

ANNUAL FINANCIAL REPORT

of the

Harris County Emergency Services District No. 8

**For the Year Ended
December 31, 2022**

(This page intentionally left blank.)

Harris County Emergency Services District No. 8

TABLE OF CONTENTS

For the Year Ended December 31, 2022

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	7
<u>FINANCIAL STATEMENTS</u>	
Statement of Net Position	15
Statement of Activities	17
Balance Sheet	18
Reconciliation of the Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Change in Fund Balance	20
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance to the Statement of Activities	21
Notes to Financial Statements	23
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General Fund	41
Schedule of Employer Contributions to Pension Plan	43
<u>SUPPLEMENTARY INFORMATION</u>	
Analysis of Taxes Levied and Receivable	47
Board Members and Consultants	48

(This page intentionally left blank.)



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the
Harris County Emergency Services District No. 8:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Harris County Emergency Services District No. 8 as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Harris County Emergency Services District No. 8's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of Harris County Emergency Services District No. 8, as of December 31, 2022, 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 (GAAS). 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 Harris County Emergency Services District No. 8 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

Harris County Emergency Services District No. 8's 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 Harris

County Emergency Services District No. 8's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, 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 Harris County Emergency Services District No. 8'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 Harris County Emergency Services District No. 8'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, budgetary comparison information, and schedule of employer contributions to pension plan 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 Harris County Emergency Services District No. 8's basic financial statements. The accompanying Supplementary Information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
November 8, 2023

(This page intentionally left blank.)

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

(This page intentionally left blank.)

Harris County Emergency Services District No. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2022

The purpose of the Management's Discussion and Analysis (the "MD&A") is to give the readers an objective and easily readable analysis of the financial activities of the Harris County Emergency Services District No. 8 (the "District") for the year ended December 31, 2022. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Governmental Accounting Standards Board (GASB) Statement No. 34 establishes the content of the minimum requirements for MD&A. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT

The annual financial report is presented as compliant with the financial reporting model in effect pursuant to GASB Statement No. 34. The financial reporting model requires governments to present certain basic financial statements as well as a Management's Discussion and Analysis (MD&A) and certain other Required Supplementary Information (RSI). The basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements.

Government-Wide Statements

The government-wide statements report information for the District as a whole. These statements include transactions and balances relating to all assets, including capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets and liabilities. The difference between the two is 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 is improving or deteriorating. Other non-financial factors, such as the District's operating performance need to be considered to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

Harris County Emergency Services District No. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2022

The Statement of Net Position and the Statement of Activities present the District using one class of activity:

1. Governmental Activities – The District's emergency service operations are reported here.

The government-wide financial statements can be found after the MD&A within this report.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the District. They are usually segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The District's operations are reported using governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains one governmental fund; the general fund. The general fund is used to report the District's activities.

The District adopts an annual unappropriated budget for its general fund. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

Harris County Emergency Services District No. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2022

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found after the financial statements within this report.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information ("RSI"). The RSI that GASB Statement No. 34 requires includes a budgetary comparison schedule for the general fund. The RSI can be found after the notes to the financial statements within this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. For the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$5,352,531 as of yearend. Unrestricted net position, \$3,277,527, may be used to meet the District's ongoing emergency service operations.

Harris County Emergency Services District No. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2022

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2022	2021
Current assets	\$ 8,414,363	\$ 7,404,036
Capital assets	3,192,094	1,929,779
Total Assets	11,606,457	9,333,815
Accounts payable and accrued expenses	230,666	2,788
Long-term liabilities	1,231,648	-
Total Liabilities	1,462,314	2,788
Total Deferred Inflows of Resources	4,906,170	4,204,686
Net Position:		
Net investment in capital assets	1,960,446	1,929,779
Unrestricted	3,277,527	3,196,562
Total Net Position	\$ 5,352,531	\$ 5,126,341

The increase in current assets is primarily due to greater cash on hand, which is a direct result of operating surpluses during the year. The increase in accounts payable and accrued expenses was the result of timing of repayments to vendors and payments for accrued wages/benefits in the subsequent year. The increase in long-term liabilities is due to the new equipment lease entered into in the current year.

Harris County Emergency Services District No. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2022

Statement of Activities:

The following table provides a summary of the District's changes in net position:

	Governmental Activities	
	2022	2021
Revenues		
General revenues:		
Property taxes	\$ 4,166,078	\$ 3,952,215
EMS services	263,793	-
Investment income	92,455	1,357
Total Revenues	4,522,326	3,953,572
Expenses		
EMS operations	3,926,989	2,740,020
Administration	216,880	148,849
Depreciation	152,267	151,024
Total Expenses	4,296,136	3,039,893
Change in Net Position	226,190	913,679
Beginning Net Position	5,126,341	4,212,662
Ending Net Position	\$ 5,352,531	\$ 5,126,341

The District reported an increase in overall net position of \$226,190, 4% from prior year. Property taxes increased due to greater appraised property values in the current year. Fire/EMS operations expenses increased primarily due to the District assuming operations during the year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of

Harris County Emergency Services District No. 8

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2022

the year. The unassigned fund balance at year end was \$3,158,748, which was 56% of annual expenditures.

The District's general fund reflects a fund balance of \$3,169,512. There was an increase in fund balance of \$70,187 compared to the prior year. This increase is primarily due to other financing sources and revenues exceeding current year expenditures.

CAPITAL ASSETS

As of the end of the year, the District had invested \$3,192,094 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles and equipment. Major capital asset events during the current year include the following:

- The District purchased new medical equipment through lease financing for \$1,231,648.
- The District purchased new gurneys and Lucas CPR devices for \$51,223.
- The District purchased four model 3285 sectional doors for \$24,000.
- The District purchased two new vehicles for \$107,711.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were less than final budgeted revenues by \$231,696 during the year primarily due to less than anticipated EMS service revenues. Actual general fund expenditures were greater than the final budget by \$934,593, which is primarily due to greater than anticipated capital outlay expenses. The current year lease issuance totaling \$1,231,648 was not included in the District's final budget. These variances were the reason for a net positive overall variance of \$65,359 over the final budgeted amounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District is located in Harris County, Texas. The District's appointed officials and citizens considered many factors when setting the 2023 fiscal year budget. The District anticipates continued economic growth within the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning this report or requests for additional financial information should be directed to the John Peeler, Coveler & Peeler, P.C., Attorneys at Law, Two Memorial City Plaza, 820 Gessner, Suite 1710, Houston, Texas 77024.

FINANCIAL STATEMENTS

(This page is intentionally left blank.)

Harris County

Emergency Services District No. 8

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities
<u>Assets</u>	
Current Assets	
Cash	\$ 5,181,807
Receivables - property taxes	3,221,792
Prepaid items	10,764
Total Assets	8,414,363
Noncurrent Assets	
Capital assets - non-depreciable	990,735
Capital assets - net depreciable	2,201,359
Total Noncurrent Assets	3,192,094
Total Assets	11,606,457
 <u>Deferred Outflows of Resources</u>	
Pension contributions	114,558
Total Deferred Outflows of Resources	114,558
 <u>Liabilities</u>	
Current Liabilities	
Accounts payable	\$ 37,323
Accrued expenses	193,343
Long-term liabilities due within one year	109,174
Total Current Liabilities	339,840
Long-term liabilities	
Long-term liabilities due in more than one year	1,122,474
Total Noncurrent Liabilities	1,122,474
Total Liabilities	1,462,314
 <u>Deferred Inflows of Resources</u>	
Unavailable revenue - property tax collections related to next year	2,278,264
Unavailable revenue - receivable for next year property tax	2,627,906
Total Deferred Inflows of Resources	4,906,170
 <u>Net Position</u>	
Net investment in capital assets	1,960,446
Unrestricted	3,277,527
Total Net Position	\$ 5,352,531

See Notes to Financial Statements.

(This page is intentionally left blank.)

Harris County
Emergency Services District No. 8
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Governmental Activities
<u>Expenses</u>	
Public Safety - EMS	
EMS operations	\$ 3,926,989
Administration	216,880
Depreciation	152,267
Total Program Expenses	4,296,136
 <u>General Revenues</u>	
Property taxes	4,166,078
EMS services	263,793
Investment income	92,455
Total General Revenues	4,522,326
Change in Net Position	226,190
Beginning Net Position	5,126,341
Ending Net Position	\$ 5,352,531

See Notes to Financial Statements.

Harris County Emergency Services District No. 8

BALANCE SHEET

December 31, 2022

	General Fund
<u>Assets</u>	
Cash	\$ 5,181,807
Receivables - property taxes	3,221,792
Prepaid items	10,764
Total Assets	8,414,363
 <u>Liabilities</u>	
Accounts payable	37,323
Accrued expenses	193,343
Total Liabilities	230,666
 <u>Deferred Inflows of Resources</u>	
Unavailable revenue - property tax collections	2,278,264
Unavailable revenue - property tax receivable	2,735,921
Total Deferred Inflows of Resources	5,014,185
 <u>Fund Balance</u>	
Nonspendable - prepaids	10,764
Unassigned	3,158,748
Total Fund Balance	\$ 3,169,512

See Notes to Financial Statements.

Harris County

Emergency Services District No. 8

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION December 31, 2022

Total fund balance	\$	3,169,512
Amounts reported for governmental activities in the statement of net position:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, non-depreciable		990,735
Capital assets, net depreciable		2,201,359
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Unavailable revenue - property taxes		108,015
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.		
Pension contributions		114,558
Long-term liabilities are not due and payable in the current period (i.e. note payables, capital leases, and compensated balances) and, therefore, are not reported as liabilities in the government funds		
Non-current liabilities due in one year		(109,174)
Non-current liabilities due in more than one year		(1,122,474)
Net Position of Governmental Activities	\$	5,352,531

See Notes to Financial Statements.

Harris County

Emergency Services District No. 8

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

For the Year Ended December 31, 2022

	General Fund
Revenues	
Property taxes	\$ 4,155,300
EMS services	263,793
Investment income	92,455
Total Revenues	4,511,548
 Expenditures	
EMS operations	4,060,763
Administration	216,880
Capital outlay	1,395,366
Total Expenditures	5,673,009
Excess of Revenues Over (Under) Expenditures	(1,161,461)
 Other Financing Sources (Uses)	
Lease issuance	1,231,648
Total Other Financing Sources (Uses)	1,231,648
Net Change in Fund Balance	70,187
Beginning Fund Balance	3,099,325
Ending Fund Balance	\$ 3,169,512

See Notes to Financial Statements.

Harris County

Emergency Services District No. 8

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance	\$	70,187
----------------------------	----	--------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		1,414,582
Depreciation		(152,267)

Revenue in the statement of activities that does not provide current financial resources are not reported as revenue in the funds.		10,778
--	--	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension deferral (expense)		114,558
----------------------------	--	---------

The issuance of long-term debt provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Lease issuance		(1,231,648)
----------------	--	-------------

Change in Net Position of Governmental Activities	\$	<u>226,190</u>
--	-----------	-----------------------

See Notes to Financial Statements.

(This page is intentionally left blank.)

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements and Reporting Entity

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

Harris County Emergency Services District No. 8 (the "District") was created after a public election held on May 3, 2003, under the provision of Section 48-e of Article III of the Constitution of Texas. The District is funded by property taxes as paid to it by its citizens (residential and commercial property owners). The District provides firefighting facilities, fire suppression and rescue services, and emergency medical services for its citizens.

As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. The District has adopted Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Presentation Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the District as a whole. These statements include all activities of the primary government. Governmental activities are normally supported by property and sales taxes and intergovernmental revenues.

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

The Statement of Activities presents a comparison between general government expenses and general revenues of the District's governmental activities. Expenses, such as those used to fund the principal operations of District, are presented as general government expenses. Revenues, such as taxes and investment earnings, are presented as general revenues.

The fund financial statements provide information about the government's funds. Separate statements for each fund category are presented.

The government reports the following governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The general fund is used to account for the operations of the District's emergency service operations and all other financial transactions not properly includable in other funds. The principal sources of revenue are related to property taxes. Expenditures include all costs associated with the daily operations and contractual obligations of the District.

During the course of operations the government may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity may occur during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the District reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 are reported using the pools' share price.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Receivables and Interfund Transactions

Transactions between governmental funds that are representative of the transfer of resources arrangements outstanding at the end of the year are referred to as "due to/from other funds." Further, the activity occurring during the year involving these transfers of resources between funds are reported at gross amounts as transfers in/out.

3. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the District.

4. Capital Assets

Capital assets, which include property, plant, equipment, and vehicle assets (e.g., fire trucks, building, fire apparatus, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	5 years
Temporary buildings	10 years
Equipment	2 - 15 years
Buildings	40 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred*

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (board of commissioners) has by resolution authorized the treasurer to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

9. Long-Term Obligations

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Leases

During the year the District adopted GASB 87, Leases.

Lessee: The District is a lessee for noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about Fiduciary Net Pension of the Texas County & District Retirement System ("TCDRS") and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The District began participating in TCDRS on August 1, 2022. Plan members' net pension liability (asset) is measured as of December 31, 2021. Given the fact the District had no employees participating as of December 31, 2021, the District did not record a net pension liability (asset) as of yearend. The District only recorded deferred pension contributions as of December 31, 2022.

12. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term assets, such as property tax receivable, are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District’s investment policy requires full collateralization of all time and bank deposits consistent with Chapter 2257 of the Public Funds Collateral Act. As of December 31, 2022, all accounts were fully collateralized.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The budget is prepared using the same method of accounting as for financial reporting and serves as a planning tool. Encumbrance accounting is not utilized. A budget is prepared by fund and function. Appropriations lapse at the end of the year. The District’s budgetary legal level of control is the fund level.

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2022

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2022, the District had the following investments:

<u>Investments Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools	\$ 4,864,022	0.07
Total value	<u>\$ 4,864,022</u>	

Applicable state laws and regulations allow the District to invest its funds in direct or indirect obligations of the United States, the State, or any county, city, school district, or other political subdivision of the State. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) domiciled within the State. Related state statutes and provisions included in the District's bond resolutions require that all funds invested in depository institutions be guaranteed by federal depository insurance and/or be secured in the manner provided by law for the security of public funds.

Custodial Credit Risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District requires funds on deposit at the depository bank to be collateralized by securities when in excess of FDIC coverage. As of December 31, 2022, all accounts were fully collateralized.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

B. Receivables

The following comprise receivable balances of the primary government at year end:

	General Fund
Property taxes – 2021 tax levy	\$ 2,627,950
Property taxes – delinquent	107,971
Due from tax assessor	485,871
Total	\$ 3,221,792

C. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	Beginning Balances	Increases	Decreases/ Transfers	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 947,310	\$ -	-	\$ 947,310
Construction in progress	43,425	-	-	43,425
Total capital assets not being depreciated	990,735	-	-	990,735
Capital assets, being depreciated:				
Buildings	695,967	-	-	695,967
Vehicles	895,524	107,711	-	1,003,235
Equipment	255,482	75,223	-	330,705
Right to use assets	-	1,231,648	-	1,231,648
Total capital assets being depreciated	1,846,973	1,414,582	-	3,261,555
Less accumulated depreciation				
Buildings	(194,291)	(17,399)	-	(211,690)
Vehicles	(642,963)	(93,655)	-	(736,618)
Equipment	(70,675)	(41,213)	-	(111,888)
Right to use assets	-	-	-	-
Total accumulated depreciation	(907,929)	(152,267)	-	(1,060,196)
Net capital assets being depreciated	939,044	1,262,315	-	2,201,359
Total capital assets	\$ 1,929,779	\$ 1,262,315	-	\$ 3,192,094

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2022

D. Long-Term Debt

The following is a summary of long-term obligations for the year ended December 31, 2022:

	<u>Balance at</u> <u>12/31/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>12/31/2022</u>	<u>Due within</u> <u>a year</u>
Governmental Activities:					
Lease Liabilities:					
Medical equipment, due in monthly installments through Nov 2032, interest at 2.50%	\$ -	\$ 1,231,648	\$ -	\$ 1,231,648	\$ 109,174
	<u>\$ -</u>	<u>\$ 1,231,648</u>	<u>\$ -</u>	<u>\$ 1,231,648</u>	<u>\$ 109,174</u>
		Due in more than one year		<u>\$ 1,122,474</u>	

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Future debt service requirements are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Lease Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 109,174	\$ 31,508
2024	113,510	25,724
2025	115,978	22,881
2026	118,813	20,046
2027	121,718	17,141
2028-2032	652,455	39,643
Total	<u>\$ 1,231,648</u>	<u>\$ 156,943</u>

V. OTHER INFORMATION

A. Risk Management

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

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Emergency Medical Services Contract

The District had a three year service agreement with Northwest Community Health (“NCH”) to provide 24 hour emergency medical services to the residents of the District, effective January 1, 2015. The contract renews yearly after the initial three-year agreement unless it is terminated by either party upon 180 days notice due to a material breach of contract. The District agreed to pay NCH amounts as requested, in agreement with NCH’s annual budget. The District has the right to approve the monthly monetary amount requested by NCH. For the year ended December 31, 2022, \$1,534,684 was paid to NCH. This agreement was discontinued during the year, and the District assumed EMS operations.

D. Defined Benefit Pension Plan

1. Plan Description

In June 2022, the District approved a motion to provide retirement, disability, and death benefits for all its eligible employees through a nontraditional defined benefit pension plan in the statewide Texas County & District Retirement System (“TCDRS”). The Board of Trustees of TCERS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 800 nontraditional defined contribution benefit plans. TCERS, in the aggregate, issues a comprehensive annual financial report (“CAFR”) on a calendar year basis. The CAFR is available upon written request from the TCERS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The District began contributing to the Plan in August 2022. Therefore, the District had no active employees participating in the Plan as of December 31, 2021 (TCERS most recent valuation measurement date). The District did not record a net pension liability (asset) as of yearend. The District only recorded deferred pension contributions totaling \$114,558 as of December 31, 2022.

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

2. Benefits Provided

The plan provisions are adopted by the District within the options available in Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 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 8 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 their employer.

Benefit amounts are determined by the sum of the employee's contribution 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

3. Funding Policy

The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. 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 District contributed using the ADCR of 8.15% for calendar year 2022.

The District adopted the rate of 7% as the contribution rate payable by the employee members for calendar years 2022 and 2021. The District may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

4. Contributions

	<u>12/31/2022</u>
Annual Determined Contribution Cost (ADCR)	\$ 114,558
Actual Contributions Made	\$ (114,558)
Percentage of APC Made	100%
Contribution deficiency (excess)	<u><u>\$ -</u></u>

Harris County Emergency Services District No. 8

NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2022

E. Subsequent Events

In March of 2023 the District acquired a new emergency services vehicle for \$208,973.

On October 12, 2023 the District entered into a loan agreement with a lender for \$5,600,000. The funds are to be used for the acquisition of land and to build a station for District business. The note bears interest at a fixed rate of 4.94%, and is payable in annual instalments of principal and interest totaling \$436,494 over a period of twenty years.

There were no other material subsequent events through November 8, 2023, the date the financial statements were available to be issued.

(This page is intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION

(This page is intentionally left blank.)

Harris County
Emergency Services District No. 8
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 4,000,000	\$ 4,155,300	\$ 155,300
EMS services	741,244	263,793	(477,451)
Investment income	2,000	92,455	90,455
Total Revenues	4,743,244	4,511,548	(231,696)
Expenditures			
EMS operations	3,982,939	4,060,763	(77,824)
Administration	355,477	216,880	138,597
Capital outlay	400,000	1,395,366	(995,366)
Total Expenditures	4,738,416	5,673,009	(934,593) *
Other Financing Sources (Uses)			
Lease issuance	-	1,231,648	1,231,648
Total Other Financing Sources (Uses)	-	1,231,648	1,231,648
Net Change in Fund Balance	\$ 4,828	70,187	\$ 65,359
Beginning Fund Balance		3,099,325	
Ending Fund Balance		\$ 3,169,512	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Amount of expenditure overage was offset with lease issuance in other financing sources.

(This page is intentionally left blank.)

Harris County
Emergency Services District No. 8
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
Fiscal Years Ended:

		12/31/2022
Actuarially determined employer	\$	114,558
Contributions in relation to the actuarially		
determined contribution	\$	114,558
Contribution deficiency (excess)	\$	-
Annual covered payroll	\$	1,405,622
Employer contributions as a percentage of		
covered payroll		8.15%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Notes N/A - The District began contributing to the Plan in August 2022. Therefore, the District had no active employees participating in the Plan as of December 31, 2021 (TCDRS most recent valuation measurement date). The District did not record a net pension liability (asset) as of yearend. The District only recorded deferred pension contributions totaling \$114,558 as of December 31, 2022.

(This page is intentionally left blank.)

SUPPLEMENTARY INFORMATION

(This page is intentionally left blank.)

Harris County
Emergency Services District No. 8
SI-1 ANALYSIS OF TAXES LEVIED AND RECEIVABLE
For the Year Ended December 31, 2022

	General Fund
Taxes receivable - January 1, 2022	\$ 2,489,717
2022 Adjusted tax roll	4,652,155
Total to be Accounted For	7,141,872
Tax Collections	
Current year	2,278,264
Prior years	2,310,913
Total Collections	4,589,177
Total Adjustments	183,226
Taxes Receivable - December 31, 2022	\$ 2,735,921
Taxes Receivable - By Year	
2022	\$ 2,627,950
2021	39,748
2020	19,483
2019	12,304
2018	8,853
Prior	27,583
Taxes Receivable - December 31, 2022	\$ 2,735,921

	2022	2021	2020	2019	2018
Assessed					
Property Valuations	\$ 5,244,270,156	\$ 4,460,715,596	\$ 4,075,008,934	\$ 3,778,473,767	\$ 3,357,116,346
Tax Rates (Per \$100 Valuations)					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	0.09356	0.09425	0.09700	0.09670	0.09825
Total Tax Rate (per \$100 Valuation)	\$ 0.09356	\$ 0.09425	\$ 0.09700	\$ 0.09670	\$ 0.09825
Tax Rolls**	\$ 4,906,592	\$ 4,204,001	\$ 3,952,759	\$ 3,653,784	\$ 3,298,367

For the Year Ended December 31, 2022	All Taxes
Percent of current taxes collected to current taxes levied (as adjusted)	55.8%

** As adjusted

Harris County

Emergency Services District No. 8

SI-2 BOARD MEMBERS AND CONSULTANTS

December 31, 2022

District's Mailing Address: Harris County Emergency Services District No. 8
 3401 Louisiana Street, Suite 400
 Houston, Texas 77002

District's Business Telephone Number: (713) 759-1368

<u>Board Members</u>	<u>Term</u>	<u>Fees of Office Paid</u> *	<u>Expense Reimbursements</u>	<u>Title</u>
1. Marcia Moore-Swinehart (Elected)	06/20 - 05/24	\$ -	\$ -	President
2. John P. Dillon (Elected)	06/18 - 05/26	\$ -	\$ -	Vice President
3. David Pace (Elected)	06/18 - 05/26	\$ -	\$ -	Secretary
5. David Kibler (Elected)	06/20 - 05/24	\$ -	\$ -	Treasurer
6. Scott Hallmark (Appointed)	09/20 - 05/24	\$ -	\$ -	Commissioner

* Fees of Office are the amounts actually paid to a commissioner/consultant during the District's fiscal year.

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees</u>	<u>Expense</u>		<u>Title</u>
			<u>Reimbursements</u>		
<u>Consultants</u>					
Coveler & Peeler, P.C.	2003	\$ 71,124	\$ -		Attorney
Ann Harris Bennett	2003	\$ 22,413	\$ -		Tax Collector
Myrtle Cruz, Inc.	2003	\$ 9,130	\$ 1,547		Bookkeeper
RIT Financial Inc.	2022	\$ 9,501			Bookkeeper
Randall F. Parr CPA	2022	\$ 10,500			Bookkeeper
BrooksWatson & Co., PLLC	2022	\$ 8,000	\$ 68		Auditor
Harris County Appraisal District	2003	\$ 31,403	\$ -		Appraisal District