

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2023**

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



## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9-10
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	12
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	13
NOTES TO THE FINANCIAL STATEMENTS	14-37
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	39
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	40
SCHEDULE OF DISTRICT CONTRIBUTIONS	41
NOTES TO SCHEDULE OF DISTRICT CONTRIBUTIONS	42
SUPPLEMENTARY INFORMATION REQUIRED BY HARRIS COUNTY	
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA	44
LISTING OF THE NUMBER OF EMERGENCY RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT	45
SCHEDULE OF INSURANCE AND BONDING COVERAGE	46
OTHER SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL	48
TAXES LEVIED AND RECEIVABLE	49-50
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – GENERAL FUND – FIVE YEARS	51-52
BOARD OF COMMISSIONERS AND CONSULTANTS	53-54



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

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708

PO Box 29584  
Austin, TX 78755-5126  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Harris County Emergency  
Services District No. 11  
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. 11 (the "District") as of and for the year ended December 31, 2023, 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, 2023, 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.

**Emphasis of Matter**

As discussed in Note 12 to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 96 in the current fiscal year. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

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



### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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



**Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Changes in Net Pension Asset and Liability and Related Ratios, and the Schedule of District Contributions be presented to supplement the basic financial statements. Such information, 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.



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

May 28, 2024



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Management’s discussion and analysis of Harris County Emergency Services District No. 11’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended December 31, 2023. 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 period. 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 and general expenditures.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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 \$20,062,906 as of December 31, 2023.

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

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 40,664,214	\$ 39,951,960	\$ 712,254
Capital Assets and Right-of-Use Assets (Net of Depreciation and Amortization)	<u>58,184,547</u>	<u>59,408,527</u>	<u>(1,223,980)</u>
Total Assets	<u>\$ 98,848,761</u>	<u>\$ 99,360,487</u>	<u>\$ (511,726)</u>
Deferred Outflows of Resources	<u>\$ 2,889,657</u>	<u>\$ 1,761,296</u>	<u>\$ 1,128,361</u>
Long-Term Liabilities	<u>\$ 51,129,249</u>	<u>\$ 55,544,583</u>	<u>\$ 4,415,334</u>
Other Liabilities	<u>7,987,585</u>	<u>9,311,715</u>	<u>1,324,130</u>
Total Liabilities	<u>\$ 59,116,834</u>	<u>\$ 64,856,298</u>	<u>\$ 5,739,464</u>
Deferred Inflows of Resources	<u>\$ 22,558,678</u>	<u>\$ 19,425,651</u>	<u>\$ (3,133,027)</u>
Net Position:			
Investment in Capital Assets	\$ 2,456,139	\$ (639,727)	\$ 3,095,866
Unrestricted	<u>17,606,767</u>	<u>17,479,561</u>	<u>127,206</u>
Total Net Position	<u>\$ 20,062,906</u>	<u>\$ 16,839,834</u>	<u>\$ 3,223,072</u>

The following table provides a summary of the District's operations for the years ended December 31, 2023, and December 31, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 19,180,214	\$ 18,419,954	\$ 760,260
Service Billing Revenues	20,015,232	18,358,683	1,656,549
Other Revenues	<u>1,912,728</u>	<u>3,427,739</u>	<u>(1,515,011)</u>
Total Revenues	<u>\$ 41,108,174</u>	<u>\$ 40,206,376</u>	<u>\$ 901,798</u>
Expenses for Services	<u>37,885,102</u>	<u>37,550,081</u>	<u>(335,021)</u>
Change in Net Position	<u>\$ 3,223,072</u>	<u>\$ 2,656,295</u>	<u>\$ 566,777</u>
Net Position, Beginning of Year	<u>16,839,834</u>	<u>14,183,539</u>	<u>2,656,295</u>
Net Position, End of Year	<u>\$ 20,062,906</u>	<u>\$ 16,839,834</u>	<u>\$ 3,223,072</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

The District's General Fund fund balance as of December 31, 2023, was \$14,943,566, a decrease of \$985,951 from the prior year. This decrease was primarily due to capital outlay and debt service.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Commissioners amended the budget during the current year to decrease estimated property tax revenues, vehicle related and other operating expenditures and to increase estimated service billings, miscellaneous revenues, salaries and benefits, professional services, and certain operating expenditures. Actual revenues were \$325,170 more than budgeted revenues and actual expenditures were \$1,046,589 more than budgeted expenditures. This resulted in a negative budget variance of \$1,371,759. Refer to the budget versus actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of December 31, 2023, total \$57,968,610 (net of accumulated depreciation) and include land, buildings and equipment.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	\$ 8,067,646	\$ 8,067,646	\$
Construction in Progress	12,013	1,221,602	(1,209,589)
Capital Assets, Net of Accumulated Depreciation:			
Buildings	37,603,814	35,877,536	1,726,278
Vehicles	8,618,690	9,435,947	(817,257)
Equipment	3,666,447	4,805,796	(1,139,349)
Total Net Capital Assets	\$ 57,968,610	\$ 59,408,527	\$ (1,439,917)

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**SUBSCRIPTION BASED SERVICE-ASSETS**

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which was required to be implemented in the current fiscal year, the District recorded a subscription-based service asset pertaining to the subscription service agreement it has with Zoll Data Systems in the amount of \$259,096, and had an accumulated amortization balance of \$43,159 as of December 31, 2023.

**LONG-TERM DEBT ACTIVITY**

At year-end, the District had total long-term debt payable of \$55,544,583. The changes in the debt position of the District during the fiscal year ended December 31, 2023, are summarized as follows:

Notes Payable, January 1, 2023	\$	60,051,852
Less: Principal Paid		<u>4,507,269</u>
Notes Payable, December 31, 2023		<u>\$ 55,544,583</u>

At year-end, the District had total subscription-based debt payable of \$233,913. The changes in the debt position of the District during the fiscal year ended December 31, 2023, are summarized as follows:

Subscription Payable, January 1, 2023	\$	-0-
Add: Subscription Service		259,096
Less: Principal Paid		<u>25,183</u>
Subscription Payable, December 31, 2023		<u>\$ 233,913</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. 11, 18334 Stuebner Airline Road, Spring, TX 77388.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash	\$ 343,030	\$	\$ 343,030
Investments	8,245,950		8,245,950
Cash with Harris County	6,486,866		6,486,866
Receivables:			
Property Taxes	12,735,409		12,735,409
Penalty and Interest on Delinquent Property Taxes		288,161	288,161
Service Billings (Net of Allowance for Doubtful Accounts of \$10,869,396)	10,374,725		10,374,725
Other	750,000		750,000
Prepaid Costs	849,037		849,037
Inventory	511,714		511,714
Net Pension Asset		79,322	79,322
Right-of-Use Subscription-Based Service Asset		215,937	215,937
Land		8,067,646	8,067,646
Construction in Progress		12,013	12,013
Capital Assets, (Net of Accumulated Depreciation)		49,888,951	49,888,951
<b>TOTAL ASSETS</b>	<u>\$ 40,296,731</u>	<u>\$ 58,552,030</u>	<u>\$ 98,848,761</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - Pension	<u>\$ - 0 -</u>	<u>\$ 2,889,657</u>	<u>\$ 2,889,657</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 40,296,731</u>	<u>\$ 61,441,687</u>	<u>\$ 101,738,418</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**DECEMBER 31, 2023**

	General Fund	Adjustments	Statement of Net Position
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,673,091	\$	\$ 1,673,091
Wages Payable	622,890		622,890
Compensated Absences		643,358	643,358
Accrued Interest Payable		398,999	398,999
Long-Term Liabilities:			
Subscription Payable, Due Within One Year		45,991	45,991
Subscription Payable, Due After One Year		187,922	187,922
Notes Payable, Due Within One Year		4,603,256	4,603,256
Notes Payable, Due After One Year		50,941,327	50,941,327
<b>TOTAL LIABILITIES</b>	\$ 2,295,981	\$ 56,820,853	\$ 59,116,834
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 23,057,184	\$ (509,079)	\$ 22,548,105
Deferred Inflows - Pension		10,573	10,573
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ 23,057,184	\$ (498,506)	\$ 22,558,678
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid Costs	\$ 849,037	\$ (849,037)	\$
Inventory	511,714	(511,714)	
Restricted	50,088	(50,088)	
Unassigned	13,532,727	(13,532,727)	
<b>TOTAL FUND BALANCE</b>	\$ 14,943,566	\$ (14,943,566)	\$ - 0 -
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	\$ 40,296,731		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ 2,456,139	\$ 2,456,139
Unrestricted		17,606,767	17,606,767
<b>TOTAL NET POSITION</b>		\$ 20,062,906	\$ 20,062,906

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

Total Fund Balance - Governmental Fund \$ 14,943,566

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

Capital assets and intangible assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 58,184,547

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenues in the governmental activities of the District. 797,240

Certain assets are not available in the current period and, therefore, are not reported as assets in the governmental funds. These assets at year-end consist of net pension asset. 79,322

Portions of the change in net pension liability/(asset) that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources. 2,879,084

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	\$ (398,999)	
Compensated Absences	(643,358)	
Subscription Payable, Due Within One Year	(45,991)	
Subscription Payable, Due After One Year	(187,922)	
Notes Payable Within One Year	(4,603,256)	
Notes Payable After One Year	<u>(50,941,327)</u>	<u>(56,820,853)</u>

Total Net Position - Governmental Activities \$ 20,062,906

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 19,124,219	\$ 55,995	\$ 19,180,214
Service Billing Revenues	20,015,232		20,015,232
Penalty and Interest	123,361	31,274	154,635
Miscellaneous Revenues	1,758,093		1,758,093
<b>TOTAL REVENUES</b>	<b>\$ 41,020,905</b>	<b>\$ 87,269</b>	<b>\$ 41,108,174</b>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Salaries and Benefits	\$ 27,326,466	\$ (1,026,609)	\$ 26,299,857
Commissioner Fees	7,686		7,686
Maintenance	487,491		487,491
Supplies - Operations	1,120,227		1,120,227
Vehicle Related Expenses	1,353,269		1,353,269
Uniforms	79,184		79,184
Utilities	168,078		168,078
Occupancy	108,000		108,000
Other Direct Expenses	9,481		9,481
Professional Service	2,201,423	(25,183)	2,176,240
Employee Expense	4,233		4,233
Supplies and Equipment	243,374		243,374
Insurance	740,132		740,132
Legal Fees	260,381		260,381
Delinquent Tax Attorney Fees	47,314		47,314
Appraisal District	145,918		145,918
Travel	71,287		71,287
Other	272,334		272,334
Depreciation/Amortization		3,015,343	3,015,343
Loss on Disposition of Assets		17,750	17,750
Capital Outlay	1,550,018	(1,550,018)	
Debt Service:			
Principal	4,507,269	(4,507,269)	
Interest	1,303,291	(45,768)	\$ 1,257,523
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 42,006,856</b>	<b>\$ (4,121,754)</b>	<b>\$ 37,885,102</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (985,951)</b>	<b>\$ 985,951</b>	<b>\$</b>
<b>CHANGE IN NET POSITION</b>		<b>3,223,072</b>	<b>3,223,072</b>
<b>FUND BALANCE/NET POSITION - JANUARY 1, 2023</b>	<b>15,929,517</b>	<b>910,317</b>	<b>16,839,834</b>
<b>FUND BALANCE/NET POSITION - DECEMBER 31, 2023</b>	<b>\$ 14,943,566</b>	<b>\$ 5,119,340</b>	<b>\$ 20,062,906</b>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
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, 2023**

Net Change in Fund Balance - Governmental Fund \$ (985,951)

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. 55,995

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. 31,274

Compensated Absences are reported as a liability in the Statement of Net Position. Therefore, an expense is recorded in the Statement of Activities. In addition, the changes in deferred outflows and inflows of resources for pensions are recorded as pension expense in the government-wide financial statements. 1,026,609

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. (3,015,343)

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. 1,557,451

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. 4,507,269

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 liabilities through the fiscal year-end. 45,768

Change in Net Position - Governmental Activities \$ 3,223,072

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1. CREATION OF DISTRICT**

Harris County Emergency Services District No. 11 (the “District”) was created by the Commissioners’ Court of the County of Harris on May 25, 2004, 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 May 15, 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. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

Governmental Funds

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

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, service revenues, operating expenditures, 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 2022 tax levy collections during the period October 1, 2022, to December 31, 2023, and taxes collected from January 1, 2023, to December 31, 2023, for all prior tax levies. The 2023 tax levy has been fully deferred to meet the District’s planned expenditures in the 2024 fiscal year.

Other taxes, such as special inventory taxes, are recognized when received.

Capital and Intangible 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.

Personal tangible assets (computers, office machines, office furniture, etc.) and all other capital assets (including installation costs and professional fees) are capitalized if they have an original cost of \$50,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

Capital and Intangible Assets (Continued)

Estimated useful lives are as follows:

	Years
Buildings	40
All Other	5-20

In accordance with GASB Statement No. 96, the District records its subscription based accounting software as an intangible asset (see Note 12). The right-to-use asset is being amortized over the same term as the subscription contract using the straight-line method of amortization.

Inventory

Inventory is recorded on the purchased method basis. Purchases of inventory are recorded as an expenditure when received and remaining inventory is recorded as an asset at year end. The District’s inventory balance as of December 31, 2023, was \$511,714.

Budgeting

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

Pensions

The District makes payments into the social security system for the employees. See Note 10 for the District’s pension plan. 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.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

Measurement Focus (Continued)

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

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

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

*Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

*Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and 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.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3. TAX LEVY**

On May 11, 2013, the voters of the District approved the levy and collection of a tax not to exceed \$0.06 per \$100 of assessed valuation of taxable property within the District. During the year ended December 31, 2023, the District levied an ad valorem tax at the rate of \$.030175 per \$100 of assessed valuation, which resulted in a tax levy of \$22,548,105 on the adjusted taxable valuation of \$74,898,818,541 for the 2023 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**NOTE 4. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$343,030 and the bank balance was \$485,160. 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, 2023, as listed below:

	<u>Cash</u>
GENERAL FUND	<u>\$ 343,030</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

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: preservation and safety of principal, first; liquidity, second; yield, third; understanding the suitability of the investment to the District’s financial requirements, fourth; and diversification of the investment portfolio, fifth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Commissioners.

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

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

As of December 31, 2023, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 8,245,950	\$ 8,245,950	\$ - 0 -	\$ - 0 -	\$ - 0 -

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2023, the District's investment in TexPool 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 TexPool 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.

**NOTE 5. CAPITAL ASSETS**

	January 1, 2023	Increases	Decreases	December 31, 2023
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 8,067,646	\$	\$	\$ 8,067,646
Construction in Progress	<u>1,221,602</u>	<u>1,550,018</u>	<u>2,759,607</u>	<u>12,013</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 9,289,248</u>	<u>\$ 1,550,018</u>	<u>\$ 2,759,607</u>	<u>\$ 8,079,659</u>
<b>Capital Assets Subject to Depreciation</b>				
Buildings	\$ 37,420,491	\$ 2,751,276	\$ 69,656	\$ 40,102,111
Vehicles	10,656,113			10,656,113
Equipment	<u>8,840,838</u>	<u>8,331</u>		<u>8,849,169</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 56,917,442</u>	<u>\$ 2,759,607</u>	<u>\$ 69,656</u>	<u>\$ 59,607,393</u>
<b>Less Accumulated Depreciation</b>				
Buildings	\$ 1,542,955	\$ 1,007,247	\$ 51,905	\$ 2,498,297
Vehicles	1,220,166	817,257		2,037,423
Equipment	<u>4,035,042</u>	<u>1,147,680</u>		<u>5,182,722</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 6,798,163</u>	<u>\$ 2,972,184</u>	<u>\$ 51,905</u>	<u>\$ 9,718,442</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 50,119,279</u>	<u>\$ (212,577)</u>	<u>\$ 17,751</u>	<u>\$ 49,888,951</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 59,408,527</u>	<u>\$ 1,337,441</u>	<u>\$ 2,777,358</u>	<u>\$ 57,968,610</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6.      CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES**

Maintenance and Operating Agreements for Leased Traffic Preemption Equipment

The District executed an agreement with Harris County (“County”) to delineate the responsibilities of each party with regard to the design, construction, implementation, operation and maintenance of traffic signal preemption equipment on signalized roads maintained by the County. The District will be responsible for its share of all applicable costs of the equipment. The County is not responsible for any costs of installation, operation or maintenance of the system. The County shall have the authority to deactivate all or any part of the system and may terminate this agreement upon 30 days notice. The District may deactivate the system upon ten days notice. The District entered the Master Sale of Goods and Services Agreement with Global Traffic Technologies, LLC (“GTT”) dated August 1, 2018 for the installation, oversight and maintenance of new traffic preemption equipment. The District, as well as other overlapping emergency services jurisdictions, is leasing its pro rata share of traffic preemption equipment installed in emergency vehicles and at applicable intersections from GTT.

Construction, Financing and Cost-Sharing Agreement with Harris County Emergency Services  
District No. 29

On December 19, 2007, the District executed an agreement with ESD No. 29, to obtain a fractional ownership interest in a fire and emergency services station constructed by ESD No. 29. The District houses emergency services equipment and personnel in the station. ESD No. 29 holds legal title to the facilities and the site, subject to the District’s 16.8% interest. The District will reimburse ESD No. 29 for monthly operating and maintenance fees for an amount equal to 16.8% of the total monthly operating costs incurred. In addition, the District will reimburse ESD No. 29 for 16.8% of the principal and interest payments on the note obtained by ESD No. 29 for the construction of the station. The term of this contract is 40 years, unless terminated sooner by mutual agreement.

Construction Cost-Sharing Agreement with Harris County Emergency Services District No. 7

Effective September 26, 2013, the District entered into an agreement with ESD No. 7 to share proportional acquisition, construction and maintenance of a fire station (ESD No. 7) and an EMS station (District) in the Springwoods Village Exxon development. ESD No. 7 agreed to acquire two tracts of land for the stations. Following the required platting process with the appropriate authorities, the ESD No. 7 tract and District became separate and distinct parcels. Simultaneously with the closing on the land, ESD No. 7 conveyed the District tract to the District. Each district agrees to accept primary responsibility for the payment of all construction costs and debt obligations associated with the planning, design and construction of its respective facility. The term of this contract is 40 years, unless terminated sooner by mutual agreement.

In 2014, the District obtained financing for the new EMS facility in Springwoods Village. See Note 9. Construction of the facility was completed in 2016.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7. LEASE AGREEMENTS**

Harris County Emergency Services District No. 16-Ground Lease

On April 11, 2011, and as revised on December 20, 2012, the District entered into an Interlocal Ground Lease Agreement with Harris County Emergency Services District No. 16 (“ESD No. 16”) for a 0.552-acre parcel of land (24,055 sq. ft.) for the construction of an emergency medical services facility. The initial term of this agreement is 20 years, and automatically renewable for successive five-year periods unless terminated in writing at least six months prior to renewal. During the successive five-year terms, the agreement may be terminated in writing 60 days prior to the end of term.

The District is solely responsible for the construction of the facility, and ownership of the facility will remain with the District. In the event of termination of this agreement, the District will have the following options: 1) to remove at its sole cost the facility built or placed on the property; 2) ESD 16 may purchase the facilities at fair market value; or 3) abandon the facilities. The District is solely responsible for all operating costs of the facility including general liability insurance covering the facility. The District is also responsible for all real estate taxes on any and all improvements made to the property and any personal property located or situated on the property.

The District agrees to pay to ESD No. 16 based on the total area required by the District multiplied by \$0.35 per square foot, approximately \$8,419, due on the date of the initial commencement of construction, and thereafter on each anniversary date. Construction of this station was completed in 2012. During the current fiscal year, the District recorded an expenditure of \$8,419 related to this lease.

Following is a schedule of the remaining minimum lease payments:

<u>Fiscal Year</u>	<u>Lease Payments</u>
2024	\$ 8,419
2025	8,419
2026	8,419
2027	8,419
2028	8,419
2029-2030	<u>16,838</u>
Total Minimum Lease Payments	<u>\$ 58,933</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7. LEASE AGREEMENTS (Continued)**

Harris County Emergency Services District No. 17

On August 24, 2020, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 17 (“ESD No. 17”) to provide housing at certain ESD No. 17 stations located within ESD No. 17’s service area, as may be necessary for the District to perform such services within the District boundaries. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. The District shall pay to ESD No. 17 a monthly amount of \$1,000 for each station housing District facilities.

Harris County Emergency Services District No. 20

On November 19, 2020, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 20 (“ESD No. 20”) to provide housing at certain ESD No. 20 stations located within ESD No. 20’s service area, as may be necessary for the District to perform such services within the District boundaries, including those portions of the District’s service area that overlap ESD No. 20’s service area. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. The District will be billed quarterly a monthly fee of \$1,000 for each station housing District facilities.

Woodlands Township

Effective August 3, 2021, the District entered into a Housing Agreement with the Woodlands Township (the “Township”) to provide housing at certain Township stations located within the Township’s service area, as may be necessary for the District to perform such services within the District boundaries. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. The District shall pay to the Township a monthly amount of \$1,000 for each station housing District facilities.

Harris County Emergency Services District No. 28

Effective August 3, 2021, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 28 (“ESD No. 28”) to provide housing at certain ESD No. 28 stations located within ESD No. 28’s service area, as may be necessary for the District to perform such services within the District boundaries. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. The District shall pay to ESD No. 28 a monthly amount of \$1,000 for each station housing District facilities.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7. LEASE AGREEMENTS (Continued)**

Harris County Emergency Services District No. 7

On September 1, 2021, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 7 (“ESD No. 7”) to provide housing at certain ESD No. 7 stations located within ESD No. 7’s service area, as may be necessary for the District to perform such services within the District boundaries. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. The District shall pay to ESD No. 7 a monthly amount of \$1,000 for each station housing District facilities.

Harris County Emergency Services District No. 16

On September 1, 2021, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 16 (“ESD No. 16”) to provide housing at certain ESD No. 16 stations located within ESD No. 16’s service area, as may be necessary for the District to perform such services within the District boundaries. The initial term of this agreement is one year, and automatically renewable for successive one-year periods for a total of five one-year terms, unless otherwise terminated prior to renewal. The agreement may be terminated by providing 30 days prior written notice. No fee is charged for housing District facilities.

Harris County Emergency Services District No. 13-Ground Lease

On August 1, 2023, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 13 (“ESD No. 13”) for the right and use to occupy the Station 21 property at 14415 North Eldridge, Houston, Texas 77070. The agreement commenced on August 1, 2023, and will continue on a month-to-month basis until terminated by either Party. The agreement may be terminated in writing 60 days prior to the end of term.

The District agrees to pay to ESD No. 13 \$1,000 on the first day of each month. The fee will cover costs of electrical usage, water usage, and internet and telephone costs.

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions, for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9. NOTES PAYABLE**

On September 8, 2014, the District signed a promissory note with Trustmark National Bank in the amount of \$2,000,000 at the rate of 2.71%. Proceeds were used to construct a new EMS facility in Springwoods Village. Beginning March 25, 2016, payments of principal and related interest of \$115,056.07 are due semi-annually on March 25 and September 25 through September 25, 2025. Construction was completed in 2016. The District only used \$1,904,804 of this note.

On December 29, 2020, the District closed on a tax-exempt loan with Zions Bancorporation, NA in the amount of \$8,500,000 at the rate of 1.58%. Proceeds were used to purchase 42.753 acres of land which includes buildings, warehouse/maintenance spaces, large sheds and smaller structures totaling approximately 87,000 square feet combined; funding improvements to the property; and paying costs of the loan. The property serves as the District's primary Emergency Medical Services Operations and Communications Center. Beginning October 1, 2021, principal will be paid annually, through October 1, 2035, interest will be paid semi-annually on April 1 and October 1. On January 14, 2021, the District closed on the purchase of this property.

On March 30, 2021, the District closed on a tax-exempt real estate improvement loan with Zions Bancorporation, NA in the amount of \$20,000,000 at the rate of 2.42%. Proceeds were used for Phase I redevelopment of 42.753 acres of improved real property for a Logistics Center, Emergency Communications and Dispatch Center and Administration Office. Beginning March 1, 2022, principal will be paid annually, through March 1, 2036, interest will be paid semi-annually on March 1 and September 1. On January 14, 2021, the District closed on the purchase of this property.

On May 27, 2021, the District closed on a tax-exempt loan with Regions Capital Advantage, Inc. in the amount of \$14,500,000 at the rate of 2.00%. Proceeds were used for the acquisition and fabrication of 40 ambulances and medical equipment. Beginning March 1, 2022, principal will be paid annually, through March 1, 2030, interest will be paid semi-annually on March 1 and September 1.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9. NOTES PAYABLE (Continued)**

On March 31, 2022, the District closed on a tax-exempt loan with Signature Public Funding Corporation in the amount of \$11,700,000 at the rate of 2.379%. Proceeds were used by the District to fund Phase 2 of the build-out of the existing improvements owned by the District to create the Logistics Center, the Emergency Communications and Dispatch Center, and the Administration office space in the buildings that the District purchased in December 2020. Beginning March 1, 2023, principal will be paid annually, through March 1, 2037, and interest will be paid semi-annually on March 1 and September 1.

On July 29, 2022, the District closed on a tax-exempt loan with Zions Bancorporation, NA in the amount of \$8,500,000 at the rate of 3.23%. Proceeds were used by the District to refund the General Fund for capital expenditures including, architecture and design costs associated with the construction of the District's Administration Building, change orders associated with the District's Phase 2 construction project implemented in 2022, and certain capital equipment. Beginning March 1, 2023, principal will be paid annually, through March 1, 2037, and interest will be paid semi-annually on March 1 and September 1.

The total debt service requirements on the notes as of December 31, 2023 were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 4,603,256	\$ 1,185,050	\$ 5,788,306
2025	4,576,327	1,089,533	5,665,860
2026	4,575,000	997,209	5,572,209
2027	4,660,000	903,621	5,563,621
2028	4,780,000	807,937	5,587,937
2029-2033	20,175,000	2,626,264	22,801,264
2034-2037	12,175,000	553,745	12,728,745
	\$ 55,544,583	\$ 8,163,359	\$ 63,707,942
Notes Payable, January 1, 2023			\$ 60,051,852
Less: Principal Paid			4,507,269
Notes Payable, December 31, 2023			\$ 55,544,583
Notes Payable:			
Due Within One Year			\$ 4,603,256
Due After One Year			50,941,327
Notes Payable, December 31, 2023			\$ 55,544,583

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS**

Plan Description

The District provides retirement, disability, and death benefits for all its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over 800 non-traditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) which includes financial statements, notes and required supplementary information which can be obtained at TCDRS, Finance Division, Barton Oaks Plaza IV Suite 500, 901 S. MoPac Expressway, Austin, Texas 78746 or at [www.TCDRS.org](http://www.TCDRS.org).

Benefits Provided

Benefit provisions are adopted by the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 5 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit

Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the District within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled but not yet receiving benefits	43
Active employees	275

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS (Continued)**

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.14% for the months of the 2023 accounting year. The deposit rate payable by the employee members for calendar year 2023 is 7% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

For the District’s accounting year ended December 31, 2023, the annual pension cost for the TCDRS plan for its employees was \$1,884,898; the actual contributions were \$1,884,898. The employees contributed \$1,432,604 to the plan for the 2023 fiscal year.

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumption:

Actuarial valuation date	12/31/22
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	19.0 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return <sup>1</sup>	7.50%
Projected salary increases <sup>1</sup>	4.70%
Inflation	2.50%
Cost-of-living adjustments	0.00%

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

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS (Continued)**

Actuarial Assumptions (Continued)

Mortality rates were based on the following:

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

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

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

Discount Rate

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

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

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

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS (Continued)**

Discount Rate (Continued)

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.95%
Global Equities	2.50%	4.95%
International Equities-Development	5.00%	4.95%
International Equities-Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS (Continued)**

Changes in Net Pension Liability/(Asset)

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2022 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2021	\$ 1,187,722	\$ 1,328,977	\$ (141,255)
Changes for the year:			
Service Cost	2,352,360		2,352,360
Interest on the Total Pension Liability	265,058		265,058
Effect of Economic/Demographic gains or losses	679,025		679,025
Effect of Assumptions Changes or Inputs			
Refund of Contributions	(106,915)	(106,915)	
Benefit Payments			
Administrative Expenses		(2,612)	2,612
Member Contributions		1,384,903	(1,384,903)
Net Investment Income		(337,011)	337,011
Employer Contributions		1,760,348	(1,760,348)
Other		428,882	(428,882)
Balances of December 31, 2022	<u>\$ 4,377,250</u>	<u>\$ 4,456,572</u>	<u>\$ (79,322)</u>

Sensitivity Analysis

The following presents the net pension liability/(asset) of the District, calculated using the discount rate of 7.60%, as well as what the District net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 5,406,139	\$ 4,377,250	\$ 3,573,085
Fiduciary Net Position	<u>4,456,572</u>	<u>4,456,572</u>	<u>4,456,572</u>
Net Pension Liability/(Asset)	<u>\$ 949,567</u>	<u>\$ (79,322)</u>	<u>\$ (883,487)</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS (Continued)**

Deferred Inflows/Outflows of Resources

As of December 31, 2023, the deferred inflows and outflows of resources are as follows:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ -0-	\$ 604,408
Changes in assumptions	10,573	
Net difference between projected and actual earnings		400,351
Contributions paid to TCDRS subsequent to the measurement date		1,884,898
Total	\$ 10,573	\$ 2,889,657

\$1,884,898 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2023 (i.e. recognized in the District’s financial statements for the year ending December 31, 2024). Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 169,688
2024	169,688
2025	169,690
2026	187,505
2027	74,055
Thereafter	223,560

Deferred Compensation Plan

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457. The District established this plan effective January 3, 2022, under the name of Deferred Compensation Plan for Employees of the District, to enable employees who become covered under the plan to enhance their retirement security by permitting them to enter into agreements with the employer to defer compensation and receive benefits.

It is the District’s intent that this plan be an “Eligible Deferred Compensation Plan” in the meaning of Section 457 of the Internal Revenue Code of 1986, as amended, and that it be administered in a manner which is consistent with the requirements of that statute so that the federal income taxation of compensation deferred may be deferred until the compensation and any income attributable thereto is paid or otherwise made available under the terms of this Plan. An individual is eligible to participate in this Plan at any time he or she is an employee of the District. During each employment period in which the employee is a participant in the plan, the

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10. PENSION PLANS (Continued)**

Deferred Compensation Plan (Continued)

District shall defer payment of such part of his compensation as is specified by the employee in their Participation Agreement up to the maximum amount allowed by the IRS.

All amounts of deferred compensation shall at all times be and remain an asset of the employee. Any and all dividends, capital gains distributions, interest or other income payable on any of the investments of deferred compensation also shall be an asset of the employee. Amounts shall be made available and become payable under this plan to participants or beneficiaries only if the participant ceases to be an employee by reason of termination, retirement, disability or death or if the participant experiences an “Unforeseeable Emergency”. Distributions from the plan must be made primarily for the benefit of participants.

**NOTE 11. COMPENSATED ABSENCES**

In addition to other benefits provided, the District compensates eligible employees for paid time off. Paid time off accrues each pay period based on an employee’s regularly scheduled hours per year. Employees may rollover their full annual paid time off balance but will be capped at 150%. At December 31, 2023, total amounts accrued for vacation and compensatory leave were \$643,358.

**NOTE 12. SUBSCRIPTION-BASED SERVICE AGREEMENT**

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which was required to be implemented in the current fiscal year, the District recorded a subscription-based service asset and related subscription payable in its financial statements pertaining to the subscription service agreement it has with Zoll Data Systems established on March 2, 2023, with the first payment on June 2, 2023. The term of the agreement is five years.

Monthly payments are the 2<sup>nd</sup> of each month in the amount of \$5,253. The District’s current year subscription payments totaled \$36,775 with \$25,183 allocated to principal and the remainder to interest.

The subscription liability was measured using the remaining subscription term and discount rate of 8.00% as of the beginning of the current period and the right-to-use asset was measured based on the subscription liability at that date which resulted in no restatement of the beginning net position.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 12. SUBSCRIPTION-BASED SERVICE AGREEMENT (Continued)**

Right-to-use assets, current amortization expense, and accumulated amortization are summarized in the following table.

	January 1, 2023	Increases	Decreases	December 31, 2023
<b>Intangible Assets Subject to Amortization</b>				
Subscription Based Service	\$	\$ 259,096	\$	\$ 259,096
<b>Accumulated Amortization</b>				
Subscription Based Service	_____	43,159	_____	43,159
<b>Total Intangible Assets, Net of Accumulated Amortization</b>	<u>\$ - 0 -</u>	<u>\$ 302,255</u>	<u>\$ - 0 -</u>	<u>\$ 215,937</u>

The change in subscription payable during the current fiscal year is summarized in the following table:

	January 1, 2023	Additions	Retirements	December 31, 2023
Subscription Payable	<u>\$ -0-</u>	<u>\$ 259,096</u>	<u>\$ 25,183</u>	<u>\$ 233,913</u>

Future subscription payments, including the amount due within one year and amounts due after one year, are summarized in the following tables:

Fiscal Year	Principal	Interest	Total
2024	\$ 45,991	\$ 17,051	\$ 63,042
2025	49,809	13,234	63,043
2026	53,943	9,100	63,043
2027	58,420	4,622	63,042
2028	25,750	517	26,267
	<u>\$ 233,913</u>	<u>\$ 44,524</u>	<u>\$ 278,437</u>

Amount Due Within One Year	\$ 45,991
Amount Due After One Year	187,922
Total Subscription Payable	<u>\$ 233,913</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 13. PENDING THREATENED OR CONTEMPLATED LITIGATION**

On September 30, 2020, the District was named in the lawsuit *Cypress Creek Emergency Services Association v. Harris County Emergency Services District No. 11*, filed as Cause No. 2020-61450 in the 55th Judicial District Court of Harris County, Texas. CCEMS seeks to declaratory relief and money damages in connection with its claims that the District wrongfully withheld approximately \$2.5 million in payments CCEMS claims it is owed. The District has counter-claimed against CCEMS for its breaches of duties and other claims related to CCEMS's misappropriation, misuse, and overbilling of the District. The District has also brought third-party claims, including fraud and conspiracy, against CCEMS's billing company, Koronis Revenue Solutions LLC, and CCEMS's current and past board members and executives. On April 13, 2022, the District, CCEMS and all other parties to the CCEMS Lawsuit mediated the matters contained in the lawsuit and agreed to a settlement of all outstanding claims. The settlement agreement has been submitted to the United States Bankruptcy Court and the Order Granting the motion to approve the settlement agreement was granted on May 16, 2022. During the prior year, the District collected \$2,913,500 related to the settlement agreement.

Pursuant to the settlement agreement, CCEMS remained liable to the District for approximately \$378,480, which CCEMS claimed it was entitled to receive from the Federal Emergency Management Agency (FEMA) as a reimbursement for certain COVID-19-related expenses. On February 14, 2023, the liquidating trustee initiated the FEMA Proceeding. On December 20, 2023, \$183,485 of CCEMS's original claim was transferred to the District and both adversary proceedings were dismissed on December 21, 2023 and the FEMA Proceeding was dismissed on February 13, 2024. The CCEMS Bankruptcy remains open, however, most, if not all, of the assets have been liquidated, and the District's claims against the estate have been satisfied.

The District was named in the matter *In re Harris County Emergency Services District No. 11*, filed as Cause No. 2023-68038 pending in the 165th Judicial District Court of Harris County, Texas (the "PHI Matter"). Texas Emergency Communications Center ("TECC") runs an emergency dispatch center for fire departments within the District's boundaries. The District works with TECC and its affiliated fire departments to jointly respond to certain emergencies. To facilitate quick and efficient joint responses, the District shares with TECC real-time information regarding ongoing emergencies. On March 23, 2023, the District signed a Data Use Agreement (the "Agreement") with TECC. Shortly after the agreement was signed, the District learned that TECC released records containing unredacted Protected Health Information ("PHI") in response to Texas Public Information Act requests made by one of the District's commissioners who was not authorized to receive PHI under the Agreement and applicable Federal and State laws. On October 2, 2023 the District filed a petition in Harris County Civil District court requesting an order authorizing the District to take pre-suit depositions of TECC and others to investigate whether there have been additional unauthorized releases of PHI and breached of the agreement.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 13. PENDING THREATENED OR CONTEMPLATED LITIGATION**  
(Continued)

On February 16, 2024, the court in the PHI Matter held an evidentiary hearing to determine whether to grant the District's request for pre-suit depositions. As of April 15, 2024, the court has not issued an order granting or denying the District's petition and at this time, the District has not made any claims for monetary damages and there are no counterclaims or requests for relief made against the District. The investigation could result in the discovery of additional breaches of PHI protocols, which would require the District to provide notices to patients and could subject the District to risk of claims by patients or regulatory authorities, but too little is known at this time to assess such risks.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 19,700,000	\$ 19,377,551	\$ 19,124,219	\$ (253,332)
Service Billing Revenues	20,298,346	20,399,544	20,015,232	(384,312)
Penalty and Interest			123,361	123,361
Miscellaneous Revenues	804,000	1,568,980	1,758,093	189,113
<b>TOTAL REVENUES</b>	<u>\$ 40,802,346</u>	<u>\$ 41,346,075</u>	<u>\$ 41,020,905</u>	<u>\$ (325,170)</u>
<b>EXPENDITURES</b>				
Service Operations:				
Salaries and Benefits	\$ 25,268,517	\$ 26,456,228	\$ 27,326,466	\$ (870,238)
Commissioner Fees	6,475	22,198	7,686	14,512
Maintenance	440,480	418,838	487,491	(68,653)
Supplies - Operations	1,039,109	1,187,434	1,120,227	67,207
Vehicle Related Expenses	1,787,189	1,452,893	1,353,269	99,624
Uniforms	95,184	113,591	79,184	34,407
Utilities	168,917	133,348	168,078	(34,730)
Occupancy	112,000	108,000	108,000	
Other Direct Expenses			9,481	(9,481)
Professional Service	1,965,506	2,074,983	2,201,423	(126,440)
Employee Expense	136,486	137,122	4,233	132,889
Supplies and Equipment	269,168	260,572	243,374	17,198
Insurance	794,000	746,844	740,132	6,712
Legal Fees	234,000	242,908	260,381	(17,473)
Delinquent Tax Attorney Fees			47,314	(47,314)
Appraisal District	142,000	138,615	145,918	(7,303)
Travel	59,345	68,803	71,287	(2,484)
Other	343,553	330,987	272,334	58,653
Capital Outlay			1,550,018	(1,550,018)
Debt Service:				
Principal	5,809,936	5,809,936	4,507,269	1,302,667
Interest	1,302,667	1,256,967	1,303,291	(46,324)
<b>TOTAL EXPENDITURES</b>	<u>\$ 39,974,532</u>	<u>\$ 40,960,267</u>	<u>\$ 42,006,856</u>	<u>\$ (1,046,589)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 827,814</u>	<u>\$ 385,808</u>	<u>\$ (985,951)</u>	<u>\$ (1,371,759)</u>
<b>FUND BALANCE - JANUARY 1, 2023</b>	<u>15,929,517</u>	<u>15,929,517</u>	<u>15,929,517</u>	
<b>FUND BALANCE - DECEMBER 31, 2023</b>	<u>\$ 16,757,331</u>	<u>\$ 16,315,325</u>	<u>\$ 14,943,566</u>	<u>\$ (1,371,759)</u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Total Pension Liability</b>		
Service cost	\$ 2,352,360	\$ 1,115,682
Interest on total pension liability	265,058	84,784
Effect of economic/demographic (gains) or losses	679,025	1,068
Effect of assumptions changes or inputs		(13,595)
Benefit payments/refunds of contributions	<u>(106,915)</u>	<u>(217)</u>
Net change in total pension liability	\$ 3,189,528	\$ 1,187,722
Total pension liability, beginning	<u>1,187,722</u>	<u>                    </u>
Total pension liability, ending (a)	<u>\$ 4,377,250</u>	<u>\$ 1,187,722</u>
<b>Fiduciary Net Position</b>		
Employer contributions	\$ 1,760,348	\$ 650,825
Member contributions	1,384,903	512,455
Investment income net of investment expenses	(337,011)	133,682
Benefit payments/refunds of contributions	(106,915)	(217)
Administrative expenses	(2,612)	(719)
Other	<u>428,882</u>	<u>32,951</u>
Net change in plan fiduciary net position	\$ 3,127,595	\$ 1,328,977
Fiduciary net position, beginning	<u>1,328,977</u>	<u>                    </u>
Fiduciary net position, ending (b)	<u>\$ 4,456,572</u>	<u>\$ 1,328,977</u>
<b>Net Pension Liability/(Asset), Ending = (a) - (b)</b>	<u>\$ (79,322)</u>	<u>\$ (141,255)</u>
<b>Fiduciary net position as a percentage of the total pension liability</b>	101.81%	111.89%
<b>Pensionable covered payroll</b>	\$ 19,784,325	\$ 7,320,789
<b>Net pension liability as a percentage of covered employee payroll</b>	-0.40%	-1.93%

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**DECEMBER 31, 2023**

<u>Fiscal Year Ending December 31</u>	<u>Actuarially Determined Contribution (1)</u>	<u>Actual Employer Contribution (1)</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (2)</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2021	\$ 650,825	\$ 650,825	\$ -0-	\$ 7,320,789	8.9%
2022	\$ 1,758,827	\$ 1,760,348	\$ (1,521)	\$ 19,784,325	8.9%
2023	\$ 1,884,898	\$ 1,884,898	\$ -0-	\$ 20,465,772	9.2%

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**NOTES TO SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19.0 years (based on contribution rate calculated in 12/31/22 valuation)
Asset Valuation Method	5-year, smoothed market
Inflation	2.50%
Salary Increases	4.7%, average over career including inflation, varies by age and service
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Change in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New Inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New Inflation, mortality and other assumptions were reflected 2022:: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: No changes in plan provisions were reflected in the Schedule. 2018: No changes in plan provisions were reflected in the Schedule. 2018: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule.

\* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to the Schedule

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY HARRIS COUNTY**

**DECEMBER 31, 2023**



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**COMPUTATION OF LONG-TERM DEBT PER CAPITA**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(UNAUDITED)**

Long-Term Debt at December 31, 2023	\$ 55,778,496
Less: Amount in Debt Service Fund	<u>- 0 -</u>
Net Long-Term Debt at December 31, 2023	\$ 55,778,496
Estimated Population*	<u>760,000</u>
Net Long-Term Debt per Capita at December 31, 2023	<u>\$ 73.39</u>

\* Based upon independent, comprehensive review for 2022

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**LISTING OF THE NUMBER OF EMERGENCY RESPONSES**  
**MADE WITHIN AND OUTSIDE THE DISTRICT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(UNAUDITED)**

Number of Emergency Responses made Within the District	56,561
Number of Emergency Responses made Outside of the District	<u>101</u>
Total Emergency Responses	<u><u>56,662</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**SCHEDULE OF INSURANCE AND BONDING COVERAGE**  
**DECEMBER 31, 2023**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE BOND Treasurer	01/01/23 01/01/24	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE BLANKET BOND	01/01/23 01/01/24	\$ 100,000	National Union Fire Insurance Corporation
GENERAL LIABILITY/PROFESSIONAL HEALTH CARE LIABILITY General Aggregate Per Occurrence	01/01/23 01/01/24	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation
MANAGEMENT LIABILITY General Aggregate Per Occurrence	01/01/23 01/01/24	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation
CYBER LIABILITY Cyber Liability (Each Event) Privacy Crisis Management Expense (Each Event ) Cyber Extortion Expense (Each Event) Privacy Crisis Management Expense and Cyber Extortion Expense (Aggregate)	01/01/23 01/01/24	\$ 1,000,000  100,000 20,000 100,000	CFC (Lloyds)
EXCESS LIABILITY General Aggregate Each Occurrence	01/01/23 01/01/24	\$ 8,000,000 4,000,000	National Union Fire Insurance Corporation
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit Per Accident	01/01/23 01/01/24	\$ 1,000,000	National Union Fire Insurance Corporation
PROPERTY LIABILITY Buildings Content Special Property Floater Deductible	01/01/23 01/01/24	\$ 16,412,322 3,122,389 209,378 5,000	National Union Fire Insurance Corporation
WORKERS COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	01/01/23 01/01/24	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company
PORTABLE EQUIPMENT Deductable	01/01/23 01/01/23	\$ 1,000  Guaranteed Replacement Costs	National Union Fire Insurance Corporation

See accompanying independent auditor's report.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**



**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 19,700,000	\$ 19,377,551	\$ 19,180,214	\$ (197,337)
Service Billing Revenues	20,298,346	20,399,544	20,015,232	(384,312)
Penalty and Interest			154,635	154,635
Miscellaneous Revenues	<u>804,000</u>	<u>1,568,980</u>	<u>1,758,093</u>	<u>189,113</u>
<b>TOTAL REVENUES</b>	<u>\$ 40,802,346</u>	<u>\$ 41,346,075</u>	<u>\$ 41,108,174</u>	<u>\$ (237,901)</u>
<b>EXPENDITURES</b>				
Service Operations:				
Salaries and Benefits	\$ 25,268,517	\$ 26,456,228	\$ 26,299,857	\$ 156,371
Commissioner Fees	6,475	22,198	7,686	14,512
Maintenance	440,480	418,838	487,491	(68,653)
Supplies - Operations	1,039,109	1,187,434	1,120,227	67,207
Vehicle Related Expenses	1,787,189	1,452,893	1,353,269	99,624
Uniforms	95,184	113,591	79,184	34,407
Utilities	168,917	133,348	168,078	(34,730)
Occupancy	112,000	108,000	108,000	
Other Direct Expenses			9,481	(9,481)
Professional Service	1,965,506	2,074,983	2,176,240	(101,257)
Employee Expense	136,486	137,122	4,233	132,889
Supplies and Equipment	269,168	260,572	243,374	17,198
Insurance	794,000	746,844	740,132	6,712
Legal Fees	234,000	242,908	260,381	(17,473)
Delinquent Tax Attorney Fees			47,314	(47,314)
Appraisal District	142,000	138,615	145,918	(7,303)
Travel	59,345	68,803	71,287	(2,484)
Other	343,553	330,987	272,334	58,653
Depreciation/Amortization	2,799,847	2,721,789	3,015,343	(293,554)
Loss on Disposition of Assets			17,750	(17,750)
Debt Service:				
Interest	<u>1,302,667</u>	<u>1,256,967</u>	<u>1,257,523</u>	<u>(556)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 36,964,443</u>	<u>\$ 37,872,120</u>	<u>\$ 37,885,102</u>	<u>\$ (12,982)</u>
<b>NET CHANGE IN NET POSITION</b>	<u>\$ 3,837,903</u>	<u>\$ 3,473,955</u>	<u>\$ 3,223,072</u>	<u>\$ (250,883)</u>
<b>NET POSITION - JANUARY 1, 2023</b>	<u>16,839,834</u>	<u>16,839,834</u>	<u>16,839,834</u>	
<b>NET POSITION - DECEMBER 31, 2023</b>	<u>\$ 20,677,737</u>	<u>\$ 20,313,789</u>	<u>\$ 20,062,906</u>	<u>\$ (250,883)</u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2023	\$ 10,571,277	
Adjustments to Beginning Balance	(251,838)	\$ 10,319,439
Original 2023 Tax Levy	\$ 21,667,712	
Adjustment to 2023 Tax Levy	880,393	22,548,105
TOTAL TO BE ACCOUNTED FOR		\$ 32,867,544
TAX COLLECTIONS:		
Prior Years	\$ 9,810,360	
Current Year	10,321,775	20,132,135
TAXES RECEIVABLE - DECEMBER 31, 2023		\$ 12,735,409
TAXES RECEIVABLE BY YEAR:		
2023		\$ 12,226,330
2022		173,492
2021		77,492
2020		60,803
2019		39,549
2018		28,048
2017		30,135
2016		23,406
2015		19,700
2014		17,298
2013		18,510
2012 and prior		20,646
TOTAL		\$ 12,735,409

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS: TOTAL PROPERTY				
VALUATIONS	<u>\$ 74,898,818,541</u>	<u>\$ 65,933,083,719</u>	<u>\$ 57,798,335,498</u>	<u>\$ 54,300,338,824</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.030175</u>	<u>\$ 0.029336</u>	<u>\$ 0.032305</u>	<u>\$ 0.033334</u>
ADJUSTED TAX LEVY*	<u>\$ 22,548,105</u>	<u>\$ 19,342,293</u>	<u>\$ 18,672,106</u>	<u>\$ 18,101,430</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>45.78 %</u>	<u>99.10 %</u>	<u>99.58 %</u>	<u>99.66 %</u>

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

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amounts		
	2023	2022	2021
<b>REVENUES</b>			
Property Taxes	\$ 19,124,219	\$ 18,395,873	\$ 17,827,058
Service Billing Revenues	20,015,232	18,358,683	6,798,872
Penalty and Interest	123,361	101,079	168,112
Insurance Reimbursement		2,913,500	
Miscellaneous Revenues	<u>1,758,093</u>	<u>766,357</u>	<u>156,890</u>
<b>TOTAL REVENUES</b>	<u>\$ 41,020,905</u>	<u>\$ 40,535,492</u>	<u>\$ 24,950,932</u>
<b>EXPENDITURES</b>			
Service Operations:			
District Services - Cypress Creek			
Emergency Medical Services	\$	\$	\$ 10,348,090
Salaries and Benefits	27,326,466	26,873,509	11,189,069
Commissioner Fees	7,686	25,204	10,687
Maintenance	487,491	633,122	584,136
Supplies - Operations	1,120,227	1,039,159	1,154,308
Vehicle Related Expenses	1,353,269	1,236,263	416,698
Uniforms	79,184	230,418	256,054
Utilities	168,078	181,609	65,838
Occupancy	108,000	178,838	173,810
Other Direct Expenses	9,481		431
Professional Service	2,201,423	2,213,787	2,197,579
Employee Expense	4,233	32,128	87,218
Supplies and Equipment	243,374	321,403	750,308
Insurance	740,132	695,106	221,141
Legal Fees	260,381	744,847	1,106,330
Delinquent Tax Attorney Fees	47,314	40,421	52,821
Appraisal District	145,918	138,030	131,003
Travel	71,287	64,106	53,031
Other	272,334	464,690	216,473
Capital Outlay	1,550,018	14,503,160	44,500,209
Debt Service:			
Debt Issuance Costs			
Principal	4,507,269	3,381,420	705,728
Interest	<u>1,303,291</u>	<u>919,792</u>	<u>380,403</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 42,006,856</u>	<u>\$ 53,917,012</u>	<u>\$ 74,601,365</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (985,951)</u>	<u>\$ (13,381,520)</u>	<u>\$ (49,650,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Note Proceeds	<u>\$ - 0 -</u>	<u>\$ 20,200,000</u>	<u>\$ 34,500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (985,951)</u>	<u>\$ 6,818,480</u>	<u>\$ (15,150,433)</u>
<b>BEGINNING FUND BALANCE</b>	<u>15,929,517</u>	<u>9,111,037</u>	<u>24,261,470</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 14,943,566</u>	<u>\$ 15,929,517</u>	<u>\$ 9,111,037</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 17,645,756	\$ 17,168,275	46.6 %	45.4 %	71.5 %	98.6 %	96.9 %
168,248	196,812	48.8	45.3	27.2	0.9	1.1
88,817	354,153	0.3	0.2	0.7	0.5	2.0
			7.2			
		4.3	1.9	0.6	0.5	2.0
\$ 17,902,821	\$ 17,719,240	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 13,068,845	\$ 15,466,471			41.5 %	73.0 %	87.3 %
31,145		66.6	66.3	44.8	0.2	
10,650			0.1		0.1	
6,839	71,421	1.2	1.6	2.3		0.4
		2.7	2.6	4.6		
		3.3	3.0	1.7		
		0.2	0.6	1.0		
		0.4	0.4	0.3		
		0.3	0.4	0.7		
284,508	297,639	5.4	5.5	8.8	1.6	1.7
			0.1	0.3		
		0.6	0.8	3.0		
		1.8	1.7	0.9		
710,484	126,575	0.6	1.8	4.4	4.0	0.7
43,779	47,673	0.1	0.1	0.2	0.2	0.3
132,596	126,133	0.4	0.3	0.5	0.7	0.7
		0.2	0.2	0.2		
108,163	61,812	0.7	1.1	0.9	0.6	0.3
274,066		3.8	35.8	178.4	1.5	(0.1)
68,750					0.4	
465,923	243,343	11.0	8.3	2.8	2.6	1.4
38,118	44,872	3.2	2.3	1.5	0.2	0.3
\$ 15,243,866	\$ 16,485,939	102.5 %	133.0 %	298.8 %	85.1 %	93.0 %
\$ 2,658,955	\$ 1,233,301	(2.5) %	(33.0) %	(198.8) %	14.9 %	7.0 %
\$ 8,500,000	\$ - 0 -					
\$ 11,158,955	\$ 1,233,301					
13,102,515	11,869,214					
\$ 24,261,470	\$ 13,102,515					

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2023**

District Mailing Address - Harris County Emergency Services District No. 11  
18334 Stuebner Airline Road  
Spring, TX 77379

District Telephone Number - (281) 524-7660

<u>Commissioners</u>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended December 31, 2023</u>	<u>Expense Reimbursements for the year ended December 31, 2023</u>	<u>Title</u>
Karen Plummer	05/21/20 05/16/24 (Elected)	\$ 2,850	\$ -0-	President
Steve Williams	05/21/20 05/16/24 (Elected)	\$ 1,950	\$ -0-	Vice President
Dorothy Dalton	05/19/22 05/19/26 (Elected)	\$ -0-	\$ -0-	Secretary
Robert Pinard	05/21/20 05/16/24 (Elected)	\$ -0-	\$ -0-	Treasurer/ Assistant Secretary
Zach Dunlap	05/19/22 05/19/26 (Elected)	\$ 2,700	\$ -0-	Assistant 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. 11  
BOARD OF COMMISSIONERS AND CONSULTANTS  
DECEMBER 31, 2023**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2023*</u>	<u>Title</u>
Radcliffe Adams Barner PLLC	11/17/16	\$ 134,343	General Counsel
Greathouse Holloway McFadden Trachtenberg PLLC	04/16/20	\$ 108,200	Litigation Counsel
McCall Gibson Swedlund Barfoot PLLC	03/16/06	\$ 39,000 \$ 24,500	Auditor/ Other Services
Linebarger Goggan Blair & Sampson, LLP	06/09/05	\$ 47,314	Delinquent Tax Attorney
The GMS Group, LLC	08/03/18	\$ 1,500	Financial Advisor
Tony Farmer	09/06/22	\$ -0-	Investment Officer
Harris County Tax Assessor/Collector	Legislative Action	\$ 260,008	Tax Assessor/ Collector

\* Accrual basis

See accompanying independent auditor's report.

