

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2025

DRAFT SUBJECT TO CHANGE

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Harris County Emergency
Services District No. 25
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. 25 (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 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
Certified Public Accountants
Houston, Texas

June 11, 2026

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Management's discussion and analysis of Harris County Emergency Services District No. 25'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 Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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 Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO 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 \$4,683,162 as of December 31, 2025.

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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	\$ 6,458,551	\$ 5,651,496	\$ 807,055
Capital and Right-of-Use Assets	<u>2,916,120</u>	<u>3,167,620</u>	<u>(251,500)</u>
Total Assets	<u>\$ 9,374,671</u>	<u>\$ 8,819,116</u>	<u>\$ 555,555</u>
Long -Term Liabilities	\$ 1,246,681	\$ 1,469,792	\$ 223,111
Current and Other Liabilities	<u>268,380</u>	<u>260,153</u>	<u>(8,227)</u>
Total Liabilities	<u>\$ 1,515,061</u>	<u>\$ 1,729,945</u>	<u>\$ 214,884</u>
Deferred Inflows of Resources	<u>\$ 3,176,448</u>	<u>\$ 2,967,589</u>	<u>\$ (208,859)</u>
Net Position:			
Net Investment in Capital Assets	\$ 1,446,328	\$ 1,482,283	\$ (35,955)
Unrestricted	<u>3,236,834</u>	<u>2,639,299</u>	<u>597,535</u>
Total Net Position	<u>\$ 4,683,162</u>	<u>\$ 4,121,582</u>	<u>\$ 561,580</u>

The following table provides a summary 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	\$ 2,954,700	\$ 2,844,973	\$ 109,727
Penalties and Interest	156,783	217,982	(61,199)
Other Revenues	<u>126,590</u>	<u>124,455</u>	<u>2,135</u>
Total Revenues	<u>\$ 3,238,073</u>	<u>\$ 3,187,410</u>	<u>\$ 50,663</u>
Expenses for Services	<u>2,676,493</u>	<u>2,210,054</u>	<u>(466,439)</u>
Change in Net Position	\$ 561,580	\$ 977,356	\$ (415,776)
Net Position, Beginning of Year	<u>4,121,582</u>	<u>3,144,226</u>	<u>977,356</u>
Net Position, End of Year	<u>\$ 4,683,162</u>	<u>\$ 4,121,582</u>	<u>\$ 561,580</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of the fiscal year ended December 31, 2025, was \$2,621,642, an increase of \$521,416 from the prior year. This increase was primarily due to property tax revenues exceeding service operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$323,087 more than budgeted revenues, actual expenditures were \$198,329 less than budgeted expenditures, which resulted in a positive budget variance of \$521,416. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of December 31, 2025, total \$2,458,342 (net of accumulated depreciation) and include land, buildings, fire and utility trucks and equipment.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 255,346	\$ 255,346	\$
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	2,056,137	2,182,802	(126,665)
Vehicles	136,378	92,606	43,772
Furniture and Fixtures	10,481	26,356	(15,875)
Total Net Capital Assets	\$ 2,458,342	\$ 2,557,110	\$ (98,768)

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

RIGHT-OF-USE ASSETS

In accordance with the requirements of GASB Statement No. 87, which was required to be implemented in the current fiscal year, the District reclassified certain capital assets to right-of-use assets. Right-of-use assets as of December 31, 2025, consisted of a pierce pumper truck which totaled \$763,661 and accumulated amortization of \$305,883. Additional information on the District's right-of-use assets can be found in Note 9 of this report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had leases payable of \$641,212. The changes in the debt position of the District during the current year ended December 31, 2025, are summarized as follows:

Leases Payable, January 1, 2025	\$ 704,043
Less: Principal Paid	<u>62,831</u>
Leases Payable, December 31, 2025	<u>\$ 641,212</u>

At the end of the current fiscal year, the District had loan payable of \$828,580. The changes in the debt position of the District during the current year ended December 31, 2025, are summarized as follows:

Loan Payable, January 1, 2025	\$ 981,294
Less: Principal Paid	<u>152,714</u>
Loan Payable, December 31, 2025	<u>\$ 828,580</u>

CONTACTING THE DISTRICT'S 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. 25, 4105 Lauder, Houston, TX 77039.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 301,858	\$	\$ 301,858
Investments	2,550,096		2,550,096
Due from Harris County Tax Assessor/Collector	412,617		412,617
Receivables:			
Property Taxes	2,747,835		2,747,835
Penalty and Interest on Delinquent Taxes		241,818	241,818
Prepaid Costs	204,327		204,327
Land		255,346	255,346
Capital Assets (Net of Accumulated Depreciation)		2,202,996	2,202,996
Right-of-Use Assets (Net Accumulated Amortization)		457,778	457,778
TOTAL ASSETS	<u>\$ 6,216,733</u>	<u>\$ 3,157,938</u>	<u>\$ 9,374,671</u>
LIABILITIES			
Accrued Interest Payable	\$	\$ 45,269	\$ 45,269
Leases Payable:			
Due Within One Year		66,218	66,218
Due After One Year		574,994	574,994
Loan Payable:			
Due Within One Year		156,893	156,893
Due After One Year		671,687	671,687
TOTAL LIABILITIES	<u>\$ - 0 -</u>	<u>\$ 1,515,061</u>	<u>\$ 1,515,061</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 3,595,091	\$ (418,643)	\$ 3,176,448
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 204,327	\$ (204,327)	\$
Unassigned	2,417,315	(2,417,315)	
TOTAL FUND BALANCE	<u>\$ 2,621,642</u>	<u>\$ (2,621,642)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
	<u>\$ 6,216,733</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 1,446,328	\$ 1,446,328
Unrestricted		3,236,834	3,236,834
TOTAL NET POSITION		<u>\$ 4,683,162</u>	<u>\$ 4,683,162</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Total Fund Balance - Governmental Fund \$ 2,621,642

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 2,916,120

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. 660,461

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	\$	(45,269)	
Leases Payable Within One Year		(66,218)	
Leases Payable After One Year		(574,994)	
Loan Payable Within One Year		(156,893)	
Loan Payable After One Year		(671,687)	
		(1,515,061)	(1,515,061)

Total Net Position - Governmental Activities \$ 4,683,162

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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
REVENUES			
Property Taxes	\$ 2,905,084	\$ 49,616	\$ 2,954,700
Penalty and Interest	129,619	27,164	156,783
Investment Revenues	126,590		126,590
TOTAL REVENUES	<u>\$ 3,161,293</u>	<u>\$ 76,780</u>	<u>\$ 3,238,073</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Westfield Volunteer Fire			
Department Emergency Services	\$ 2,113,712		\$ 2,113,712
Accounting and Auditing	23,662		23,662
Appraisal District Fees	23,630		23,630
Commissioner Fees	21,655		21,655
Depreciation/Amortization		332,700	332,700
Insurance	3,388		3,388
Legal Fees - General	24,627		24,627
Legal Fees - Delinquent Tax Collections	40,734		40,734
Tax Assessor/Collector Fees	12,623		12,623
Training	11,194		11,194
Other	3,111		3,111
Capital Outlay	81,200	(81,200)	
Debt Service:			
Principal	215,545	(215,545)	
Interest	64,796	661	65,457
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,639,877</u>	<u>\$ 36,616</u>	<u>\$ 2,676,493</u>
NET CHANGE IN FUND BALANCE	\$ 521,416	\$ (521,416)	\$
CHANGE IN NET POSITION		561,580	561,580
FUND BALANCE/NET POSITION -			
JANUARY 1, 2025	<u>2,100,226</u>	<u>2,021,356</u>	<u>4,121,582</u>
FUND BALANCE/NET POSITION -			
DECEMBER 31, 2025	<u>\$ 2,621,642</u>	<u>\$ 2,061,520</u>	<u>\$ 4,683,162</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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 Fund \$ 521,416

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. 49,616

Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed. 27,164

Governmental funds do not account for depreciation/amortization. However, in the Statement of Net Position, capital assets are depreciated/amortized and depreciation/amortization expense is recorded in the Statement of Activities. (332,700)

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. 81,200

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. 215,545

Governmental funds report interest expenditures on long-term liabilities as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on the long-term liabilities through fiscal year-end. (661)

Change in Net Position - Governmental Activities \$ 561,580

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1. CREATION OF DISTRICT

Harris County Emergency Services District No. 25 (the “District”), a political subdivision of the State of Texas, was created on August 14, 1984, as Harris County Rural Fire Prevention District No. 25, under former Chapter 794 of the Texas Health and Safety Code, to facilitate the provision of emergency services, including fire protection, fire prevention, and rescue services to the residents of the District. The District was converted to an emergency services district operating under Chapter 775 of the Texas Health and Safety Code on September 1, 2003, by action of the Texas Legislature with the adoption of Texas Health and Safety Code Section 775.026. The basic operations of the District are funded through an ad valorem tax assessed on property owners within 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. The 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, loans, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

Governmental Fund

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 revenues, costs of assessing and collecting taxes, service provider and general expenditures.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include 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 and Right-of Use Assets

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

Capital assets with an original cost of \$5,000 or more or a useful life in excess of two years are capitalized and depreciated using no salvage value and the straight-line method of depreciation. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings and Improvements	10 - 30 years
Vehicles	5 years
Equipment	5 - 20 years

In accordance with GASB Statement No. 87, the District recorded an apparatus as a right-of-use asset (see Note 9). The right-of-use asset is being amortized over the estimated useful life using the straight-line method of amortization.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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 not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original 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 appropriate resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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 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

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 \$0.093562 for fire service and \$0.006438 for debt service. This resulted in a tax levy of \$3,176,448 on the adjusted taxable valuation of \$3,176,442,081 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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 deposits was \$ 301,858 and the bank balance was \$506,185.

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:

GENERAL FUND	Cash \$ 301,858
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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. 25
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 public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas Class.

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

Fund and Investment Type	Fair Value	Maturities in Years		
		Less Than 1	1-5	6-10
<u>GENERAL FUND</u>				
Texas CLASS	\$ 2,550,096	\$ 2,550,096	\$ - 0 -	\$ - 0 -

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 investment in Texas CLASS was 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 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. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5. CAPITAL ASSETS

	January 1, 2025	Increases	Decreases	December 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 255,346	\$	\$	\$ 255,346
Construction in Progress	<u> </u>	<u>81,200</u>	<u>81,200</u>	<u> </u>
Total Capital Assets Not Being Depreciated	<u>\$ 255,346</u>	<u>\$ 81,200</u>	<u>\$ 81,200</u>	<u>\$ 255,346</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 3,707,178	\$	\$	\$ 3,707,178
Vehicles	1,511,013	81,200		1,592,213
Furniture and Fixtures	<u>215,880</u>	<u> </u>	<u> </u>	<u>215,880</u>
Total Capital Assets Subject to Depreciation	<u>\$ 5,434,071</u>	<u>\$ 81,200</u>	<u>\$ - 0 -</u>	<u>\$ 5,515,271</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 1,524,376	\$ 126,665	\$	\$ 1,651,041
Vehicles	1,418,407	37,428		1,455,835
Furniture and Fixtures	<u>189,524</u>	<u>15,875</u>	<u> </u>	<u>205,399</u>
Total Accumulated Depreciation	<u>\$ 3,132,307</u>	<u>\$ 179,968</u>	<u>\$ - 0 -</u>	<u>\$ 3,312,275</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,301,764</u>	<u>\$ (98,768)</u>	<u>\$ - 0 -</u>	<u>\$ 2,202,996</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,557,110</u>	<u>\$ (17,568)</u>	<u>\$ 81,200</u>	<u>\$ 2,458,342</u>

NOTE 6. RISK MANAGEMENT

The District covers various risks of loss in the event it incurs tort claims including theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts from the date of inception on September 1, 2003 through December 31, 2025.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District maintains its cash in financial institutions that are considered high quality by the District's Board of Commissioners. At times, such cash investments may be in excess of federally insured limits. Subsequent to year-end, the District entered into a deposit security agreement with its financial institutions protecting amounts in excess of federally insured limits.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7. CONTRACT WITH WESTFIELD VOLUNTEER FIRE DEPARTMENT

The District has entered into a contract with the Westfield Volunteer Fire Department (the “Department”). Within the District’s geographical area, the Department has agreed to provide fire prevention and medical emergency training and to respond to requests for assistance in the event of fire and/or medical emergencies. The District has agreed to pay the Department’s monthly submitted and approved bills, not to exceed the taxes collected, less the District’s administrative expenses.

NOTE 8. LOAN PAYABLE

The District has a loan payable to a financial institution for the construction of the Department building (the “Building Loan”), interest and principal payable annually at 2.736%, maturing March 2030, secured by the District’s ad valorem taxes granted. The balance at December 31, 2025 is \$828,580.

The following is a summary of transactions regarding loan payable for the year ended December 31, 2025:

	January 1, 2025	Additions	Retirements	December 31, 2025
Loans Payable	\$ 981,294	\$ - 0 -	\$ 152,714	\$ 828,580
				\$ 156,893
				671,687
				\$ 828,580

As of December 31, 2025, the debt service requirements on the loan payable were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 156,893	\$ 22,670	\$ 179,563
2027	161,185	18,377	179,562
2028	165,595	13,967	179,562
2029	170,126	9,437	179,563
2030	174,781	4,782	179,563
	\$ 828,580	\$ 69,233	\$ 897,813

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9. EQUIPMENT LEASE

On December 6, 2023, the District entered into an equipment lease agreement with Community First National Bank to fund the purchase of a pierce custom pumper fire truck in the amount of \$763,661. Assets under this capital lease total \$763,661. Annual installments of \$100,779 are due each December 6, beginning December 6, 2024 and ending December 6, 2033. The incremental borrowing rate is 5.39%.

In accordance with the requirements of GASB Statement No. 87, the District classifies certain capital assets as right-of-use assets. Right-of-use assets, current year amortization expense, and accumulated amortization is summarized below:

	January 1, 2025	Increases	Decreases	December 31, 2025
Right of Use Assets Subject to Amortization				
Vehicles	\$ 763,661	\$	\$	\$ 763,661
Less Accumulated Amortization				
Vehicles	<u>153,151</u>	<u>152,732</u>		<u>305,883</u>
Total Right-to-Use Assets, Net of Accumulated Amortization	<u>\$ 610,510</u>	<u>\$ (152,732)</u>	<u>\$ - 0 -</u>	<u>\$ 457,778</u>

The following is a summary of transactions regarding lease payable for the year ended December 31, 2025:

Leases Payable, January 1, 2025	\$ 704,043
Less: Principal Paid	<u>62,831</u>
Leases Payable, December 31, 2025	<u>\$ 641,212</u>
Leases Payable:	
Due Within One Year	\$ 66,218
Due After One Year	<u>574,994</u>
Leases Payable, December 31, 2025	<u>\$ 641,212</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9. EQUIPMENT LEASE

As of December 31, 2025, the debt service requirements on the lease payable were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 66,218	\$ 34,561	\$ 100,779
2027	69,787	30,992	100,779
2028	73,549	27,231	100,780
2029	77,513	23,266	100,779
2030	81,691	19,089	100,780
2031-2033	272,454	29,884	302,338
	<u>\$ 641,212</u>	<u>\$ 165,023</u>	<u>\$ 806,235</u>

The assets acquired with this lease, will be operated, maintained and insured by the Department.

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 2,838,206	\$ 2,905,084	\$ 66,878
Penalty and Interest		129,619	129,619
Investment Revenues		126,590	126,590
TOTAL REVENUES	<u>\$ 2,838,206</u>	<u>\$ 3,161,293</u>	<u>\$ 323,087</u>
EXPENDITURES			
Service Operations:			
District Services - Westfield Volunteer Fire			
Department Emergency Services	\$ 2,442,296	\$ 2,113,712	\$ 328,584
Accounting and Auditing	27,200	23,662	3,538
Appraisal District Fees	20,350	23,630	(3,280)
Commissioner Fees	14,400	21,655	(7,255)
Insurance	6,300	3,388	2,912
Legal Fees - General	23,660	24,627	(967)
Legal Fees - Delinquent Tax Collections		40,734	(40,734)
Tax Assessor/Collector Fees		12,623	(12,623)
Training		11,194	(11,194)
Other	23,220	3,111	20,109
Capital Outlay		81,200	(81,200)
Debt Service:			
Principal	215,545	215,545	
Interest	65,235	64,796	439
TOTAL EXPENDITURES	<u>\$ 2,838,206</u>	<u>\$ 2,639,877</u>	<u>\$ 198,329</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ 521,416	\$ 521,416
FUND BALANCE - JANUARY 1, 2025	<u>2,100,226</u>	<u>2,100,226</u>	
FUND BALANCE - DECEMBER 31, 2025	<u>\$ 2,100,226</u>	<u>\$ 2,621,642</u>	<u>\$ 521,416</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2025

DRAFT SUBJECT TO CHANGE

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
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	1,819
Number of Emergency Responses made Outside of the District	<u>37</u>
Total Emergency Responses	<u><u>1,856</u></u>

DRAFT SUBJECT TO CHANGE

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2025

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC OFFICIAL BOND Treasurer	12/15/25 12/15/26	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE DISHONESTY- BLANKET PER EMPLOYEE	02/13/25 02/13/26	\$ 100,000	National Union Fire Insurance Corporation
AUTO Bodily Injury/Property Damage	02/13/25 02/13/26	\$ 1,000,000	National Union Fire Insurance Corporation
GENERAL LIABILITY/PROFESSIONAL HEALTH CARE LIABILITY General Aggregate Per Occurrence	02/13/25 02/13/26	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation
MANAGEMENT LIABILITY General Aggregate Per Occurrence	02/13/25 02/13/26	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation
CYBER LIABILITY Cyber Liability (Each Event) Cyber Liability Aggregate	02/13/25 02/13/26	\$ 1,000,000 2,000,000	National Union Fire Insurance Corporation
EXCESS LIABILITY Annual Aggregate Each Occurrence	02/13/25 02/13/26	\$ 4,000,000 2,000,000	National Union Fire Insurance Corporation
WORKER'S COMPENSATION Each Accident Disease-Policy Limit Disease-Each Employee	06/17/25 06/17/26	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
STATEMENT OF ACTIVITIES
WESTFIELD FIRE DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

REVENUES, GAINS AND OTHER SUPPORT

Service Revenue	\$ 2,022,770
Fire Protection Services Billing	5,426
Miscellaneous Revenues	30,630
TOTAL REVENUES AND OTHER SUPPORT	\$ 2,058,826

EXPENSES

PROGRAM COSTS

Communications	\$ 82,013
Facilities	75,380
Fleet Operations	255,377
Fuel	40,839
Insurance	172,570
Loose Equipment	27,804
Payroll	1,326,033
Personal Protective Equipment	30,809
Utilities	82,118

TOTAL PROGRAM COSTS	\$ 2,092,943
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MANAGEMENT AND GENERAL

Bank Service Fees	\$ 5
Computer & IT Expenses	4,775
Dues & Subscriptions	58,789
In House Relations	17,294
Office Equipment Rentals & Repairs	3,993
Office Supplies	3,523
Professional Services	31,032
Public Relations	20,276
Staff Development	5,947

TOTAL MANAGEMENT AND GENERAL	\$ 145,634
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TOTAL EXPENSES	\$ 2,238,577
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CHANGE IN NET ASSETS	\$ (179,751)
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NET ASSETS - JANUARY 1, 2025	302,261
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NET ASSETS - DECEMBER 31, 2025	\$ 122,510
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See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025

DRAFT SUBJECT TO CHANGE

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Debt Service Taxes		Maintenance Taxes
TAXES RECEIVABLE - JANUARY 1, 2025	\$ 207,636		\$ 2,242,831
Adjustments to Beginning Balance	<u>(231)</u>	\$ 207,405	<u>(12,658)</u> \$ 2,230,173
Original 2025 Tax Levy	\$ 201,412		\$ 2,927,080
Adjustment to 2025 Tax Levy	<u>3,088</u>	<u>204,500</u>	<u>44,868</u> <u>2,971,948</u>
TOTAL TO BE ACCOUNTED FOR		\$ 411,905	\$ 5,202,121
TAX COLLECTIONS:			
Prior Years	\$ 188,176		\$ 1,830,758
Current Year	<u>54,547</u>	<u>242,723</u>	<u>792,710</u> <u>2,623,468</u>
TAXES RECEIVABLE - DECEMBER 31, 2025		<u>\$ 169,182</u>	<u>\$ 2,578,653</u>
TAXES RECEIVABLE BY YEAR:			
2025		\$ 149,953	\$ 2,179,238
2024		14,602	138,105
2023		4,627	70,141
2022			53,473
2021			26,775
2020			18,625
2019			14,352
2018			10,412
2017			11,490
2016			11,437
2015			8,555
2014			5,174
2013 and prior			<u>30,876</u>
TOTAL		<u>\$ 169,182</u>	<u>\$ 2,578,653</u>

See accompanying independent auditor's reports.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
PROPERTY				
VALUATIONS	<u>\$ 3,176,442,081</u>	<u>\$ 2,989,671,619</u>	<u>\$ 2,896,770,327</u>	<u>\$ 2,480,090,589</u>
TAX RATES PER \$100				
VALUATION:				
Debt Service	\$ 0.006438	\$ 0.009562	\$ 0.006188	\$ 0.00
Maintenance and Operation	<u>0.093562</u>	<u>0.090438</u>	<u>0.093812</u>	<u>0.10</u>
TOTAL TAX RATES PER				
\$100 VALUATION	<u>\$ 0.100000</u>	<u>\$ 0.100000</u>	<u>\$ 0.100000</u>	<u>\$ 0.10</u>
ADJUSTED TAX LEVY*	<u>\$ 3,176,448</u>	<u>\$ 2,967,589</u>	<u>\$ 2,886,696</u>	<u>\$ 2,480,091</u>
PERCENTAGE OF TAXES				
COLLECTED TO				
TAXES LEVIED	<u>26.67 %</u>	<u>94.85 %</u>	<u>97.41 %</u>	<u>97.84 %</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 reports.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 2,905,084	\$ 2,784,125	\$ 2,270,865
Penalty and Interest	129,619	123,245	107,918
Investment Revenues	126,590	124,455	54,851
Miscellaneous Revenues			
TOTAL REVENUES	\$ 3,161,293	\$ 3,031,825	\$ 2,433,634
EXPENDITURES			
District Services - Westfield Volunteer Fire			
Department Emergency Services	\$ 2,113,712	\$ 1,580,882	\$ 1,399,966
Accounting and Auditing	23,662	23,500	28,869
Contract Labor		3,575	
Appraisal District Fees	23,630	23,498	18,368
Dues and Fees		2,998	1,431
Commissioner Fees	21,655	18,668	12,950
Security			
Insurance	3,388	9,543	3,272
Legal Fees - General	24,627	28,377	20,971
Legal Fees - Delinquent Tax Collections	40,734	34,457	27,353
Tax Assessor/Collector Fees	12,623	23,673	18,989
Training	11,194	4,534	5,663
Repairs and Maintenance			8,871
Other	3,111	13,411	21,096
Capital Outlay	81,200	94,703	763,661
Debt Service:			
Principal	215,545	208,266	219,815
Interest	64,796	72,077	37,563
TOTAL EXPENDITURES	\$ 2,639,877	\$ 2,142,162	\$ 2,588,838
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 521,416	\$ 889,663	\$ (155,204)
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	\$ - 0 -	\$ - 0 -	\$ 763,661
NET CHANGE IN FUND BALANCE	\$ 521,416	\$ 889,663	\$ 608,457
PRIOR PERIOD ADJUSTMENT			(\$669,560)
BEGINNING FUND BALANCE	2,100,226	1,210,563	1,271,666
ENDING FUND BALANCE	\$ 2,621,642	\$ 2,100,226	\$ 1,210,563

See accompanying independent auditor's reports.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 1,938,677	\$ 2,206,651	91.9 %	91.8 %	93.3 %	94.7 %	98.3 %
106,274	37,854	4.1	4.1	4.4	5.2	1.7
2,999	204	4.0	4.1	2.3	0.1	
	180					
<u>\$ 2,047,950</u>	<u>\$ 2,244,889</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,419,889	\$ 1,265,470	66.9 %	52.1 %	57.5 %	69.3 %	56.4 %
25,192	25,111	0.7	0.8	1.2	1.2	1.1
3,900	4,500		0.1		0.2	0.2
15,673	14,390	0.7	0.8	0.8	0.8	0.6
	1,100		0.1	0.1	0.1	
10,350	10,800	0.7	0.6	0.5	0.5	0.5
	31,405					1.4
5,556	4,312	0.1	0.3	0.1	0.3	0.2
25,030	19,454	0.8	0.9	0.9	1.2	0.9
		1.3	1.1	1.1		
		0.4	0.8	0.8		
1,908	1,545	0.5	0.2	0.2	0.1	0.1
				0.4		
4,597	72,538	0.2	0.5	0.9	0.2	3.2
	79,374	2.6	3.1	31.4		3.5
295,564	310,218	6.8	6.9	9.0	14.3	13.8
<u>38,807</u>	<u>59,052</u>	<u>2.0</u>	<u>2.4</u>	<u>1.5</u>	<u>1.8</u>	<u>2.6</u>
<u>\$ 1,846,466</u>	<u>\$ 1,899,269</u>	<u>83.7 %</u>	<u>70.7 %</u>	<u>106.4 %</u>	<u>90.0 %</u>	<u>84.5 %</u>
<u>\$ 201,484</u>	<u>345,620</u>	<u>16.3 %</u>	<u>29.3 %</u>	<u>(6.4) %</u>	<u>10.0 %</u>	<u>15.5 %</u>
\$ - 0 -	\$ - 0 -					
\$ 201,484	\$ 345,620					
1,072,202	726,582					
<u>\$ 1,273,686</u>	<u>\$ 1,072,202</u>					

See accompanying independent auditor's reports.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 25
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2025

District Mailing Address - Harris County Emergency Services District No. 25
4105 Lauder
Houston, TX 77039

District Telephone Number - (713) 984-8222

<u>Commissioners</u>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended December 31, 2025</u>	<u>Expense Reimbursement for the year ended December 31, 2025</u>	<u>Title</u>
Royce Sunday	06/01/24 05/31/28 (Elected)	\$ 4,419	\$ -0-	President
Vester Melancon	06/01/24 05/31/28 (Elected)	\$ 3,536	\$ -0-	Vice President
Carol King McGee	06/01/24 05/31/28 (Elected)	\$ 3,757	\$ -0-	Secretary
Shirley Cody	06/01/22 05/31/26 (Elected)	\$ 4,420	\$ -0-	Treasurer
David Lindeen	06/01/22 05/31/26 (Elected)	\$ 5,523	\$ 8,444	Assistant Secretary/ Treasurer

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. 25
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2026**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2026*</u>	<u>Title</u>
Coveler & Peeler, P.C.	01/08/14	\$	Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	01/03/24	\$	Auditor
James J. Towey, CPA		\$	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$	Delinquent Tax Attorney
Harris County Tax Assessor/Collector	Legislative Action	\$	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.