487</u>
EXPENDITURES			
District Services - City of Tomball	\$ 3,467,767	\$ 2,485,501	\$ 1,433,985
Accounting and Auditing	15,500	13,250	12,700
Appraisal District Fees	10,106	9,349	6,355
Election Costs			17,677
Legal Fees - General	27,643	34,048	53,820
Legal Fees - Delinquent Tax Collections	4,515	4,464	2,798
Tax Assessor/Collector Fees	11,107	8,959	9,663
Other	79,179	69,290	32,723
Capital Outlay	505,793	5,052,993	3,688,408
Debt Service:			
Note Principal	517,816	500,227	230,650
Note Interest	<u>211,962</u>	<u>232,863</u>	<u>71,581</u>
TOTAL EXPENDITURES	<u>\$ 4,851,388</u>	<u>\$ 8,410,944</u>	<u>\$ 5,560,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (887,679)</u>	<u>\$ (4,817,511)</u>	<u>\$ (2,342,873)</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 5,000,000</u>
NET CHANGE IN FUND BALANCE	\$ (887,679)	\$ (4,817,511)	\$ 2,657,127
BEGINNING FUND BALANCE	<u>4,561,805</u>	<u>9,379,316</u>	<u>6,722,189</u>
ENDING FUND BALANCE	<u>\$ 3,674,126</u>	<u>\$ 4,561,805</u>	<u>\$ 9,379,316</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 770,081	\$ 719,900	30.1 %	27.0 %	26.1 %	28.0 %	27.0 %
1,944,359	1,902,463	64.1	63.1	70.3	70.8	71.4
9,086	9,390	0.4	0.4	0.3	0.3	0.4
4,586	14,135	4.5	7.0	2.7	0.2	0.5
18,000	18,000	0.8	2.4	0.6	0.7	0.7
836	1,137	0.1	0.1			
<u>\$ 2,746,948</u>	<u>\$ 2,665,025</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,106,272	\$ 1,222,612	87.6 %	69.3 %	44.7 %	40.4 %	46.0 %
13,300	13,500	0.4	0.4	0.4	0.5	0.5
5,845	5,348	0.3	0.3	0.2	0.2	0.2
12,203	14,794			0.5	0.4	0.6
24,120	47,940	0.7	0.9	1.7	0.9	1.8
2,988	2,840	0.1	0.1	0.1	0.1	0.1
13,553	4,652	0.3	0.2	0.3	0.5	0.2
26,341	31,958	2.0	1.9	1.0	1.0	1.2
		12.8	140.6	114.6		
222,529	214,693	13.1	13.9	7.2	8.1	8.1
79,702	87,538	5.3	6.5	2.2	2.9	3.3
<u>\$ 1,506,853</u>	<u>\$ 1,645,875</u>	<u>122.6 %</u>	<u>234.1 %</u>	<u>172.9 %</u>	<u>55.0 %</u>	<u>62.0 %</u>
<u>\$ 1,240,095</u>	<u>\$ 1,019,150</u>	<u>(22.6) %</u>	<u>(134.1) %</u>	<u>(72.9) %</u>	<u>45.0 %</u>	<u>38.0 %</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 1,240,095	\$ 1,019,150					
<u>5,482,094</u>	<u>4,462,944</u>					
<u>\$ 6,722,189</u>	<u>\$ 5,482,094</u>					

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024

District Mailing Address - Harris County Emergency Services District No. 15
c/o Coveler & Peeler, P.C.
820 Gessner, Suite 1710
Houston, TX 77024

District Telephone Number - (713) 984-8222

Commissioners	Term of Office (Elected or Appointed)	Fees of Office for the year ended December 31, 2024	Expense Reimbursements for the year ended December 31, 2024	Title
Terry Whistler	06/01/22 05/31/26 (Elected)	\$ -0-	\$ -0-	President
Karl Sagstetter	12/08/22 05/31/26 (Appointed)	\$ -0-	\$ -0-	Vice President
Larry Fisher	06/01/24 05/31/28 (Elected)	\$ -0-	\$ -0-	Secretary
Barbara Seber	06/01/24 05/31/28 (Elected)	\$ -0-	\$ -0-	Treasurer/ Investment Officer
Jason Wilson	06/01/24 05/31/28 (Elected)	\$ -0-	\$ -0-	Assistant Treasurer/ Assistant Secretary

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

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 15
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2024*</u>	<u>Title</u>
Coveler & Peeler, P.C.	03/01/05	\$ 27,643	Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	04/09/09	\$ 15,500	Auditor
Harris County Tax Assessor/Collector	Legislative Action	\$ 11,107	Tax Assessor/ Collector
Linebarger Goggan Blair & Sampson, LLP	03/06/06	\$ 4,515	Delinquent Tax Attorney
Randall F. Parr, CPA	05/13/10	\$ -0-	Bookkeeper

* Accrual basis

See accompanying independent auditor's report.