

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Harris County Emergency
Services District No. 50
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Harris County Emergency Services District No. 50 (the "District"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary information required by Harris County as listed in the table of contents and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are 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 PLLC
Certified Public Accountants
Houston, Texas

June 21, 2021

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Management’s discussion and analysis of Harris County Emergency Services District No. 50’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended December 31, 2020. 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 include all the District’s assets, liabilities and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

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

FUND FINANCIAL STATEMENTS

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,910,943 as of December 31, 2020.

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

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2020	2019	Change Positive (Negative)
Current and Other Assets	\$ 24,772,300	\$ 23,849,206	\$ 923,094
Net Pension Asset	425,546		425,546
Capital Assets (Net of Accumulated Depreciation)	13,850,560	12,927,747	922,813
Total Assets	<u>\$ 39,048,406</u>	<u>\$ 36,776,953</u>	<u>\$ 2,271,453</u>
Deferred Outflow of Resources	<u>\$ 1,260,814</u>	<u>\$ 1,345,400</u>	<u>\$ (84,586)</u>
Net Pension Liability	\$	\$ 157,812	\$ 157,812
Current Liabilities	813,135	472,282	(340,853)
Total Liabilities	<u>\$ 813,135</u>	<u>\$ 630,094</u>	<u>\$ (183,041)</u>
Deferred Inflows of Resources	<u>\$ 3,585,142</u>	<u>\$ 2,981,646</u>	<u>\$ (603,496)</u>
Net Position:			
Net Investment in Capital Assets	\$ 13,850,560	\$ 12,927,747	\$ 922,813
Unrestricted	22,060,383	21,582,866	477,517
Total Net Position	<u>\$ 35,910,943</u>	<u>\$ 34,510,613</u>	<u>\$ 1,400,330</u>

*

The following table provides a summary of the District's operations for the years ended December 31, 2020, and December 31, 2019.

	Summary of Changes in the Statement of Activities		
	2020	2019	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 3,155,960	\$ 2,678,852	\$ 477,108
Sales Tax Receipts	7,328,173	7,568,870	(240,697)
Fire and EMS Services	845,030	1,213,734	(368,704)
Other Revenues	254,776	566,208	(311,432)
Total Revenues	<u>\$ 11,583,939</u>	<u>\$ 12,027,664</u>	<u>\$ (443,725)</u>
Expenses for Services	<u>10,183,609</u>	<u>9,203,744</u>	<u>(979,865)</u>
Change in Net Position	\$ 1,400,330	\$ 2,823,920	\$ (1,423,590)
Net Position, Beginning of Year	<u>34,510,613</u>	<u>31,686,693</u>	<u>2,823,920</u>
Net Position, End of Year	<u>\$ 35,910,943</u>	<u>\$ 34,510,613</u>	<u>\$ 1,400,330</u>

*

* As Adjusted, Note 11

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2020, was \$20,498,853 an increase of \$87,550 from the prior year. The increase was primarily due to operating revenues exceeding operating costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$549,364 less than budgeted revenues, primarily due to lower than expected sales tax receipts, fire and EMS service fees and investment revenues. Actual expenditures were \$498,577 more than budgeted expenditures primarily due to unbudgeted capital outlay costs.

CAPITAL ASSETS

Capital assets as of December 31, 2020, total \$13,850,560 (net of accumulated depreciation) and include land, buildings, vehicles and equipment. Construction in progress includes an EMS Apparatus to be mounted on a Chevy chassis and station alerting upgrade. Significant capital asset events during the current fiscal year included the following:

Completed Projects/Purchases:

Training Facility	\$ 1,287,615
Lanscaping at Training Facility	35,577
Gates & Fencing at Training Facility	12,156
Pierce Ladder Truck	1,486,688
2020 Chevy 2500	72,124
Furniture	15,000
Lucas Compression Equipment	<u>39,076</u>
Total Completed Projects/Purchases	<u>\$ 2,948,236</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CAPITAL ASSETS (Continued)

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2020	2019	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 584,020	\$ 584,020	\$
Construction in Progress	289,878	1,453,055	(1,163,177)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	10,097,673	9,142,246	955,427
Trucks and Vehicles	2,570,949	1,385,717	1,185,232
Other Equipment	308,040	362,709	(54,669)
Total Net Capital Assets	\$ 13,850,560	\$ 12,927,747	\$ 922,813

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 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. 50, c/o Smith, Murdaugh, Little & Bonham, L.L.P., 2727 Allen Parkway, Suite 1100, Houston, Texas 77019.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 258,072	\$	\$ 258,072
Investments	18,331,238		18,331,238
Cash with Harris County	188,936		188,936
Receivables:			
Property Taxes	3,022,206		3,022,206
Sales Tax Receipts	1,861,131		1,861,131
Fire and EMS Services (Net of Allowance for Doubtful Accounts of \$7,521,372)	885,998		885,998
Penalty and Interest on Delinquent Taxes		66,674	66,674
Prepaid Costs	18,347		18,347
East Harris County Emergency Services Joint Powers Board Operating Reserve	139,698		139,698
Net Pension Asset		425,546	425,546
Land		584,020	584,020
Construction in Progress		289,878	289,878
Capital Assets (Net of Accumulated Depreciation)		12,976,662	12,976,662
TOTAL ASSETS	<u>\$ 24,705,626</u>	<u>\$ 14,342,780</u>	<u>\$ 39,048,406</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	<u>\$ - 0 -</u>	<u>\$ 1,260,814</u>	<u>\$ 1,260,814</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 24,705,626</u>	<u>\$ 15,603,594</u>	<u>\$ 40,309,220</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
LIABILITIES			
Accounts Payable	\$ 813,135	\$ - 0 -	\$ 813,135
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 3,393,638	\$ (144,461)	\$ 3,249,177
Deferred Inflows - Pensions		335,965	335,965
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 3,393,638</u>	<u>\$ 191,504</u>	<u>\$ 3,585,142</u>
 FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 18,347	\$ (18,347)	\$
Operating Reserve	139,698	(139,698)	
Unassigned	20,340,808	(20,340,808)	
TOTAL FUND BALANCE	<u>\$ 20,498,853</u>	<u>\$ (20,498,853)</u>	<u>\$ - 0 -</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 24,705,626</u>		
 NET POSITION			
Net Investment in Capital Assets		\$ 13,850,560	\$ 13,850,560
Unrestricted		22,060,383	22,060,383
TOTAL NET POSITION		<u>\$ 35,910,943</u>	<u>\$ 35,910,943</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total Fund Balance - Governmental Funds	\$ 20,498,853
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	13,850,560
Portions of the change in net pension asset/liability that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources.	1,350,395
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2019 and prior tax levies became part of recognized revenues in the governmental activities of the District.	<u>211,135</u>
Total Net Position - Governmental Activities	<u><u>\$ 35,910,943</u></u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 3,088,619	\$ 67,341	\$ 3,155,960
Sales Tax Receipts	7,328,173		7,328,173
Fire and EMS Services	845,030		845,030
Penalty and Interest	40,434	18,962	59,396
Investment Revenues	96,350		96,350
Miscellaneous Revenues	99,030		99,030
TOTAL REVENUES	<u>\$ 11,497,636</u>	<u>\$ 86,303</u>	<u>\$ 11,583,939</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Appraisal District Fees	\$ 22,227	\$	\$ 22,227
Auditing Fees	27,500		27,500
Billings and Collections	208,388		208,388
Bookkeeping Fees	12,022		12,022
Building Maintenance and Supplies	76,111		76,111
Commissioner Fees	23,100		23,100
Communications	62,212		62,212
Contract Services	61,696		61,696
Depreciation		862,246	862,246
Dispatch Fees	295,434		295,434
Dues and Fees	22,190		22,190
EMS Supplies	180,512		180,512
Equipment Maintenance	165,409		165,409
Fleet Maintenance	115,539		115,539
Fuel	53,160		53,160
Human Resources	53,957		53,957
Insurance	111,332		111,332
Legal Fees - General	61,050		61,050
Legal Fees - Delinquent Tax Collections	8,359		8,359
Office and Computers	23,173		23,173
Salaries and Benefits	7,711,626	(303,664)	7,407,962
Tax Assessor/Collector Fees	20,376		20,376
Training	68,707		68,707
Uniforms	36,088		36,088
Utilities	55,943		55,943
Other	148,916		148,916
Capital Outlay	1,785,059	(1,785,059)	
TOTAL EXPENDITURES/EXPENSES	<u>\$ 11,410,086</u>	<u>\$ (1,226,477)</u>	<u>\$ 10,183,609</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
NET CHANGE IN FUND BALANCE	\$ 87,550	\$ (87,550)	\$
CHANGE IN NET POSITION		1,400,330	1,400,330
FUND BALANCE/NET POSITION - JANUARY 1, 2020, AS ADJUSTED	<u>20,411,303</u>	<u>14,099,310</u>	<u>34,510,613</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2020	<u>\$ 20,498,853</u>	<u>\$ 15,412,090</u>	<u>\$ 35,910,943</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
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, 2020**

Net Change in Fund Balance - Governmental Funds	\$	87,550
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.		67,341
Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.		18,962
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.		(862,246)
The changes in the net pension liability as well as deferred inflows and outflows of resources are recorded as pension expense in the government-wide financial statements.		303,664
Governmental funds report capital asset purchases 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.		<u>1,785,059</u>
Change in Net Position - Governmental Activities	\$	<u>1,400,330</u>

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

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. CREATION OF DISTRICT

Harris County Emergency Services District No. 50 (the “District”) was created in 2003 in accordance with Article III, Section 48-e, of the Texas Constitution. The District operates under Chapter 775 of the Health and Safety Code. The District was established to provide emergency medical services and fire protection within its boundaries. The District formerly contracted with Channelview Volunteer Fire Department. The District assumed fire operations in January of 2012 and EMS operations in February of 2012.

The District is governed by a Board of Commissioners consisting of five individuals residing within the District who are elected by voters within the District. The Board of Commissioners sets the policies of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, sales tax receipts, 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 recorded as revenue include the 2019 tax levy collections during the period October 1, 2019, to December 31, 2020, and taxes collected from January 1, 2020, to December 31, 2020, for all prior tax levies. The 2020 tax levy has been fully deferred to fund 2021 costs.

Fire and EMS billings considered available by the District and included in revenue include billings, net of write-offs, made during the current fiscal year. An allowance for doubtful accounts was estimated at 89% of ending accounts receivable.

Sales tax receipts considered available by the District and included in revenue include sales taxes collected during the period of January 1, 2020 to December 31, 2020.

Capital Assets

Capital assets, which include land, buildings, vehicles and equipment, 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 expenditures 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets with a useful life of two years or more and a total cost of \$5,000 or more (including installation costs and professional fees) are capitalized and depreciated using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings and Improvements	10-40
Trucks and Vehicles	7-10
Other Equipment	3-10

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 does not make payments into the social security system and provides other retirement and disability benefit plans. Additional disclosure is provided in Notes 8 and 9. 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:

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

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 balance. 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. TAX LEVY

The voters of the District approved the levy and collection of an ad valorem tax not to exceed \$0.05 per \$100 of assessed valuation of taxable property within the District. During the year ended December 31, 2020, the District levied an ad valorem tax at the rate of \$0.05 per \$100 of assessed valuation, which resulted in a tax levy of \$3,249,177 on the adjusted taxable valuation of \$6,497,412,030 for the 2020 tax year.

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

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$258,072 and the bank balance was \$323,057. The District was not exposed to custodial credit risk st year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2020, as listed below:

	Cash
GENERAL FUND	\$ 258,072

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

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

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	<u>\$ 18,331,238</u>	<u>\$ 18,331,238</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2020, the District’s investment in TexPool as rated “AAAm” by Standards and Poor’s.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

NOTE 5. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	January 1, 2020	Increases	Decreases	December 31, 2020
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 584,020	\$	\$	\$ 584,020
Construction in Progress	<u>1,453,055</u>	<u>1,785,059</u>	<u>2,948,236</u>	<u>289,878</u>
Total Capital Assets Not Being Depreciated	<u>\$ 2,037,075</u>	<u>\$ 1,785,059</u>	<u>\$ 2,948,236</u>	<u>\$ 873,898</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 10,135,343	\$ 1,350,347	\$	\$ 11,485,690
Trucks and Vehicles	2,650,271	1,558,813		4,209,084
Other Equipment	<u>617,038</u>	<u>39,076</u>		<u>656,114</u>
Total Capital Assets Subject to Depreciation	<u>\$ 13,402,652</u>	<u>\$ 2,948,236</u>	<u>\$ - 0 -</u>	<u>\$ 16,350,888</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 993,097	\$ 394,920	\$	\$ 1,388,017
Trucks and Vehicles	1,264,554	373,581		1,638,135
Other Equipment	<u>254,329</u>	<u>93,745</u>		<u>348,074</u>
Total Accumulated Depreciation	<u>\$ 2,511,980</u>	<u>\$ 862,246</u>	<u>\$ - 0 -</u>	<u>\$ 3,374,226</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,890,672</u>	<u>\$ 2,085,990</u>	<u>\$ - 0 -</u>	<u>\$ 12,976,662</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,927,747</u>	<u>\$ 3,871,049</u>	<u>\$ 2,948,236</u>	<u>\$ 13,850,560</u>

NOTE 6. 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 there have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7. 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 provisions of Subchapter E, Chapter 323 of the Tax Code.

On May 9, 2009, the voters of the District approved the establishment and adoption of a sales and use tax of up to a maximum of one percent. The Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, effective October 1, 2009. During the current fiscal year, the District recorded \$7,328,173 in sales tax receipts, of which \$1,861,131 was due from the State Comptroller at December 31, 2020.

NOTE 8. RETIREMENT PLAN

In March 2013, the District established a 457(b)-retirement plan for its employees. The plan is a qualified prototype plan approved by the Internal Revenue Service. Jimmy Sumbera is the plan administrator; AXA Equitable Life Insurance Company is the plan trustee and serves as custodian of assets of the plan. The 457(b)-retirement plan is a deferred compensation plan open to regular full-time employees only and is funded 100 percent by employee pre-tax contributions. Each employee participant directs the investment in his/her respective account. During the current year, the employees contributed \$219,682 to the plan.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 800 non-traditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) which includes financial statements, notes and required supplementary information which can be obtained at www.TCDRS.org

Benefits Provided

Benefit provisions are adopted by the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 5 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Continued)

Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the District within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

At the December 31, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled but not yet receiving benefits	52
Active employees	86

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.10% for the months of the 2020 accounting year. The deposit rate payable by the employee members for calendar year 2020 is 7.00% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

The District's contributions to TCDRS for the year ended December 31, 2020, were \$583,298, and were equal to the required contributions. The employee's contributions to TCDRS for the year ended December 31, 2020, were \$448,524.

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumption:

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	12/31/19
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	1 year
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return ¹	8.00%
Projected salary increases ¹	4.90%
Inflation	2.75%
Cost-of-living adjustments	0.00%

¹ Includes inflation at the stated rate

The actuarial assumptions that determined the total pension liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

Mortality rates were based on the following:

Depositing members – 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate Scale after 2014.

Service retirees, beneficiaries, and non-depositing members – 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.

Disabled retirees – 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year.

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

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, the actuary has used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10-year time horizon.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return (Continued)

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017 for the period January 1, 2013- December 31, 2016. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equity	Dow Jones U.S Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities-Developed	MSCI World Ex USA (net)	7.00%	5.20%
International Equities-Emerging	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	<u>8.00%</u>	2.30%
Total		<u>100.00%</u>	

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in Net Pension Liability/(Asset)

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2019 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2018	\$ 4,227,383	\$ 4,069,569	\$ 157,814
Changes for the year:			
Service cost	580,113		580,113
Interest on the total pension liability	389,164		389,164
Effect of Plan Changes			
Effect of economic/demographic gains or losses	268,094		268,094
Effect of assumptions changes or inputs			
Refund of contributions	(4,725)	(4,725)	
Benefit payments	(1,398)	(1,398)	
Administrative expenses		(4,484)	4,484
Member contributions		364,832	(364,832)
Net investment income		667,174	(667,174)
Employer contributions		754,281	(754,281)
Other	(2)	38,926	(38,928)
Balances of December 31, 2019	<u>\$ 5,458,629</u>	<u>\$ 5,884,175</u>	<u>\$ (425,546)</u>

Sensitivity Analysis

The following presents the net pension liability/(asset) of the District, calculated using the discount rate of 8.10%, as well as what the District net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total Pension Liability	\$ 6,724,046	\$ 5,458,629	\$ 4,446,452
Fiduciary Net Position	5,884,175	5,884,175	5,884,175
Net Pension Liability/(asset)	<u>\$ 839,871</u>	<u>\$ (425,546)</u>	<u>\$ (1,437,723)</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN (Continued)

Deferred Inflows/Outflows of Resources

As of December 31, 2019, the deferred inflows and deferred outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 22,840	\$ 448,149
Changes in assumptions	21,042	2,983
Net difference between projected and actual earnings	292,083	226,384
Contributions subsequent to measurement date		583,298
Total	<u>\$ 335,965</u>	<u>\$ 1,260,814</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:

2020	\$ 56,558
2021	50,141
2022	79,391
2023	(8,203)
2024	50,318
Thereafter	113,346

NOTE 10. EAST HARRIS COUNTY EMERGENCY SERVICES JOINT POWERS BOARD

On May 1, 2015, the District entered into an agreement with Harris County Emergency Services District Nos. 2, 6, 12, and 60 (the “Participants”), to provide for the construction and operation of a joint integrated, emergency communications system to serve the Participants and potentially other emergency service providers. This agreement was amended October 3, 2018. The Participants reaffirm the creation of the East Harris County Emergency Services Joint Powers Board (the “Joint Powers Board”) which will have the functions, powers, authority, rights and duties authorized by law of the State of Texas and this agreement. The provisions of this Agreement with respect to the Joint Powers Board supersede any prior contract. The purpose of the Joint Powers Board is to (1) supervise the performance of this agreement, (2) provide fire suppression, emergency response, and emergency medical services dispatch services to the Participants, and (3) provide, acquire, construct, improve, enlarge, extend, modify, maintain, repair, and operate the Dispatch Center. The Participants are tenants in common of the Center and retain legal title, including the land, buildings, equipment, related appurtenances, rights-of-way, and easements.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10. EAST HARRIS COUNTY EMERGENCY SERVICES JOINT POWERS BOARD (Continued)

Each Participant agrees to provide its share of costs related to construction and operation of the Center. Each Participant agrees to deposit into the Joint Powers Board's capital account, funds in the amounts of \$150,000 on May 15, 2015, and \$400,000 on January 15, 2016 and January 15, 2017 to pay costs related to the design and construction of the Center. These amounts are estimates and dependent upon the actual costs of design and construction of the Center. The participants are required to make operating advances on a semi-annual basis in January and July. At the end of ECOM's fiscal year a "true-up" reconciliation of the operating account will be prepared to reflect actual expenses paid. Differences will be transferred into each Participant's reserve account for future use. The Districts share of actual expenses for the current year are \$291,563.

The Center is located on property previously owned by the District. The Joint Powers Board obtained an independent appraisal of the value of the site, and based on that appraisal, the cost of the site was divided between the participants in proportion to their ownership interest. The total appraised value of the site was credited to the District as part of its share of the cost to construct the Center. The appraisal value of the site was determined to be \$295,000 and the District deeded the site to the Joint Powers Board in March 2016. In a prior year, the District received \$44,537 as a refund after the Joint Powers Board performed a true up of actual construction costs.

The Joint Powers Board will operate and maintain the Center in accordance with the regulations, guidelines and standards of the National Emergency Number Association and the Association of Public-Safety Communications Officials. The Joint Powers Board will bill each Participant monthly. The operating expenses will be divided between two components, fixed and variable costs. For the first partial year and first full year of operation of the center, all costs will be allocated according to ownership interest. Thereafter, all fixed costs will be according to ownership interest and variable costs will be according to call volume.

The term of the agreement is 30 years from the date of the Agreement and from year to year thereafter unless terminated by at least six months written notice to all parties. A party may withdraw from this contract through a vote of its governing body, provided that it has notified the Joint Powers Board of such action in writing at least 180 days before the Participants intended withdrawal date.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11. PRIOR PERIOD ADJUSTMENT

In prior years, the District contributed funds to the Joint Powers Board to fund operating costs. Any excess funds after the “True-up” calculation are considered operating reserves. The District’s share of the operating reserve was previously included in the Fund Balance. During the current fiscal year, the reserve was reclassified as an asset. The effect of this adjustment is as follows:

Net Position - January 1, 2020	\$ 34,455,873
Effect of Adjustments	<u>54,740</u>
Net Position - January 1, 2020, As Adjusted	<u><u>\$ 34,510,613</u></u>
Fund Balance - January 1, 2020	\$ 20,356,563
Effect of Adjustment	<u>54,740</u>
Fund Balance - January 1, 2020, As Adjusted	<u><u>\$ 20,411,303</u></u>

NOTE 12. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,927,000	\$ 3,088,619	\$ 161,619
Sales Tax Receipts	7,500,000	7,328,173	(171,827)
Fire and EMS Services	1,265,000	845,030	(419,970)
Penalty and Interest		40,434	40,434
Investment Revenues	325,000	96,350	(228,650)
Miscellaneous Revenues	30,000	99,030	69,030
TOTAL REVENUES	\$ 12,047,000	\$ 11,497,636	\$ (549,364)
EXPENDITURES			
Service Operations:			
Appraisal District Fees	\$ 22,000	\$ 22,227	\$ (227)
Auditing Fees	30,000	27,500	2,500
Billings and Collections	181,250	208,388	(27,138)
Bookkeeping Fees	20,000	12,022	7,978
Building Maintenance and Supplies	64,139	76,111	(11,972)
Commissioner Fees	22,500	23,100	(600)
Communications	65,000	62,212	2,788
Contract Services	96,590	61,696	34,894
Dispatch Fees	317,518	295,434	22,084
Dues and Fees	15,814	22,190	(6,376)
EMS Supplies	154,557	180,512	(25,955)
Equipment Maintenance	131,355	165,409	(34,054)
Fleet Maintenance	86,327	115,539	(29,212)
Fuel	65,000	53,160	11,840
Human Resources		53,957	(53,957)
Insurance	205,000	111,332	93,668
Lease - Office Space			0
Legal Fees - General	53,000	61,050	(8,050)
Legal Fees - Delinquent Tax Collections		8,359	(8,359)
Office and Computers	20,900	23,173	(2,273)
Salaries and Benefits	7,830,382	7,711,626	118,756
Tax Assessor/Collector Fees		20,376	(20,376)
Training	72,300	68,707	3,593
Uniforms	37,456	36,088	1,368
Utilities	49,900	55,943	(6,043)
Other	141,010	148,916	(7,906)
Capital Outlay	1,229,511	1,785,059	(555,548)
TOTAL EXPENDITURES	\$ 10,911,509	\$ 11,410,086	\$ (498,577)
NET CHANGE IN FUND BALANCE	\$ 1,135,491	\$ 87,550	\$ (1,047,941)
FUND BALANCE - JANUARY 1, 2020	20,411,303	20,411,303	
FUND BALANCE - DECEMBER 31, 2020	\$ 21,546,794	\$ 20,498,853	\$ (1,047,941)

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Pension Liability		
Service cost	\$ 580,113	\$ 551,060
Interest on total pension liability	389,164	316,672
Effect of plan changes		
Effect of assumptions changes or inputs		
Effect of economic/demographic (gains) or losses	268,094	31,102
Benefit payments/refunds of contributions	<u>(6,125)</u>	<u>(58,692)</u>
Net change in total pension liability	\$ 1,231,246	\$ 840,142
Total pension liability, beginning	<u>4,227,383</u>	<u>3,387,241</u>
Total pension liability, ending (a)	<u>\$ 5,458,629</u>	<u>\$ 4,227,383</u>
Fiduciary Net Position		
Employer contributions	\$ 754,281	\$ 380,642
Member contributions	364,832	293,132
Investment income net of investment expenses	667,174	(58,286)
Benefit payments/refunds of contributions	(6,123)	(58,692)
Administrative expenses	(4,484)	(3,269)
Other	<u>38,926</u>	<u>18,676</u>
Net change in plan fiduciary net position	\$ 1,814,606	\$ 572,203
Fiduciary net position, beginning	<u>4,069,569</u>	<u>3,497,366</u>
Fiduciary net position, ending (b)	<u>\$ 5,884,175</u>	<u>\$ 4,069,569</u>
Net Pension Liability/(Asset), Ending = (a) - (b)	<u>\$ (425,546)</u>	<u>\$ 157,814</u>
Fiduciary net position as a percentage of the total pension liability	107.80%	96.27%
Pensionable covered payroll	\$ 5,211,885	\$ 4,187,601
Net pension liability as a percentage of covered employee payroll	-8.16%	3.77%

See accompanying independent auditor's report.

Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
\$ 485,832	\$ 489,797	\$ 434,336	\$ 380,980
242,546	167,849	130,879	86,913
(31,563)		(109,661)	
185,225	38,683	6,713	128,489
(6,600)	(32,590)	(51,390)	(26,972)
\$ 875,440	\$ 663,739	\$ 379,215	\$ 569,410
2,511,801	1,848,062	1,468,847	899,437
\$ 3,387,241	\$ 2,511,801	\$ 1,848,062	\$ 1,468,847
\$ 361,471	\$ 313,731	\$ 295,378	\$ 254,523
278,055	241,332	227,214	195,787
372,955	134,780	(29,875)	58,246
(6,600)	(32,591)	(31,662)	(26,972)
(2,325)	(1,464)	(1,141)	(846)
8,460	48,876	(156)	(400)
\$ 1,012,016	\$ 704,664	\$ 459,758	\$ 480,338
2,485,350	1,780,686	1,320,928	840,590
\$ 3,497,366	\$ 2,485,350	\$ 1,780,686	\$ 1,320,928
\$ (110,125)	\$ 26,451	\$ 67,376	\$ 147,919
103.25%	98.95%	96.35%	89.93%
\$ 3,972,215	\$ 3,447,595	\$ 3,245,919	\$ 2,796,962
-2.77%	0.77%	2.08%	5.29%

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Fiscal Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution (1)</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (2)</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2012	\$ 204,035	\$ 204,035	\$ -0-	\$ 2,242,156	9.10%
2013	\$ 229,503	\$ 229,503	\$ -0-	\$ 2,522,016	9.10%
2014	\$ 222,918	\$ 254,523	\$ (31,605)	\$ 2,796,962	9.10%
2015	\$ 258,375	\$ 295,378	\$ (37,003)	\$ 3,245,919	9.10%
2016	\$ 276,842	\$ 313,731	\$ (36,889)	\$ 3,447,595	9.10%
2017	\$ 295,930	\$ 361,471	\$ (65,541)	\$ 3,972,215	9.10%
2018	\$ 314,489	\$ 380,642	\$ (66,153)	\$ 4,187,601	9.09%
2019	\$ 387,243	\$ 754,281	\$ (367,038)	\$ 5,211,885	14.47%
2020	\$ 583,298	\$ 583,298	\$ -0-	\$ 6,407,486	9.10%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis.

(2) Payroll is calculated based on contributions as reported to TCDRS.

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
NOTES TO SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Change in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New Inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule.

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

See accompanying independent auditor's report.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2020

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
LISTING OF THE NUMBER OF EMERGENCY
RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Number of Emergency Responses Made Within the District	4,984
Number of Emergency Responses Made Outside of the District	<u>367</u>
Total Emergency Responses	<u><u>5,351</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2020

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE BOND Treasurer	12/15/20 12/15/21	\$ 100,000	National Union Fire Insurance Corporation
PUBLIC EMPLOYEE DISHONESTY BOND Crime Limit	12/15/20 12/15/21	\$ 100,000	National Union Fire Insurance Corporation
GENERAL LIABILITY General Aggregate Per Occurrence	12/15/20 12/15/21	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation
MANAGEMENT LIABILITY Aggregate Each Claim	12/15/20 12/15/21	\$ 10,000,000 1,000,000	National Union Fire Insurance Corporation
EXCESS LIABILITY Aggregate Each Occurrence	12/15/20 12/15/21	\$ 2,000,000 1,000,000	National Union Fire Insurance Corporation
COMMERCIAL AUTO Combined Single Limit Liability (Includes agreed-value physical damage)	12/15/20 12/15/21	\$ 1,000,000	National Union Fire Insurance Corporation
WORKER'S COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	12/15/20 12/15/21	\$ 1,000,000 1,000,000 1,000,000	Benchmark Insurance Company
PROPERTY LIABILITY Buildings Contents Deductible	12/15/20 12/15/21	\$ 8,909,992 672,377 5,000	National Union Fire Insurance Corporation
PORTABLE EQUIPMENT Deductible	12/15/20 12/15/21	Blanket Replacement Cost \$ 500	National Union Fire Insurance Corporation

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2020	\$ 2,345,286	
Adjustments to Beginning Balance	315,171	\$ 2,660,457
Original 2020 Tax Levy	\$ 3,097,102	
Adjustment to 2020 Tax Levy	152,075	3,249,177
TOTAL TO BE ACCOUNTED FOR		\$ 5,909,634
TAX COLLECTIONS:		
Prior Years	\$ 2,515,996	
Current Year	371,432	2,887,428
TAXES RECEIVABLE - DECEMBER 31, 2020		\$ 3,022,206
TAXES RECEIVABLE BY YEAR:		
2020		\$ 2,877,745
2019		80,215
2018		21,308
2017		6,433
2016		4,785
2015		4,764
2014		2,913
2013		6,817
2012		6,490
2011		2,498
2010		2,302
2009		1,903
2008		1,688
2007		672
2006		512
2005		463
2004		416
2003		282
TOTAL		\$ 3,022,206

See accompanying independent auditor's report.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PROPERTY VALUATIONS	<u>\$ 6,497,412,030</u>	<u>\$ 5,680,945,326</u>	<u>\$ 5,290,107,452</u>	<u>\$ 4,657,335,515</u>
TAX RATES PER \$100 VALUATION	<u>\$ 0.050000</u>	<u>\$ 0.050000</u>	<u>\$ 0.050000</u>	<u>\$ 0.048500</u>
ADJUSTED TAX LEVY*	<u>\$ 3,249,177</u>	<u>\$ 2,840,789</u>	<u>\$ 2,645,475</u>	<u>\$ 2,258,953</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>11.43 %</u>	<u>97.18 %</u>	<u>99.19 %</u>	<u>99.72 %</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. 50
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2020	2019	2018
REVENUES			
Property Taxes	\$ 3,088,619	\$ 2,735,050	\$ 2,379,563
Sales Tax Receipts	7,328,173	7,568,870	8,057,088
Fire and EMS Services	845,030	1,213,734	2,941,821
Penalty and Interest	40,434	31,437	62,509
Grant Revenues		122,537	
Investment Revenues	96,350	402,416	255,350
Donations		6,000	2,250
Miscellaneous Revenues	99,030	21,554	17,016
TOTAL REVENUES	\$ 11,497,636	\$ 12,101,598	\$ 13,715,597
EXPENDITURES			
Service Operations:			
Appraisal District Fees	\$ 22,227	\$ 19,796	\$ 17,698
Auditing Fees	27,500	27,300	22,100
Billings and Collections	208,388	176,692	291,491
Bookkeeping Fees	12,022	11,093	11,708
Building Maintenance and Supplies	76,111	91,407	49,100
Commissioner Fees	23,100	22,350	19,800
Communications	62,212	49,900	173,353
Contract Services	61,696	53,888	54,649
Dispatch Fees	295,434	386,033	389,099
Dues and Fees	22,190	7,561	10,897
EMS Supplies	180,512	163,000	246,348
East Harris County Emergency Services Joint Powers Board			
Equipment Maintenance	165,409	196,322	217,791
Fleet Maintenance	115,539	113,758	80,898
Fuel	53,160	62,241	83,592
Human Resources	53,957	86,312	92,852
Insurance	111,332	150,724	166,261
Lease - Office Space			
Legal Fees - General	61,050	64,444	64,178
Legal Fees - Delinquent Tax Collections	8,359	1,261	15,517
Office and Computers	23,173	34,176	38,511
Salaries and Benefits	7,711,626	6,628,229	5,084,382
Tax Assessor/Collector Fees	20,376	21,195	20,759
Training	68,707	66,566	34,590
Uniforms	36,088	37,753	59,404

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
\$ 2,413,289	\$ 2,396,364	26.9 %	22.6 %	17.3 %	19.9 %	21.7 %
6,957,781	5,389,165	63.7	62.6	58.7	57.5	48.9
2,582,970	3,139,350	7.3	10.0	21.5	21.3	28.5
32,601	36,263	0.4	0.3	0.5	0.3	0.3
			1.0			
105,184	45,063	0.8	3.3	1.9	0.9	0.4
2,000	10,509					0.1
9,429	14,251	0.9	0.2	0.1	0.1	0.1
\$ 12,103,254	\$ 11,030,965	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 18,200	\$ 18,610	0.2 %	0.2 %	%	0.1 %	0.2 %
21,300	17,000	0.2	0.2	0.2	0.2	0.2
279,497	271,786	1.8	1.5	2.1	2.3	2.5
12,429	22,483	0.1	0.1	0.1	0.1	0.2
35,931	38,550	0.7	0.8	0.4	0.3	0.3
10,550	6,350	0.2	0.2	0.1	0.1	0.1
43,196	41,894	0.5	0.4	1.3	0.4	0.4
27,783	27,491	0.5	0.4	0.4	0.2	0.2
75,942	63,074	2.6	3.2	2.8	0.6	0.6
6,816	7,617	0.2	0.1	0.1	0.1	0.1
141,668	133,204	1.6	1.3	1.8	1.2	1.2
30,000					0.2	
120,702	126,888	1.4	1.6	1.6	1.0	1.2
84,649	75,978	1.0	0.9	0.6	0.7	0.7
51,143	34,207	0.4	0.5	0.6	0.4	0.3
62,541	42,456	0.5	0.7	0.7	0.5	0.4
180,225	141,019	1.0	1.2	1.2	1.5	1.3
22,000	2,000				0.2	
65,314	59,482	0.5	0.5	0.5	0.5	0.5
8,370	11,101	0.1		0.1	0.1	0.1
57,048	39,407	0.2	0.3	0.3	0.5	0.4
4,792,655	4,152,038	67.1	54.8	37.1	39.6	37.6
17,674	22,699	0.2	0.2	0.2	0.1	0.2
34,560	34,511	0.6	0.6	0.3	0.3	0.3
27,526	25,227	0.3	0.3	0.4	0.2	0.2

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2020	2019	2018
EXPENDITURES (Continued)			
Utilities	\$ 55,943	\$ 53,041	\$ 77,299
Other	148,916	72,480	67,079
Capital Outlay	1,785,059	1,549,243	1,146,671
Debt Service:			
Lease Principal			49,057
Lease Interest			1,472
TOTAL EXPENDITURES	<u>\$ 11,410,086</u>	<u>\$ 10,146,765</u>	<u>\$ 8,586,556</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 87,550</u>	<u>\$ 1,954,833</u>	<u>\$ 5,129,041</u>
OTHER FINANCING SOURCES (USES)			
Capital Lease Proceeds	\$	\$	\$
Sale of Assets			34,510
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 34,510</u>
NET CHANGE IN FUND BALANCE	\$ 87,550	\$ 1,954,833	\$ 5,163,551
PRIOR PERIOD ADJUSTMENTS		54,740	(833,099)
BEGINNING FUND BALANCE	<u>20,411,303</u>	<u>18,401,730</u>	<u>14,071,278</u>
ENDING FUND BALANCE	<u>\$ 20,498,853</u>	<u>\$ 20,411,303</u>	<u>\$ 18,401,730</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
\$ 69,627	\$ 59,412	0.5 %	0.4 %	0.6 %	0.6 %	0.5 %
34,085	45,351	1.3	0.6	0.5	0.3	0.4
6,322,641	2,046,888	15.5	12.8	8.4	52.2	18.6
47,628				0.4	0.4	
2,901						
<u>\$ 12,704,601</u>	<u>\$ 7,566,723</u>	<u>99.2 %</u>	<u>83.8 %</u>	<u>62.8 %</u>	<u>104.9 %</u>	<u>68.7 %</u>
<u>\$ (601,347)</u>	<u>\$ 3,464,242</u>	<u>0.8 %</u>	<u>16.2 %</u>	<u>37.2 %</u>	<u>(4.9) %</u>	<u>31.3 %</u>
\$ 96,685	\$					
<u>48,738</u>	<u>311,100</u>					
<u>\$ 145,423</u>	<u>\$ 311,100</u>					
\$ (455,924)	\$ 3,775,342					
(257,938)	(933,093)					
<u>14,785,140</u>	<u>11,942,891</u>					
<u>\$ 14,071,278</u>	<u>\$ 14,785,140</u>					

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2020

District Mailing Address - Harris County Emergency Services District No. 50
c/o Smith, Murdaugh, Little & Bonham, L.L.P.
2727 Allen Parkway, Suite 1100
Houston, Texas 77019

District Telephone Number - (713) 652-6500

<u>Commissioners</u>	<u>Term of Office (Appointed or Elected)</u>	<u>Fees of Office for the year ended December 31, 2020</u>	<u>Expense Reimbursements for the year ended December 31, 2020</u>	<u>Title</u>
Jim E. Owens	05/18 05/22 (Elected)	\$ 9,150	\$ -0-	President
Benjamin Ballew	05/20 05/24 (Elected)	\$ 3,750	\$ -0-	Vice President
Brenda Biggers	05/18 05/22 (Elected)	\$ 4,350	\$ 131	Secretary
Michael Burr	07/20 05/24 (Appointed)	\$ 1,500	\$ -0-	Treasurer
Alma C. Cedillo	10/20 05/22 (Appointed)	\$ -0-	\$ -0-	Commissioner

The limit on fees of office that a Commissioner may receive during a year is set by the Health and Safety Code-Chapter 775. Effective September 1, 2017, a Commissioner is entitled to receive compensation in the same manner and amount as are provided by Section 49.060 of the Texas Water Code, currently \$7,200 per fiscal year. The above fees of office and expense reimbursements are the amounts paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 50
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2020

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2020*</u>	<u>Title</u>
Smith, Murdaugh, Little & Bonham, L.L.P.	09/08/03	\$ 61,050	Attorney
McCall Gibson Swedlund Barfoot PLLC	12/01/14	\$ 27,500	Auditor
Municipal Business Services, Inc.	10/06/03	\$ 12,022	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP	02/08/11	\$ 8,359	Delinquent Tax Attorney
Bob Ideus		\$ -0-	Investment Officer
Harris County Tax Assessor/Collector	Legislative Action	\$ 20,376	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.