

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Harris County Emergency
Services District No. 28
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. 28 (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplemental Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

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

April 21, 2025

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

Management's discussion and analysis of Harris County Emergency Services District No. 28's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 \$15,035,139 as of December 31, 2024.

A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment less any debt used to acquire those assets that is still outstanding). The District uses these assets to house firefighting equipment and personnel and to provide administrative, training and meeting facilities.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 13,030,612	\$ 10,676,418	\$ 2,354,194
Capital Assets (Net of Accumulated Depreciation)	<u>7,059,183</u>	<u>7,322,762</u>	<u>(263,579)</u>
Total Assets	<u>\$ 20,089,795</u>	<u>\$ 17,999,180</u>	<u>\$ 2,090,615</u>
Total Liabilities	<u>\$ 20,354</u>	<u>\$ 17,917</u>	<u>\$ (2,437)</u>
Deferred Inflows of Resources	<u>\$ 5,034,302</u>	<u>\$ 4,790,340</u>	<u>\$ (243,962)</u>
Net Position:			
Net Investment in Capital Assets	\$ 7,059,183	\$ 7,322,762	\$ (263,579)
Unrestricted	<u>7,975,956</u>	<u>5,868,161</u>	<u>2,107,795</u>
Total Net Position	<u>\$ 15,035,139</u>	<u>\$ 13,190,923</u>	<u>\$ 1,844,216</u>

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

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 4,491,778	\$ 4,084,923	\$ 406,855
Sales Tax Receipts	3,310,367	3,120,008	190,359
Other Revenues	<u>609,279</u>	<u>566,054</u>	<u>43,225</u>
Total Revenues	<u>\$ 8,411,424</u>	<u>\$ 7,770,985</u>	<u>\$ 640,439</u>
Expenses for Services	<u>6,567,208</u>	<u>6,298,799</u>	<u>(268,409)</u>
Change in Net Position	\$ 1,844,216	\$ 1,472,186	\$ 372,030
Net Position, Beginning of Year	<u>13,190,923</u>	<u>11,718,737</u>	<u>1,472,186</u>
Net Position, End of Year	<u>\$ 15,035,139</u>	<u>\$ 13,190,923</u>	<u>\$ 1,844,216</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2024, was \$7,729,263, an increase of \$2,058,846 from the prior year. The increase was primarily due to revenues exceeding capital and operating costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$401,975 more than budgeted revenues, actual expenditures were \$416,471 less than budgeted expenditures.

CAPITAL ASSETS

Capital assets as of December 31, 2024, total \$7,059,183 (net of accumulated depreciation) and include land, buildings and equipment. Current year activity includes the new HVAC system at Station 61, generator for Station 61 and building improvements at Station 63.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 336,249	\$ 336,249	\$
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	6,463,982	6,665,743	(201,761)
Machinery and Equipment	<u>258,952</u>	<u>320,770</u>	<u>(61,818)</u>
Total Net Capital Assets	<u>\$ 7,059,183</u>	<u>\$ 7,322,762</u>	<u>\$ (263,579)</u>

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

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. 28, 17061 Rolling Creek, Houston, Texas 77090.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 216,317	\$	\$ 216,317
Investments	7,078,562		7,078,562
Due from Harris County Tax Assessor/Collector	1,351,362		1,351,362
Receivables:			
Property Taxes	3,357,422		3,357,422
Sales Tax Receipts	649,097		649,097
Penalty and Interest		77,852	77,852
Advance for Texas Emergency			
Communications Center, Inc. Operations	300,000		300,000
Land		336,249	336,249
Capital Assets (Net of Accumulated Depreciation)		6,722,934	6,722,934
TOTAL ASSETS	<u>\$ 12,952,760</u>	<u>\$ 7,137,035</u>	<u>\$ 20,089,795</u>
LIABILITIES			
Accounts Payable	<u>\$ 20,354</u>	<u>\$ -0-</u>	<u>\$ 20,354</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ 5,203,143</u>	<u>\$ (168,841)</u>	<u>\$ 5,034,302</u>
FUND BALANCE			
Nonspendable:			
TECC Operations Reserve	\$ 300,000	\$ (300,000)	\$
Unassigned	<u>7,429,263</u>	<u>(7,429,263)</u>	<u></u>
TOTAL FUND BALANCE	<u>\$ 7,729,263</u>	<u>\$ (7,729,263)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 12,952,760</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 7,059,183	\$ 7,059,183
Unrestricted		<u>7,975,956</u>	<u>7,975,956</u>
TOTAL NET POSITION		<u>\$ 15,035,139</u>	<u>\$ 15,035,139</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balance - Governmental Funds	\$ 7,729,263
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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.	7,059,183
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenues in the governmental activities of the District.	<u>246,693</u>
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Total Net Position - Governmental Activities	<u>\$ 15,035,139</u>
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The accompanying notes to the financial
statements are an integral part of this report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 4,454,980	\$ 36,798	\$ 4,491,778
Sales Tax Receipts	3,310,367		3,310,367
Penalty and Interest	45,728	12,151	57,879
Investment Revenues	414,716		414,716
Miscellaneous Revenues	136,684		136,684
TOTAL REVENUES	<u>\$ 8,362,475</u>	<u>\$ 48,949</u>	<u>\$ 8,411,424</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Ponderosa Volunteer			
Fire Association, Inc.:			
Operations	\$ 5,637,535	\$	\$ 5,637,535
Capital Assets	113,335		113,335
Accounting and Auditing	15,000		15,000
Appraisal District Fees	38,368		38,368
Commissioner Fees	13,112		13,112
Communications	218,298		218,298
Legal Fees - General	71,577		71,577
Legal Fees - Delinquent Tax Collections	13,848		13,848
Sales Tax Consultant	12,294		12,294
Tax Assessor/Collector Fees	20,248		20,248
Depreciation		313,277	313,277
Other	100,316		100,316
Capital Outlay	49,698	(49,698)	
TOTAL EXPENDITURES/EXPENSES	<u>\$ 6,303,629</u>	<u>\$ 263,579</u>	<u>\$ 6,567,208</u>
NET CHANGE IN FUND BALANCE	\$ 2,058,846	\$ (2,058,846)	\$
CHANGE IN NET POSITION		1,844,216	1,844,216
FUND BALANCE/NET POSITION -			
JANUARY 1, 2024	<u>5,670,417</u>	<u>7,520,506</u>	<u>13,190,923</u>
FUND BALANCE/NET POSITION -			
DECEMBER 31, 2024	<u>\$ 7,729,263</u>	<u>\$ 7,305,876</u>	<u>\$ 15,035,139</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balance - Governmental Funds	\$ 2,058,846
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.	36,798
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Governmental funds report penalty and interest revenues on property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.	12,151
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Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(313,277)
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Governmental funds report capital 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.	49,698
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Change in Net Position - Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; text-align: right;">\$ 1,844,216</div>
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The accompanying notes to the financial
statements are an integral part of this report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1. CREATION OF DISTRICT

Harris County Rural Fire Prevention District No. 28 was created as a political subdivision of the State of Texas under the provision of Section 48-d of Article III of the State Constitution in accordance with Title 44, Article 2351a-6 of The Revised Civil Statutes of the State of Texas. Harris County Emergency Services District No. 28 (the "District") was created following an election held on July 13, 1996, to convert Harris County Rural Fire Prevention District No. 28 to an emergency services district.

Chapter 775 of the Health and Safety Code provides that an emergency services district may provide all or any one of the emergency services included in the code, including fire prevention and firefighting, but is not required to perform all emergency services.

The District has entered into a contract with the Ponderosa Volunteer Fire Association, Inc. (the "Association") to provide the service of fire suppression and extinguishment 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:

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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.
- 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.

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. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenues include the 2023 tax levy collections during the period October 1, 2023, to December 31, 2024, and taxes collected from January 1, 2024, to December 31, 2024, for all prior tax levies. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures. The 2024 tax levy has been fully deferred to meet the District’s planned expenditures in the 2025 fiscal year.

Capital Assets

Capital assets, which include land, buildings 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.

All personal tangible assets (computers, office machines, office furniture, etc.) are capitalized if they have a total cost of \$500 or more (including installation costs and professional fees) and a useful life of at least two years. Other assets are capitalized if they have a total cost of \$5,000 or more (including installation costs and professional fees), and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

	Years
Buildings	40
Equipment	7-15

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

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

Measurement Focus

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

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

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

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. The District does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. TAX LEVY

On May 13, 2006, the voters of the District approved the levy and collection of a tax not to exceed \$0.10 per \$100 of assessed valuation of taxable property within the District. During the year ended December 31, 2024, the District levied an ad valorem tax at the rate of \$0.098097 per \$100 of assessed valuation, which resulted in a tax levy of \$5,034,302 on the adjusted taxable valuation of \$5,149,958,053 for the 2024 tax year.

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$216,317 and the bank balance was \$216,317. The bank balance was covered by federal depository insurance.

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS

Investments (Continued)

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

As of December 31, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
Texas CLASS	<u>\$ 7,078,562</u>	<u>\$ 7,078,562</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024, the District’s investments in Texas CLASS was rated AAAM by Standard and Poor’s.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexasCLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5. CAPITAL ASSETS

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

	January 1, 2024	Increases	Decreases	December 31, 2024
Capital Assets Not Being Depreciated				
Land and Improvements	\$ 336,249	\$	\$	\$ 336,249
Construction in Progress		49,698	49,698	
Total Capital Assets Not Being Depreciated	<u>\$ 336,249</u>	<u>\$ 49,698</u>	<u>\$ 49,698</u>	<u>\$ 336,249</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 9,513,200	\$ 49,698	\$	\$ 9,562,898
Machinery and Equipment	1,011,964			1,011,964
Office Equipment	106,314			106,314
Total Capital Assets Subject to Depreciation	<u>\$ 10,631,478</u>	<u>\$ 49,698</u>	<u>\$ - 0 -</u>	<u>\$ 10,681,176</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 2,847,457	\$ 251,459	\$	\$ 3,098,916
Machinery and Equipment	691,194	61,818		753,012
Office Equipment	106,314			106,314
Total Accumulated Depreciation	<u>\$ 3,644,965</u>	<u>\$ 313,277</u>	<u>\$ - 0 -</u>	<u>\$ 3,958,242</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,986,513</u>	<u>\$ (263,579)</u>	<u>\$ - 0 -</u>	<u>\$ 6,722,934</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,322,762</u>	<u>\$ (213,881)</u>	<u>\$ 49,698</u>	<u>\$ 7,059,183</u>

NOTE 6. CONTRACT FOR PROVIDING FIRE EXTINGUISHMENT AND CERTAIN EMERGENCY RESCUE SERVICES

The District has a contract for providing fire extinguishment and certain emergency rescue services with the Ponderosa Volunteer Fire Association, Inc. ("the Association"). The current contract became effective January 1, 2021 for a term of three years. The contract was extended through December 31, 2024. The Association agreed to provide fire protection and emergency rescue services to the service area on a 24-hour per day basis seven days a week. The Association agreed to obtain all necessary licenses, permits and approvals required to provide services to the service area. The parties agreed the District shall not be responsible or liable for operating, repairing, and insuring any facilities.

The Association agreed to insure all its 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. The Association 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6. CONTRACT FOR PROVIDING FIRE EXTINGUISHMENT AND CERTAIN EMERGENCY RESCUE SERVICES (Continued)

The Association agreed to prepare by January 31 of each year a budget for all revenues and expenses of the Association for the District to review and approve. The District agreed to provide periodic payments to the Association. The parties agreed that title to all real or personal property shall rest solely with the Association, unless otherwise deeded to the District by mutual consent. The Association has deeded the land and building located at 17061 Rolling Creek to the District. The Association has retained all debt associated with the purchase and construction of these facilities and pays for the insurance coverage on the building and its contents.

NOTE 7. RISK MANAGEMENT

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

NOTE 8. SALES AND USE TAX

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

On May 14, 2011, the voters of the District approved the establishment and adoption of a sales and use tax up to a maximum of one percent. On May 23, 2011, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, except in those areas that already have a two percent tax. During the current year, the District recorded \$3,310,367 in sales tax receipts, of which \$649,097 was due from the State Comptroller at December 31, 2024.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

**NOTE 9. AGREEMENT FOR RADIO CHANNEL COMMUNICATIONS
DISPATCH SYSTEM**

Effective February 1, 2016, the District entered into an Interlocal Agreement for a Combined Radio Channel Communications Dispatch System. Harris County Emergency Services District Nos. 7, 13, 16, 17 and 29 (the “ESD Members”), Ponderosa Volunteer Fire Association, Spring Volunteer Fire Department, Cypress Creek Volunteer Fire Department, Klein Volunteer Fire Department, and Little York Volunteer Fire Department (the “VFD Members”), are parties to the agreement, collectively referred to as Radio Communications Consortium Members. The agreement sets out the understanding regarding the purchase, acquisition and maintenance of the radio channel communications dispatch system for the use and benefit of the Members and the related cost-sharing. The term of the agreement is through December 31, 2019 and will automatically renew every year for one-year terms unless agreed upon otherwise by the Members. The agreement may be terminated by a two-thirds vote by the Members. Any party to this agreement may exit and terminate its obligation under this agreement and remove itself from any further obligations by giving 90 days written notice to the other Members prior to the renewal date.

The combined fire department dispatch channels will be used to dispatch fire, first responder and emergency medical services to the Members. Initially three sites will maintain the three analog channels. The channels will be monitored for integrity in accordance with Insurance Services Organization (“ISO”) requirements. Each host department will: allow any and all of their facilities to be used for the term of this agreement; promptly pay for any and all utility costs related to operation of the channels and will not seek reimbursements from other Members for these costs; maintain insurance coverage sufficient to replace, at full replacement value, any and all equipment owned or maintained by the host department, name other parties to this agreement as additional insured on such policies; and maintain adequate backup power to the equipment.

The Members agree the initial equipment and installation costs will be shared equally between the six ESD Members and their respective Department’s. The estimated cost is \$271,456.38, each ESD or corresponding department will pay Northwest Communications, Inc. (“NWC”) one-sixth of the total cost of the equipment, \$45,242.73. There will be initial as well as reoccurring costs paid as follows: 1) Spring VFD will invoice the six ESD Members their pro-rata share of the rental cost for the Plum Creek Tower, \$9,816 per year; 2) NWC will invoice the six ESD Members their pro-rata share of the rental cost for the NWC Tower and the Greenspoint No. 4 site, \$8,400 each site per year. Maintenance, repair, replacement and upgrade costs, recurring costs, and Cypress Creek VFD administrator and project manager costs for the system operations will be shared equally between the six ESD Members or their corresponding department. Initially, it is not anticipated that there would be any cost to the Members for the administrative work. In a prior year, the Ponderosa Volunteer Fire Association paid \$41,898 to NWC for its/the District’s share of the equipment and installation.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

**NOTE 9. AGREEMENT FOR RADIO CHANNEL COMMUNICATIONS
DISPATCH SYSTEM (Continued)**

Effective August 3, 2021, the District entered into an Interlocal Agreement with Harris County Emergency Services District No. 11 (“ESD No. 11”) to provide housing at certain District stations located within the District’s service area, as may be necessary for ESD No. 11 to perform EMS services within ESD No. 11’s 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. ESD No. 11 shall pay a monthly amount of \$1,000 for each station housing ESD No. 11’s facilities.

NOTE 10. EMERGENCY COMMUNICATIONS SERVICES FACILITY

The District is pursuing an Interlocal Agreement with Harris County ESD No.’s 7, 13, 16 and 29 (the “Parties”) for the construction and operation of a joint, integrated, emergency communications system to serve the Parties and potentially other emergency services providers. As of the date of this report, this agreement has not been fully executed.

Each of the Parties agree to provide its share of the costs related to the creation of the Texas Emergency Communications Center, Inc. (the “TECC”), the Texas non-profit corporation of which each Party to this agreement is a member. Services of the TECC will be made available to each Party as limited by each Parties payment for those services. Each Party shall appoint one representative to serve as a delegate to the TECC. That representative will serve until their successors have been duly appointed and qualified as determined by the Board of Commissioners of each District.

Each Party agrees to provide \$300,000 for the initial cash call for the design and construction of a future facility (the “Center”). The total cost to each Party for the construction of the Center will be calculated in proportion to the membership interest allocated to each Party, at this time each Parties share is 20%.

Each Party agrees to advance its share of a three months operating reserve. The reserve is based on the operating budget for the upcoming fiscal year. In a prior year the District advanced \$300,000 for TECC operating reserve. During the current year, the District recorded operations costs of \$218,298.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 4,470,000	\$ 4,454,980	\$ (15,020)
Sales Tax Receipts	3,100,000	3,310,367	210,367
Penalty and Interest	30,000	45,728	15,728
Investment Revenues	345,500	414,716	69,216
Miscellaneous Revenues	<u>15,000</u>	<u>136,684</u>	<u>121,684</u>
TOTAL REVENUES	<u>\$ 7,960,500</u>	<u>\$ 8,362,475</u>	<u>\$ 401,975</u>
EXPENDITURES			
Service Operations:			
District Services - Ponderosa Volunteer			
Fire Association, Inc.			
Operations	\$ 5,800,000	\$ 5,637,535	\$ 162,465
Capital Assets		113,335	(113,335)
Accounting and Auditing	15,000	15,000	
Appraisal District Fees	40,000	38,368	1,632
Commissioner Fees	12,000	13,112	(1,112)
Comm Center Operation	325,000	218,298	106,702
Legal Fees - General	77,000	71,577	5,423
Legal Fees - Delinquent Tax Collections	14,000	13,848	152
Sales Tax Consultant	55,000	12,294	42,706
Tax Assessor/Collector Fees	20,000	20,248	(248)
Other	62,100	100,316	(38,216)
Capital Outlay	<u>300,000</u>	<u>49,698</u>	<u>250,302</u>
TOTAL EXPENDITURES	<u>\$ 6,720,100</u>	<u>\$ 6,303,629</u>	<u>\$ 416,471</u>
NET CHANGE IN FUND BALANCE	\$ 1,240,400	\$ 2,058,846	\$ 818,446
FUND BALANCE - JANUARY 1, 2024	<u>5,670,417</u>	<u>5,670,417</u>	
FUND BALANCE - DECEMBER 31, 2024	<u><u>\$ 6,910,817</u></u>	<u><u>\$ 7,729,263</u></u>	<u><u>\$ 818,446</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
LISTING OF THE NUMBER OF EMERGENCY RESPONSES
MADE WITHIN AND OUTSIDE THE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Number of Emergency Responses made Within the District	2,407
Number of Emergency Responses made Outside of the District	<u>349</u>
Total Emergency Responses	<u><u>2,756</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2024

Type of Coverage	From To	Amount of Coverage	Insurer/Name
FIDELITY BONDS Position Schedule Bond: Treasurer Public Employee Blanket Bond	01/01/24 01/01/25	\$ 100,000 100,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	01/01/24 01/01/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY General Aggregate Per Occurrence	01/01/24 01/01/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY General Aggregate Per Occurrence	01/01/24 01/01/25	\$ 2,000,000 1,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	01/01/24 01/01/25	\$ 1,000,000	National Union Fire Insurance Company
WORKER'S COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	11/21/24 11/21/25	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
STATEMENT OF ACTIVITIES
PONDEROSA VOLUNTEER FIRE ASSOCIATION, INC.
DECEMBER 31, 2024
(Unaudited)

	<u>Unrestricted</u>
REVENUES, GAINS AND OTHER SUPPORT	
Harris County Emergency Services District No. 28	
Operations	\$ 5,640,587
Contributions	15,081
Fire Services	46,066
Investment Revenues	8,694
Miscellaneous Revenues	16,503
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>\$ 5,726,931</u>
EXPENSES AND LOSSES	
PROGRAM COSTS:	
Depreciation	\$ 284,664
Dispatching	5,438
Insurance	402,122
Interest Expense	22,618
Motor Fuels	39,904
Miscellaneous Operations	127,360
Maintenance and Repairs:	
Apparatus	169,927
Radio	10,105
Station No. 1	40,801
Station No. 2	7,175
Station No. 3	20,126
Public Education	6,674
Replacement Equipment	113,789
Salaries and Benefits	4,006,449
Training	46,065
Utilities:	
Station No. 1	29,535
Station No. 2	13,879
Station No. 3	14,314
TOTAL PROGRAM COSTS	<u>\$ 5,360,945</u>
MANAGEMENT AND GENERAL	
PVFA Expenses	\$ 34,789
Depreciation	5,214
Office Operations	55,275
Salaries and Benefits	495,179
TOTAL MANAGEMENT AND GENERAL	<u>\$ 590,457</u>
TOTAL EXPENSES	<u>\$ 5,951,402</u>
CHANGE IN NET ASSETS	\$ (224,471)
NET ASSETS - JANUARY 1, 2024	<u>6,204,177</u>
NET ASSETS - DECEMBER 31, 2024	<u><u>\$ 5,979,706</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Maintenance Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2024	\$ 3,211,708	
Adjustments to Beginning Balance	<u>(298,562)</u>	\$ 2,913,146
Original 2024 Tax Levy	\$ 4,993,822	
Adjustment to 2024 Tax Levy	<u>40,480</u>	<u>5,034,302</u>
TOTAL TO BE ACCOUNTED FOR		\$ 7,947,448
TAX COLLECTIONS:		
Prior Years	\$ 2,744,305	
Current Year	<u>1,845,721</u>	<u>4,590,026</u>
TAXES RECEIVABLE - DECEMBER 31, 2024		<u>\$ 3,357,422</u>
TAXES RECEIVABLE BY YEAR:		
2024		\$ 3,188,581
2023		83,364
2022		22,704
2021		12,268
2020		14,718
2019		7,980
2018		4,704
2017		6,267
2016		5,571
2015		4,939
2014		3,867
2013		1,425
2012		311
2011		278
2010		177
2009		111
2008		91
2007		18
2006		9
2005		10
2004		17
2003		<u>12</u>
TOTAL		<u>\$ 3,357,422</u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PROPERTY VALUATIONS	<u>\$ 5,149,958,053</u>	<u>\$ 5,091,035,869</u>	<u>\$ 4,484,024,653</u>	<u>\$ 3,953,646,331</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.098097</u>	<u>\$ 0.094377</u>	<u>\$ 0.096063</u>	<u>\$ 0.10</u>
ADJUSTED TAX LEVY*	<u>\$ 5,034,302</u>	<u>\$ 4,790,340</u>	<u>\$ 4,307,576</u>	<u>\$ 3,954,500</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>36.66 %</u>	<u>98.26 %</u>	<u>99.47 %</u>	<u>99.69 %</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. 28
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 4,454,980	\$ 4,061,660	\$ 3,790,189
Sales Tax Receipts	3,310,367	3,120,008	2,930,817
Penalty and Interest	45,728	39,478	42,741
Investment Revenues	414,716	343,801	86,795
Miscellaneous Revenues	<u>136,684</u>	<u>175,667</u>	<u>89,660</u>
TOTAL REVENUES	<u>\$ 8,362,475</u>	<u>\$ 7,740,614</u>	<u>\$ 6,940,202</u>
EXPENDITURES			
Service Operations:			
District Services - Ponderosa Volunteer			
Fire Association, Inc.:			
Operations	\$ 5,637,535	\$ 4,313,885	\$ 4,740,000
Capital Assets	113,335	1,000,000	1,000,000
Accounting and Auditing	15,000	14,000	13,500
Appraisal District Fees	38,368	32,551	30,210
Commissioner Fees	13,112	9,150	3,700
Communications	218,298	174,850	172,516
Legal Fees - General	71,577	13,596	33,951
Legal Fees - Delinquent Tax Collections	13,848	12,580	14,674
Sales Tax Consultant	12,294	29,336	36,068
Tax Assessor/Collector Fees	20,248	16,241	16,404
Repairs and Maintenance		4,567	
Other	100,316	54,339	54,832
Capital Outlay	49,698	482,232	16,886
Debt Service:			
Note Principal		628,276	1,512,174
Note Interest		<u>26,163</u>	<u>61,539</u>
TOTAL EXPENDITURES	<u>\$ 6,303,629</u>	<u>\$ 6,811,766</u>	<u>\$ 7,706,454</u>
NET CHANGE IN FUND BALANCE	\$ 2,058,846	\$ 928,848	\$ (766,252)
BEGINNING FUND BALANCE	<u>5,670,417</u>	<u>4,741,569</u>	<u>5,507,821</u>
ENDING FUND BALANCE	<u>\$ 7,729,263</u>	<u>\$ 5,670,417</u>	<u>\$ 4,741,569</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 3,631,078	\$ 3,373,407	53.3 %	52.5 %	54.6 %	59.0 %	60.7 %
2,393,693	2,023,889	39.6	40.3	42.2	38.9	36.4
42,021	30,898	0.5	0.5	0.6	0.7	0.6
4,712	38,250	5.0	4.4	1.3	0.1	0.7
81,507	87,011	1.6	2.3	1.3	1.3	1.6
<u>\$ 6,153,011</u>	<u>\$ 5,553,455</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 3,970,000	\$ 3,440,000	67.4 %	55.7 %	68.3 %	64.5 %	61.9 %
707,859	1,058,096	1.4	12.9	14.4	11.5	19.1
12,600	12,600	0.2	0.2	0.2	0.2	0.2
27,469	26,321	0.5	0.4	0.4	0.4	0.5
5,050	3,250	0.2	0.1	0.1	0.1	0.1
38,142		2.6	2.3	2.5	0.6	
23,339	17,935	0.9	0.2	0.5	0.4	0.3
14,204	9,251	0.2	0.2	0.2	0.2	0.2
29,352	33,521	0.1	0.4	0.5	0.5	0.6
22,059	8,792	0.2	0.2	0.2	0.4	0.2
			0.1			
49,314	45,924	1.2	0.7	0.8	0.8	0.8
		0.6	6.2	0.2		
504,128	483,410		8.1	21.8	8.2	8.7
69,584	90,302		0.3	0.9	1.1	1.6
<u>\$ 5,473,100</u>	<u>\$ 5,229,402</u>	<u>75.5 %</u>	<u>88.0 %</u>	<u>111.0 %</u>	<u>88.9 %</u>	<u>94.2 %</u>
\$ 679,911	\$ 324,053	<u>24.5 %</u>	<u>12.0 %</u>	<u>(11.0) %</u>	<u>11.1 %</u>	<u>5.8 %</u>
4,827,910	4,503,857					
<u>\$ 5,507,821</u>	<u>\$ 4,827,910</u>					

See accompanying independent auditor's report.

District Mailing Address - Harris County Emergency Services District No. 28
17061 Rolling Creek
Houston, Texas 77090

District Telephone Number - (281) 444-8465

The limit on fees of office that a Commissioner may receive 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.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 28
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2024*</u>	<u>Title</u>
Coveler & Peeler, P.C.	01/13/97	\$ 71,577	Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	03/15/93	\$ 15,000	Auditor
Linebarger Goggan Blair & Sampson, LLP		\$ 13,848	Delinquent Tax Attorney
HdL Companies	04/15/13	\$ 12,294	Sales Tax Consultant
Harris County Tax Assessor/Collector	Legislative Action	\$ 20,248	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.