

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2021

McCALL GIBSON SWEDLUND BARFOOT, PLLC
Certified Public Accountants

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2021

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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
E-Mail: 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, 2021, 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Information

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



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

June 16, 2022

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to the financial statements. The fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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, 2021**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$14,183,539 as of December 31, 2021.

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, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Current and Other Assets	\$ 33,930,650	\$ 43,575,240	\$ (9,644,590)
Capital Assets (Net of Accumulated Depreciation)	48,301,902	4,986,336	43,315,566
Total Assets	\$ 82,232,552	\$ 48,561,576	\$ 33,670,976
Long-Term Liabilities	\$ 39,891,852	\$ 8,733,272	\$ (31,158,580)
Other Liabilities	9,485,055	914,503	(8,570,552)
Total Liabilities	\$ 49,376,907	\$ 9,647,775	\$ (39,729,132)
Deferred Inflows of Resources	\$ 18,672,106	\$ 18,101,430	\$ (570,676)
Net Position:			
Investment in Capital Assets	\$ 6,328,118	\$ 3,978,586	\$ 2,349,532
Unrestricted	7,855,421	16,833,785	(8,978,364)
Total Net Position	\$ 14,183,539	\$ 20,812,371	\$ (6,628,832)

The following table provides a summary of the District's operations for the years ended December 31, 2021, and December 31, 2020.

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 17,517,280	\$ 18,021,454	\$ (504,174)
Service Billing Revenues	6,798,872		6,798,872
Other Revenues	287,195	327,239	(40,044)
Total Revenues	\$ 24,603,347	\$ 18,348,693	\$ 6,254,654
Expenses for Services	31,232,179	15,184,068	(16,048,111)
Change in Net Position	\$ (6,628,832)	\$ 3,164,625	\$ (9,793,457)
Net Position, Beginning of Year	20,812,371	17,647,746	3,164,625
Net Position, End of Year	\$ 14,183,539	\$ 20,812,371	\$ (6,628,832)

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2021, was \$9,111,037, a decrease of \$15,150,433 from the prior year. This decrease was primarily due to the use note proceeds received in the prior fiscal year for capital outlay and service operations exceeding property tax and service revenues. .

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners amended the budget during the current year to decrease estimated property tax revenues and to add estimated expenditures for service operations. Actual revenues were \$15,526,118 more than budgeted revenues. Actual expenditures were \$53,808,591 more than budgeted expenditures. Note proceeds of \$34,500,000 were received but not budgeted.

CAPITAL ASSETS

Capital assets as of December 31, 2021, total \$48,301,902 (net of accumulated depreciation) and include land, buildings and equipment.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2021	2020	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	\$ 8,101,286	\$ 167,769	\$ 7,933,517
Construction in Progress	19,890,126	33,640	19,856,486
Capital Assets, Net of Accumulated Depreciation:			
Buildings	3,459,201	3,577,574	(118,373)
Vehicles	10,931,043	909,797	10,021,246
Equipment	5,920,246	297,556	5,622,690
Total Net Capital Assets	\$ 48,301,902	\$ 4,986,336	\$ 43,315,566

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, 2021**

LONG-TERM DEBT ACTIVITY

At year-end, the District had total long-term debt payable of \$43,233,272. The changes in the debt position of the District during the fiscal year ended December 31, 2021, are summarized as follows:

Notes Payable, January 1, 2021	\$ 9,439,000
Add: Note Proceeds	34,500,000
Less: Principal Paid	<u>705,728</u>
Notes Payable, December 31, 2021	<u>\$ 43,233,272</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 FUNDS BALANCE SHEET
DECEMBER 31, 2021

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 9,054,551	\$	\$ 9,054,551
Investments	7,052,658		7,052,658
Cash with Harris County	924,342		924,342
Receivables:			
Property Taxes	10,684,605		10,684,605
Penalty and Interest on Delinquent Property Taxes		233,834	233,834
Service Billings (Net of Allowance for Doubtful Accounts of \$6,512,173)	4,229,014		4,229,014
Other	51,531		51,531
Prepaid Costs	1,246,795		1,246,795
Inventory	453,320		453,320
Land		8,101,286	8,101,286
Construction in Progress		19,890,126	19,890,126
Capital Assets, (Net of Accumulated Depreciation)		20,310,490	20,310,490
TOTAL ASSETS	<u>\$ 33,696,816</u>	<u>\$ 48,535,736</u>	<u>\$ 82,232,552</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 FUNDS BALANCE SHEET
DECEMBER 31, 2021

	General Fund	Adjustments	Statement of Net Position
LIABILITIES			
Accounts Payable	\$ 3,635,962	\$	\$ 3,635,962
Retainage Payable	859,253		859,253
Wages Payable	989,455		989,455
Compensated Absences		364,692	364,692
Accrued Interest Payable		294,273	294,273
Notes Payable:			
Due Within One Year		3,341,420	3,341,420
Due After One Year		39,891,852	39,891,852
TOTAL LIABILITIES	\$ 5,484,670	\$ 43,892,237	\$ 49,376,907
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 19,101,109	\$ (429,003)	\$ 18,672,106
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 1,246,795	\$ (1,246,795)	\$
Inventory	453,320	(453,320)	
Restricted	1,259,488	(1,259,488)	
Unassigned	6,151,434	(6,151,434)	
TOTAL FUND BALANCE	\$ 9,111,037	\$ (9,111,037)	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 33,696,816		
NET POSITION			
Net Investment in Capital Assets		\$ 6,328,118	\$ 6,328,118
Unrestricted		7,855,421	7,855,421
TOTAL NET POSITION		\$ 14,183,539	\$ 14,183,539

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, 2021**

Total Fund Balance - Governmental Funds \$ 9,111,037

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

Capital Assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 48,301,902

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2020 and prior tax levies became part of recognized revenues in the governmental activities of the District. 662,837

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	\$ (294,273)	
Compensated Absences	(364,692)	
Notes Payable Within One Year	(3,341,420)	
Notes Payable After One Year	<u>(39,891,852)</u>	<u>(43,892,237)</u>

Total Net Position - Governmental Activities \$ 14,183,539

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, 2021

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 17,827,058	\$ (309,778)	\$ 17,517,280
Service Billing Revenues	6,798,872		6,798,872
Penalty and Interest	168,112	(37,807)	130,305
Miscellaneous Revenues	156,890		156,890
TOTAL REVENUES	\$ 24,950,932	\$ (347,585)	\$ 24,603,347
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Cypress Creek			
Emergency Medical Services	\$ 10,348,090	\$	\$ 10,348,090
Salaries and Benefits	11,189,069	364,692	11,553,761
Commissioner Fees	10,687		10,687
Maintenance	584,136		584,136
Supplies - Operations	1,154,308		1,154,308
Vehicle Related Expenses	416,698		416,698
Uniforms	256,054		256,054
Utilities	65,838		65,838
Occupancy	173,810		173,810
Other Direct Expenses	431		431
Professional Service	2,197,579		2,197,579
Marketing and Public Relationship	84,790		84,790
Employee Expense	87,218		87,218
Supplies and Equipment	750,308		750,308
Insurance	221,141		221,141
Legal Fees	1,106,330		1,106,330
Delinquent Tax Attorney Fees	52,821		52,821
Appraisal District	131,003		131,003
Travel	53,031		53,031
Other	131,683		131,683
Depreciation		1,169,024	1,169,024
Loss on Disposition of Assets		15,619	15,619
Capital Outlay	44,500,209	(44,500,209)	
Debt Service:			
Principal	705,728	(705,728)	
Interest	380,403	287,416	667,819
TOTAL EXPENDITURES/EXPENSES	\$ 74,601,365	\$ (43,369,186)	\$ 31,232,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (49,650,433)	\$ 49,650,433	\$ - 0 -
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 34,500,000	\$ (34,500,000)	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ (15,150,433)	\$ 15,150,433	\$
CHANGE IN NET POSITION		(6,628,832)	(6,628,832)
FUND BALANCE/NET POSITION - JANUARY 1, 2021	24,261,470	(3,449,099)	20,812,371
FUND BALANCE/NET POSITION - DECEMBER 31, 2021	\$ 9,111,037	\$ 5,072,502	\$ 14,183,539

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, 2021**

Net Change in Fund Balance - Governmental Funds \$ (15,150,433)

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. (309,778)

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. (37,807)

Compensated Absences are reported as a liability in the Statement of Net Position. Therefore, an expense is recored in the Statement of Activities. (364,692)

Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. (1,169,024)

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. 44,484,590

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. 705,728

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. (287,416)

Governmental funds report note proceeds as other financing sources. However, in the government-wide financial statements, the issuance of debt increases long-term liabilities and does not affect the Statement of Activities. (34,500,000)

Change in Net Position - Governmental Activities \$ (6,628,832)

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, 2021

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, 2021

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, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (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 2020 tax levy collections during the period October 1, 2020, to December 31, 2021, and taxes collected from January 1, 2021, to December 31, 2021, for all prior tax levies. The 2021 tax levy has been fully deferred to meet the District’s planned expenditures in the 2022 fiscal year.

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

Capital 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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
All Other	5-20

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, 2021, was \$453,320.

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 11 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.

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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, 2021

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, 2021, the District levied an ad valorem tax at the rate of \$.032305 per \$100 of assessed valuation, which resulted in a tax levy of \$18,672,106 on the adjusted taxable valuation of \$57,798,335,498 for the 2021 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 \$9,546,688 and the bank balance was \$10,146,833. 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, 2021, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	<u>\$ 9,054,551</u>	<u>\$ 492,137</u>	<u>\$ 9,546,688</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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 Investors, 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.

The District records its certificates of deposit at acquisition cost.

As of December 31, 2021, 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	\$ 6,560,521	\$ 6,560,521	\$	\$	\$
Certificates of Deposit	492,137	492,137			
TOTAL INVESTMENTS	<u>\$ 7,052,658</u>	<u>\$ 7,052,658</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2021, the District's investment in TexPool was rated "AAAm" by Standard and Poor's. The District also manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage.

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. The District also manages interest rate risk by investing in certificates of deposit with maturities of approximately one year or less.

NOTE 5. CAPITAL ASSETS

	January 1, 2021	Increases	Decreases	December 31, 2021
Capital Assets Not Being Depreciated				
Land	\$ 167,769	\$ 7,933,517	\$	\$ 8,101,286
Construction in Progress	<u>33,640</u>	<u>44,500,209</u>	<u>24,643,723</u>	<u>19,890,126</u>
Total Capital Assets Not Being Depreciated	<u>\$ 201,409</u>	<u>\$ 52,433,726</u>	<u>\$ 24,643,723</u>	<u>\$ 27,991,412</u>
Capital Assets Subject to Depreciation				
Buildings	\$ 4,441,617	\$	\$	\$ 4,441,617
Vehicles	1,525,971	10,483,859	18,000	11,991,830
Equipment	<u>3,121,859</u>	<u>6,226,347</u>	<u></u>	<u>9,348,206</u>
Total Capital Assets Subject to Depreciation	<u>\$ 9,089,447</u>	<u>\$ 16,710,206</u>	<u>\$ 18,000</u>	<u>\$ 25,781,653</u>
Less Accumulated Depreciation				
Buildings	\$ 864,043	\$ 118,373	\$	\$ 982,416
Vehicles	616,174	444,613		1,060,787
Equipment	<u>2,824,303</u>	<u>606,038</u>	<u>2,381</u>	<u>3,427,960</u>
Total Accumulated Depreciation	<u>\$ 4,304,520</u>	<u>\$ 1,169,024</u>	<u>\$ 2,381</u>	<u>\$ 5,471,163</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,784,927</u>	<u>\$ 15,541,182</u>	<u>\$ 15,619</u>	<u>\$ 20,310,490</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,986,336</u>	<u>\$ 67,974,908</u>	<u>\$ 24,659,342</u>	<u>\$ 48,301,902</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6. CONTRACTS FOR PROVIDING EMERGENCY SERVICES

The District has contracted with the Cypress Creek Emergency Medical Services Inc. (“CCEMS”) for providing emergency medical services. In accordance with the terms of the contract, CCEMS agrees to provide emergency medical services within the geographic area of the District (“Service Area”) on a 24-hour per day seven days a week basis. CCEMS agrees to obtain all necessary licenses, permits and approvals required to provide emergency medical services to the service area. The parties agree the District will not be responsible or liable for, but is also not prohibited from, operating, repairing and insuring any facilities.

CCEMS agrees to insure all of its and the District’s facilities and property against loss or damage of kinds usually insured by entities similarly situated and to carry public liability insurance with respect to the facilities. CCEMS will indemnify and hold harmless the District and its officers, members, employees, and agents against all losses, costs, damages, expenses and liabilities of whatever nature.

CCEMS will prepare annual capital and operating budgets for all revenues and expenses of CCEMS for the District to review and approve. The District has the right to approve the monthly monetary amounts to be paid to CCEMS in accordance with the approved capital and operating budgets. The parties agree that the District shall have the right to require title and ownership of any capital acquisitions funded by the District - in whole or in part - to be taken in the District’s name.

The contract was for a period of ten years commencing effective June 20, 2013. The contract could be cancelled without cause upon 360 days written notice. By letter dated September 9, 2020, the District provided 360-day notice to CCEMS of the termination of this contract and terminated on September 3, 2021.

By letter agreement dated September 3, 2020, Harris County Emergency Corps (“HCEC”), in the event of a sudden stoppage of services by CCEMS, agreed to provide emergency medical services within the District’s boundaries on a temporary basis immediately upon receipt of notice from the District. Upon notification, HCEC would transfer dispatch of emergency medical calls to HCEC’s dispatch center. In addition to utilizing its own excess response capacity, it would utilize neighboring emergency service provider agencies to provide these services (collectively the “Providers”). The District agreed to pay HCEC \$645 for every call for service with patient contact that Providers receive within the District’s boundaries. In addition, the District agreed to pay HCEC a dispatch fee of \$30 fee for every call for service received. The District agreed to allow HCEC use of its owned or leased facilities and equipment to aid in the provision of these services. The District could terminate this Temporary Agreement at any time, with or without cause, upon 24 hours written notice to HCEC. HCEC could terminate this temporary agreement for cause upon 90 days written notice to the District. This Agreement self-terminated on September 3, 2021 without being utilized.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7. 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.

This 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES (Continued)

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

In 2014, the District obtained financing for the new EMS facility in Springwoods Village. See Note 10. Construction of the facility was completed in 2016.

NOTE 8. OPERATING 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8. OPERATING LEASE AGREEMENTS (Continued)

Following is a schedule of the remaining minimum lease payments:

Fiscal Year	Lease Payments
2022	\$ 8,419
2023	8,419
2024	8,419
2025	8,419
2026	8,419
2027-2030	33,679
Total Minimum Lease Payments	\$ 75,774

Cypress Creek Emergency Services, Inc.

On April 1, 2016, and as amended September 3, 2020, the District entered into a Lease Agreement with Cypress Creek Emergency Medical Services, Inc. (“EMS”) for the lease of vehicle apparatus and of land and improvements. The EMS agrees to pay to the District \$10.00 per year due on the date of the initial commencement of construction, and thereafter on each anniversary date. The term of this agreement is congruent with and shall not exceed the term of the Service Agreement between the parties, including any extensions or modifications thereof. This agreement may be terminated by either party upon 30 days written notice. This agreement was terminated when the Service Agreement was terminated.

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’s EMS service provider 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. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8. OPERATING LEASE AGREEMENTS (Continued)

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’s EMS service provider 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 an 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’s EMS service provider 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’s EMS service provider 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. 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’s EMS

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8. OPERATING LEASE AGREEMENTS (Continued)

Harris County Emergency Services District No. 7 (Continued)

service provider 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’s EMS service provider 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.

NOTE 9. 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.

NOTE 10. 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 will be 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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10. NOTES PAYABLE (Continued)

property; and paying costs of the loan. The property will serve 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 will be used for Phase I redevelopment of 42.753 acres of improved real property to be utilized as 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 will be used for the acquisition and fabrication of 40 ambulances. 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.

The total debt service requirements on the notes as of December 31, 2021 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,341,420	\$ 890,690	\$ 4,232,110
2023	3,402,269	819,140	4,221,409
2024	3,468,256	746,185	4,214,441
2025	3,411,327	671,693	4,083,020
2026	3,395,000	600,972	3,995,972
2027-2031	16,280,000	1,920,432	18,200,432
2032-2036	<u>9,935,000</u>	<u>559,240</u>	<u>10,494,240</u>
	<u>\$ 43,233,272</u>	<u>\$ 6,208,352</u>	<u>\$ 49,441,624</u>
Notes Payable, January 1, 2021			\$ 9,439,000
Add: Note Proceeds			34,500,000
Less: Principal Paid			<u>705,728</u>
Notes Payable, December 31, 2021			<u>\$ 43,233,272</u>
Notes Payable:			
Due Within One Year			\$ 3,341,420
Due After One Year			<u>39,891,852</u>
Notes Payable, December 31, 2021			<u>\$ 43,233,272</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11. RETIREMENT PLAN

The District began participation in the Texas County & District Retirement System (TCDRS) as of May 1, 2021, and therefore did not have any participating employees as of the TCDRS measurement date, December 31, 2020. A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. The District participates in TCDRS, which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the District plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest per year on beginning of year balances. At retirement, the account is matched at an employer set percentage(s) (current match is 200%) and is then converted to a lifetime annuity.
 - 4) There are no automatic COLAs. Each year, the District may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year but must remain in conformity with the Act.
- c. As of the measurement date (December 31, 2020), the District had no employees covered in TCDRS.
- d. The District's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The District's contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by District and are currently 7%. The actuarially determined employer contribution rate for 2021 was 8.89%. Contributions to the pension plan from the District were \$650,891 for the fiscal year ended December 31, 2021.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12. 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, 2021, total amounts accrued for vacation and compensatory leave were \$364,692.

NOTE 13. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. Since that time, the District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

NOTE 14. PENDING 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. Subsequent to year end, 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.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021

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, 2021

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 19,932,100	\$ 3,126,333	\$ 17,827,058	\$ 14,700,725
Service Billing Revenues		6,298,481	6,798,872	500,391
Penalty and Interest			168,112	168,112
Miscellaneous Revenues	<u>65,000</u>		<u>156,890</u>	<u>156,890</u>
TOTAL REVENUES	<u>\$ 19,997,100</u>	<u>\$ 9,424,814</u>	<u>\$ 24,950,932</u>	<u>\$ 15,526,118</u>
EXPENDITURES				
Service Operations:				
District Services - Cypress Creek				
Emergency Medical Services	\$ 16,000,000	\$	\$ 10,348,090	\$ (10,348,090)
Salaries and Benefits		11,315,804	11,189,069	126,735
Commissioner Fees	5,000		10,687	(10,687)
Maintenance		518,396	584,136	(65,740)
Supplies - Operations		774,912	1,154,308	(379,396)
Vehicle Related Expenses		651,389	416,698	234,691
Uniforms		203,381	256,054	(52,673)
Utilities		101,288	65,838	35,450
Occupancy		118,210	173,810	(55,600)
Other Direct Expenses		127,085	431	126,654
Professional Service	132,000	3,629,962	2,197,579	1,432,383
Marketing and Public Relationship			84,790	(84,790)
Employee Expense		148,840	87,218	61,622
Supplies and Equipment		99,730	750,308	(650,578)
Insurance	30,000	211,871	221,141	(9,270)
Legal Fees	295,000	64,500	1,106,330	(1,041,830)
Delinquent Tax Attorney Fees			52,821	(52,821)
Appraisal District	130,000	64,000	131,003	(67,003)
Travel		50,500	53,031	(2,531)
Other	131,200	219,832	131,683	88,149
Capital Outlay	1,000,000	1,975,462	44,500,209	(42,524,747)
Debt Service:				
Principal	240,000		705,728	(705,728)
Interest		<u>517,612</u>	<u>380,403</u>	<u>137,209</u>
TOTAL EXPENDITURES	<u>\$ 17,963,200</u>	<u>\$ 20,792,774</u>	<u>\$ 74,601,365</u>	<u>\$ (53,808,591)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	<u>\$ 2,033,900</u>	<u>\$ (11,367,960)</u>	<u>\$ (49,650,433)</u>	<u>\$ (38,282,473)</u>

See accompanying independent auditor's report.

**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, 2021**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OTHER FINANCING SOURCES(USES)				
Note Proceeds	\$ - 0 -	\$ - 0 -	\$ 34,500,000	\$ 34,500,000
NET CHANGE IN FUND BALANCE	\$ 2,033,900	\$ (11,367,960)	\$ (15,150,433)	\$ (3,782,473)
FUND BALANCE - JANUARY 1, 2021	<u>24,261,470</u>	<u>24,261,470</u>	<u>24,261,470</u>	<u> </u>
FUND BALANCE - DECEMBER 31, 2021	<u>\$ 26,295,370</u>	<u>\$ 12,893,510</u>	<u>\$ 9,111,037</u>	<u>\$ (3,782,473)</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2021

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
COMPUTATION OF LONG-TERM DEBT PER CAPITA
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Long-Term Debt at December 31, 2021	\$ 43,233,272
Less: Amount in Debt Service Fund	<u>- 0 -</u>
Net Long-Term Debt at December 31, 2021	\$ 43,233,272
Estimated Population*	<u>568,672</u>
Net Long-Term Debt per Capita at December 31, 2021	<u>\$ 76.02</u>

* Based upon independent, comprehensive review for 2020

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, 2021
(UNAUDITED)**

Number of Emergency Responses made Within the District	20,949
Number of Emergency Responses made Outside of the District	<u>388</u>
Total Emergency Responses	<u>21,337</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2021

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE BOND Treasurer	10/13/21 10/13/22	\$ 100,000	National Union Fire Insurance Company
PUBLIC EMPLOYEE BLANKET BOND	10/13/21 10/13/22	\$ 100,000	National Union Fire Insurance Corporation
PUBLIC OFFICIAL BOND Treasurer	10/13/21 10/13/22	\$ 100,000	National Union Fire Insurance Corporation
GENERAL LIABILITY/PROFESSIONAL HEALTH CARE LIABILITY General Aggregate Per Occurrence	10/13/21 10/13/22	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation Insurance Corporation
MANAGEMENT LIABILITY General Aggregate Per Occurrence Cyber Liability (Each Event) Privacy Crisis Management Expense (Each Event) Cyber Extortion Expense (Each Event) Privacy Crisis Management Expense and Cyber Extortion Expense (Aggregate)	10/13/21 10/13/22	\$ 10,000,000 1,000,000 1,000,000 100,000 20,000 100,000	National Union Fire Insurance Corporation
EXCESS LIABILITY General Aggregate Each Occurrence	10/13/21 10/13/22	\$ 8,000,000 4,000,000	National Union Fire Insurance Corporation
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit Per Accident	10/13/21 10/13/22	\$ 1,000,000	National Union Fire Insurance Corporation
PROPERTY LIABILITY Buildings Content Special Property Floater Deductible	10/13/21 10/13/22	\$ 17,055,350 1,236,750 176,206 5,000	National Union Fire Insurance Corporation
WORKERS COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	11/25/21 11/25/22	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company
LAW ENFORCEMENT General Aggregate Each Occurrence	10/13/21 10/13/22	\$ 1,000,000 1,000,000	National Union Fire Insurance Corporation

See accompanying independent auditor's report.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 19,932,100	\$ 3,126,333	\$ 17,517,280	\$ 14,390,947
Service Billing Revenues		6,298,481	6,798,872	500,391
Penalty and Interest			130,305	130,305
Miscellaneous Revenues	<u>65,000</u>		<u>156,890</u>	<u>156,890</u>
TOTAL REVENUES	<u>\$ 19,997,100</u>	<u>\$ 9,424,814</u>	<u>\$ 24,603,347</u>	<u>\$ 15,178,533</u>
EXPENDITURES				
Service Operations:				
District Services - Cypress Creek				
Emergency Medical Services	\$ 16,000,000	\$	\$ 10,348,090	\$ (10,348,090)
Salaries and Benefits		11,315,804	11,553,761	(237,957)
Commissioner Fees	5,000		10,687	(10,687)
Maintenance		518,396	584,136	(65,740)
Supplies - Operations		774,912	1,154,308	(379,396)
Vehicle Related Expenses		651,389	416,698	234,691
Uniforms		203,381	256,054	(52,673)
Utilities		101,288	65,838	35,450
Occupancy		118,210	173,810	(55,600)
Other Direct Expenses		127,085	431	126,654
Professional Service	132,000	3,629,962	2,197,579	1,432,383
Marketing and Public Relationship			84,790	(84,790)
Employee Expense		148,840	87,218	61,622
Supplies and Equipment		99,730	750,308	(650,578)
Insurance	30,000	211,871	221,141	(9,270)
Legal Fees	295,000	64,500	1,106,330	(1,041,830)
Delinquent Tax Attorney Fees			52,821	(52,821)
Appraisal District	130,000	64,000	131,003	(67,003)
Travel		50,500	53,031	(2,531)
Other	131,200	219,832	131,683	88,149
Depreciation		1,975,462	1,169,024	806,438
Loss on Disposition of Assets			15,619	(15,619)
Capital Outlay	1,000,000			
Debt Service:				
Principal	240,000			
Interest		<u>517,612</u>	<u>667,819</u>	<u>(150,207)</u>
TOTAL EXPENDITURES	<u>\$ 17,963,200</u>	<u>\$ 20,792,774</u>	<u>\$ 31,232,179</u>	<u>\$ (10,439,405)</u>
NET CHANGE IN NET POSITION	<u>\$ 2,033,900</u>	<u>\$ (11,367,960)</u>	<u>\$ (6,628,832)</u>	<u>\$ 4,739,128</u>
NET POSITION - JANUARY 1, 2021	<u>20,812,371</u>	<u>20,812,371</u>	<u>20,812,371</u>	
NET POSITION - DECEMBER 31, 2021	<u>\$ 22,846,271</u>	<u>\$ 9,444,411</u>	<u>\$ 14,183,539</u>	<u>\$ 4,739,128</u>

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

		Maintenance Taxes
TAXES RECEIVABLE - JANUARY 1, 2021	\$ 14,458,519	
Adjustments to Beginning Balance	(584,151)	\$ 13,874,368
Original 2021 Tax Levy	\$ 17,438,007	
Adjustment to 2021 Tax Levy	1,234,099	18,672,106
TOTAL TO BE ACCOUNTED FOR		\$ 32,546,474
TAX COLLECTIONS:		
Prior Years	\$ 13,445,365	
Current Year	8,416,504	21,861,869
TAXES RECEIVABLE - DECEMBER 31, 2021		\$ 10,684,605
TAXES RECEIVABLE BY YEAR:		
2021		\$ 10,255,602
2020		148,085
2019		71,624
2018		43,687
2017		39,235
2016		27,025
2015		22,730
2014		19,421
2013		20,129
2012		10,605
2011		10,605
2010 and prior		15,857
TOTAL		\$ 10,684,605

See accompanying independent auditor's report.

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
PROPERTY VALUATIONS: TOTAL PROPERTY				
VALUATIONS	<u>\$ 57,798,335,498</u>	<u>\$ 54,300,338,824</u>	<u>\$ 51,381,474,084</u>	<u>\$ 47,930,282,759</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.032305</u>	<u>\$ 0.033334</u>	<u>\$ 0.03471</u>	<u>\$ 0.03606</u>
ADJUSTED TAX LEVY*	<u>\$ 18,672,106</u>	<u>\$ 18,101,430</u>	<u>\$ 17,833,092</u>	<u>\$ 17,283,818</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>45.08 %</u>	<u>99.18 %</u>	<u>99.60 %</u>	<u>99.75 %</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		
	2021	2020	2019
REVENUES			
Property Taxes	\$ 17,827,058	\$ 17,645,756	\$ 17,168,275
Service Billing Revenues	6,798,872		
Penalty and Interest	168,112	168,248	196,812
Insurance Reimbursement			
Miscellaneous Revenues	156,890	88,817	354,153
TOTAL REVENUES	\$ 24,950,932	\$ 17,902,821	\$ 17,719,240
EXPENDITURES			
Service Operations:			
District Services - Cypress Creek			
Emergency Medical Services	\$ 10,348,090	\$ 13,068,845	\$ 15,466,471
Salaries and Benefits	11,189,069	31,145	
Commissioner Fees	10,687	10,650	
Maintenance	584,136	6,839	71,421
Supplies - Operations	1,154,308		
Vehicle Related Expenses	416,698		
Uniforms	256,054		
Utilities	65,838		
Occupancy	173,810		
Other Direct Expenses	431		
Professional Service	2,197,579	284,508	297,639
Marketing and Public Relationship	84,790		
Employee Expense	87,218		
Supplies and Equipment	750,308		
Insurance	221,141		
Legal Fees	1,106,330	710,484	126,575
Delinquent Tax Attorney Fees	52,821	43,779	47,673
Appraisal District	131,003	132,596	126,133
Travel	53,031		
Other	131,683	108,163	61,812
Capital Outlay	44,500,209	274,066	
Debt Service:			
Debt Issuance Costs		68,750	
Principal	705,728	465,923	243,343
Interest	380,403	38,118	44,872
TOTAL EXPENDITURES	\$ 74,601,365	\$ 15,243,866	\$ 16,485,939
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (49,650,433)	\$ 2,658,955	\$ 1,233,301
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 34,500,000	\$ 8,500,000	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ (15,150,433)	\$ 11,158,955	\$ 1,233,301
BEGINNING FUND BALANCE	24,261,470	13,102,515	11,869,214
ENDING FUND BALANCE	\$ 9,111,037	\$ 24,261,470	\$ 13,102,515

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
\$ 18,080,609	\$ 17,491,448	71.5 %	98.6 %	96.9 %	97.7 %	98.6 %
187,352	169,622	27.2 0.7	0.9	1.1	1.0	1.0
102,175					0.6	
135,514	66,309	0.6	0.5	2.0	0.7	0.4
\$ 18,505,650	\$ 17,727,379	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 15,131,304	\$ 14,303,060	41.5 %	73.0 %	87.3 %	81.8 %	80.7 %
		44.8	0.2 0.1			
16,137	22,099	2.3		0.4	0.1	0.1
		4.6				
		1.7				
		1.0				
		0.3				
		0.7				
250,222	287,388	8.8	1.6	1.7	1.4	1.6
		0.3				
		0.3				
		3.0				
		0.9				
105,584	210,613	4.4	4.0	0.7	0.6	1.2
52,229	40,933	0.2	0.2	0.3	0.3	0.2
137,050	130,069	0.5	0.7	0.7	0.7	0.7
		0.2				
474,905	94,403	0.5	0.6	0.3	2.6	0.5
691,287	200,934	178.4	1.5		3.6	1.2
			0.4			
236,666	230,196	2.8	2.6	1.4	1.3	1.3
51,548	59,518	1.5	0.2	0.2	0.3	0.3
\$ 17,146,932	\$ 15,579,213	298.7 %	85.1 %	93.0 %	92.7 %	87.8 %
\$ 1,358,718	\$ 2,148,166	(198.7) %	14.9 %	7.0 %	7.3 %	12.2 %
\$ - 0 -	\$ - 0 -					
\$ 1,358,718	\$ 2,148,166					
10,510,496	8,362,330					
\$ 11,869,214	\$ 10,510,496					

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2021

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

District Telephone Number - (281) 524-7660

Commissioners	Term of Office (Elected or Appointed)	Fees of Office for the year ended December 31, 2021	Expense Reimbursements for the year ended December 31, 2021	Title
Karen Plummer	05/21/20 05/16/24 (Elected)	\$ 6,150	\$ 468	President
Steve Williams	05/21/20 05/16/24 (Elected)	\$ 4,650	\$ -0-	Vice President
Fred Grundmeyer	05/16/18 05/19/22 (Elected)	\$ -0-	\$ -0-	Secretary
Robert Pinard	05/21/20 05/16/24 (Elected)	\$ -0-	\$ -0-	Treasurer/ Assistant Secretary
Kevin Brost	05/16/18 05/19/22 (Elected)	\$ -0-	\$ -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, 2021**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2021*</u>	<u>Title</u>
Radcliffe Bobbitt Adams Polley PLLC	11/17/16	\$ 317,460 \$ 39,691	General Counsel Service Contract Matters
Greathouse Holloway McFadden Trachtenberg PLLC	04/16/20	\$ 580,859	Litigation Counsel
McCall Gibson Swedlund Barfoot PLLC	03/16/06	\$ 16,750 \$ -0-	Auditor/ Other Services
Myrtle Cruz, Inc.	11/17/04	\$ 42,345	Prior Bookkeeper
MedStar Consulting	08/20/20	\$ 4,492	Consulting Services
Linebarger Goggan Blair & Sampson, LLP	06/09/05	\$ 52,821	Delinquent Tax Attorney
The GMS Group, LLC	08/03/18	\$ 187,000	Financial Advisor
Pannell Kerr Forster of Texas, P.C.		\$ 168,321	Forensic Auditor
Dave Snavelly	12/16/21	\$ -0-	Investment Officer
Harris County Tax Assessor/Collector	Legislative Action	\$ 312,127	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.

