

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2019

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Harris County Emergency
Services District No. 29
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Harris County Emergency Services District No. 29 (the "District"), as of and for the year ended December 31, 2019, 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, 2019, 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 and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of District Contributions be presented to supplement the basic financial statements. Such information, 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 and the other supplementary information 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

July 23, 2020

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Management’s discussion and analysis of Harris County Emergency Services District No. 29’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities reports how the District’s net position changed during the current fiscal 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. 29
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 \$10,921,988 as of December 31, 2019.

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

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2019	2018	Change Positive (Negative)
Current and Other Assets	\$ 9,210,179	\$ 12,061,014	\$ (2,850,835)
Capital Assets (Net of Accumulated Depreciation)	<u>11,806,063</u>	<u>7,236,903</u>	<u>4,569,160</u>
Total Assets	<u>\$ 21,016,242</u>	<u>\$ 19,297,917</u>	<u>\$ 1,718,325</u>
Deferred Outflows of Resources	<u>\$ 106,864</u>	<u>\$ 170,812</u>	<u>\$ (63,948)</u>
Long-Term Liabilities	\$ 4,870,860	\$ 6,367,941	\$ 1,497,081
Other Liabilities	<u>2,232,845</u>	<u>1,111,013</u>	<u>(1,121,832)</u>
Total Liabilities	<u>\$ 7,103,705</u>	<u>\$ 7,478,954</u>	<u>\$ 375,249</u>
Deferred Inflows of Resources	<u>\$ 3,097,413</u>	<u>\$ 2,933,796</u>	<u>\$ (163,617)</u>
Net Position:			
Net Investment in Capital Assets	\$ 5,841,420	\$ 4,433,135	\$ 1,408,285
Unrestricted	<u>5,080,568</u>	<u>4,622,844</u>	<u>457,724</u>
Total Net Position	<u>\$ 10,921,988</u>	<u>\$ 9,055,979</u>	<u>\$ 1,866,009</u>

The following table provides a summary of the District's operations for the years ended December 31, 2019, and December 31, 2018.

	Summary of Changes in the Statement of Activities		
	2019	2018	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,896,750	\$ 2,806,404	\$ 90,346
Sales Tax Receipts	2,946,999	2,455,466	491,533
Other Revenues	<u>216,235</u>	<u>102,489</u>	<u>113,746</u>
Total Revenues	<u>\$ 6,059,984</u>	<u>\$ 5,364,359</u>	<u>\$ 695,625</u>
Expenses for Services	<u>4,193,975</u>	<u>3,461,392</u>	<u>732,583</u>
Change in Net Position	\$ 1,866,009	\$ 1,902,967	\$ (36,958)
Net Position, Beginning of Year	<u>9,055,979</u>	<u>7,153,012</u>	<u>1,902,967</u>
Net Position, End of Year	<u>\$ 10,921,988</u>	<u>\$ 9,055,979</u>	<u>\$ 1,866,009</u>

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's fund balance as of December 31, 2019, was \$5,209,853, a decrease of \$3,205,285 from the prior year. This decrease was primarily due to capital outlay.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current year. Actual revenues were \$1,106,908 more than budgeted revenues primarily due to higher than expected sales tax receipts. Actual expenditures were \$4,562,921 more than budgeted expenditures primarily due higher than expected capital outlay.

CAPITAL ASSETS

Capital assets as of December 31, 2019, total \$11,806,063 (net of accumulated depreciation) and include land, buildings, emergency vehicles, trucks, furniture and equipment. Capital asset events in the current year included the purchase a drill tower, water softener, control access system and 2019 Tahoe. Construction in progress includes costs related to the extension of utilities, construction and other costs related to the new station on Cutten Road. Deposit on equipment for the construction of a 2020 Pierce Velocity pumper truck.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2019	2018	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,299,906	\$ 1,299,906	\$
Deposit on Equipment	656,586		656,586
Construction in Progress	4,980,107	868,927	4,111,180
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	2,837,972	2,917,352	(79,380)
Vehicles and Trucks	1,855,273	2,055,324	(200,051)
Furniture and Equipment	176,219	95,394	80,825
Total Net Capital Assets	\$ 11,806,063	\$ 7,236,903	\$ 4,569,160

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had long-term total debt payable of \$6,367,940. The changes in the debt position of the District during the fiscal year ended December 31, 2019, are summarized as follows:

Capital Leases Payable, January 1, 2019	\$ 1,138,163
Less: Principal Paid	<u>149,476</u>
Capital Leases Payable, December 31, 2019	<u>\$ 988,687</u>
Notes Payable, January 1, 2019	\$ 5,871,324
Less: Principal Paid	<u>492,071</u>
Notes Payable, December 31, 2019	<u>\$ 5,379,253</u>

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Emergency Services District No. 29, 12730 Champion Forest Drive, Houston, Texas 77066.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2019

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash in Banks-Unrestricted	\$ 5,404,454	\$	\$ 5,404,454
Cash in Banks-Restricted	333,887		333,887
Petty Cash	213		213
Cash with Harris County	707,561		707,561
Receivables:			
Property Taxes	1,878,387		1,878,387
Sales Tax Receipts	524,256		524,256
Penalty and Interest on Delinquent Taxes		46,635	46,635
ESD No. 11		269,152	269,152
Prepaid Costs	45,634		45,634
Land		1,299,906	1,299,906
Deposit on Equipment		656,586	656,586
Construction in Progress		4,980,107	4,980,107
Capital Assets (Net of Accumulated Depreciation)		4,869,464	4,869,464
TOTAL ASSETS	<u>\$ 8,894,392</u>	<u>\$ 12,121,850</u>	<u>\$ 21,016,242</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows-Pension Plan	<u>\$ -0-</u>	<u>\$ 106,864</u>	<u>\$ 106,864</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,894,392</u>	<u>\$ 12,228,714</u>	<u>\$ 21,123,106</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
LIABILITIES			
Accounts Payable	\$ 314,702	\$	\$ 314,702
Accrued Interest Payable		85,581	85,581
Retainage Payable	196,375		196,375
Net Pension Liability		139,107	139,107
Capital Leases Payable:			
Due Within One Year		988,687	988,687
Notes Payable:			
Due Within One Year		508,393	508,393
Due After One Year		4,870,860	4,870,860
TOTAL LIABILITIES	<u>\$ 511,077</u>	<u>\$ 6,592,628</u>	<u>\$ 7,103,705</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 3,173,462	\$ (78,495)	\$ 3,094,967
Deferred Inflows-Pension Plan		2,446	2,446
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 3,173,462</u>	<u>\$ (76,049)</u>	<u>\$ 3,097,413</u>
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 45,634	\$ (45,634)	\$
Restricted for Construction	137,512	(137,512)	
Unassigned	5,026,707	(5,026,707)	
TOTAL FUND BALANCE	<u>\$ 5,209,853</u>	<u>\$ (5,209,853)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 8,894,392</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 5,841,420	\$ 5,841,420
Unrestricted		5,080,568	5,080,568
TOTAL NET POSITION		<u>\$ 10,921,988</u>	<u>\$ 10,921,988</u>

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019**

Total Fund Balance - Governmental Funds \$ 5,209,853

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

Principal and accrued interest on long-term receivables are not due in the current period and, therefore, are not reported as an asset in the governmental funds. 269,152

Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 11,806,063

Portions of the change in net pension liability that are not immediately recognized as pension expense are recorded as deferred outflows and inflows of resources. 104,418

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2018 and prior tax levies became part of recognized revenues in the governmental activities of the District. 125,130

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:

Accrued Interest Payable	\$ (85,581)	
Net Pension Liability	(139,107)	
Capital Leases Payable Within One Year	(988,687)	
Notes Payable Within One Year	(508,393)	
Notes Payable After One Year	(4,870,860)	(6,592,628)

Total Net Position - Governmental Activities \$ 10,921,988

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 2,885,925	\$ 10,825	\$ 2,896,750
Sales Tax Receipts	2,946,999		2,946,999
Penalty and Interest	33,665	4,179	37,844
Investment Revenues	157,991		157,991
Miscellaneous Revenues	69,556	(49,156)	20,400
TOTAL REVENUES	\$ 6,094,136	\$ (34,152)	\$ 6,059,984
EXPENDITURES/EXPENSES			
Service Operations:			
District Fire Operations	\$ 2,888,069	\$ 115,511	\$ 3,003,580
Administrative, Accounting and Auditing	38,264		38,264
Appraisal District Fees	21,764		21,764
Fire Marshall Services			
Legal - General	47,490		47,490
Legal - Delinquent Tax Collections	9,685		9,685
Other Consulting Fees	40,900		40,900
Sales Tax Consultant	238,844		238,844
Tax Assessor/Collector Fees	14,343		14,343
Depreciation		439,367	439,367
Other	5,022		5,022
Capital Outlay	5,109,106	(5,008,527)	100,579
Debt Service:			
Capital Lease Principal	149,476	(149,476)	
Capital Lease Interest	36,508	(4,493)	32,015
Note Principal	492,071	(492,071)	
Note Interest	207,879	(5,757)	202,122
TOTAL EXPENDITURES/EXPENSES	\$ 9,299,421	\$ (5,105,446)	\$ 4,193,975
NET CHANGE IN FUND BALANCE	\$ (3,205,285)	\$ 3,205,285	\$
CHANGE IN NET POSITION		1,866,009	1,866,009
FUND BALANCE/NET POSITION - JANUARY 1, 2019	8,415,138	640,841	9,055,979
FUND BALANCE/NET POSITION - DECEMBER 31, 2019	\$ 5,209,853	\$ 5,712,135	\$ 10,921,988

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

**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
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, 2019**

Net Change in Fund Balance - Governmental Funds	\$ (3,205,285)
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.	10,825
Governmental funds report penalty and interest on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when the penalty and interest are assessed.	4,179
Governmental funds report other participant's share of District debt as miscellaneous revenues. However, in the government-wide financial statements, the principal portion received reduces the receivable and the interest portion reduces interest expense in the Statement of Activities.	(49,156)
The changes in the net pension liability as well as deferred inflows and outflows of resources are recorded in the government-wide financial statements.	(115,511)
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.	(439,367)
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 assets purchases are expensed in the Statement of Activities.	5,008,527
Governmental funds report principal payments on long-term debt as expenditures. However, in the government-wide financial statements, principal payments decrease long-term liabilities and the Statement of Activities is not affected.	641,547
Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on the long-term debt through fiscal year-end.	10,250
Change in Net Position - Governmental Activities	<u>\$ 1,866,009</u>

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1. CREATION OF DISTRICT

Harris County Rural Fire Prevention District No. 29, located in Harris County, Texas 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. The District was created by order of the Harris County Court of Commissioners and held its first meeting on October 1, 1984. Effective September 1, 2003, Texas Legislature Senate Bill 1021 converted all rural fire prevention districts to emergency services districts and mandated a name change to Harris County Emergency Services District No. 29 (the “District”). The District is responsible for the protection of life and property from fire and for the conservation of natural resources within its boundaries.

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 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. The 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”).

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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.
- * 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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.

General Fund - To account for resources not required to be accounted for in another fund, property 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 revenue include the 2019 tax levy collections during the period October 1, 2018, to December 31, 2019, and taxes collected from January 1, 2019, to December 31, 2019, for all prior tax levies. The 2019 tax levy has been fully deferred to fund 2020 costs.

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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets are capitalized if they have an individual cost of \$5,000 or more (including installation costs and professional fees) and an estimated useful life of two years or more. Bunker/turnout gear, hoses, connections and fittings are expensed in the year purchased. Depreciation on trucks and vehicles is calculated using 20 percent to 30 percent salvage value and the declining balance method of depreciation. Depreciation on all other depreciable capital assets is calculated using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings and Improvements	30
Furniture and Equipment	2-15
Vehicles	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 makes payments into the social security system for its employees. See Note 11 for the District’s pension plan. The Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District has \$137,512 restricted for the construction of a new fire station on Cutten Road.

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3. TAX LEVY

On May 10, 2008, voters of the District approved to increase the maximum tax rate from \$0.05 to \$0.10 per \$100 of assessed valuation on all taxable property within the District. During the year ended December 31, 2019, the District levied an ad valorem tax at the rate of \$0.10 per \$100 of assessed valuation, which resulted in a tax levy of \$3,094,967 on the adjusted taxable valuation of \$3,094,859,066 for the 2019 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 \$5,738,341 and the bank balance was \$5,745,463. Of the bank balance, \$380,963 was covered by federal depository insurance, the balance was covered by collateral pledged in the name of the District and held in a third-party depository.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2019, as listed below:

	Cash
GENERAL FUND	\$ 5,738,341

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

As of December 31, 2019, the District did not own any investments.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5. CAPITAL ASSETS

	January 1, 2019	Increases	Decreases	December 31, 2019
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,299,906	\$	\$	\$ 1,299,906
Deposit on Equipment		656,586		656,586
Construction in Progress	868,927	4,351,941	240,761	4,980,107
Total Capital Assets Not Being Depreciated	<u>\$ 2,168,833</u>	<u>\$ 5,008,527</u>	<u>\$ 240,761</u>	<u>\$ 6,936,599</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 4,545,879	\$ 76,665	\$	\$ 4,622,544
Vehicles and Trucks	3,150,290	65,935		3,216,225
Furniture and Equipment	281,679	98,161		379,840
Total Capital Assets Subject to Depreciation	<u>\$ 7,977,848</u>	<u>\$ 240,761</u>	<u>\$ - 0 -</u>	<u>\$ 8,218,609</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 1,628,527	\$ 156,045	\$	\$ 1,784,572
Vehicles and Trucks	1,094,966	265,986		1,360,952
Furniture and Equipment	186,285	17,336		203,621
Total Accumulated Depreciation	<u>\$ 2,909,778</u>	<u>\$ 439,367</u>	<u>\$ - 0 -</u>	<u>\$ 3,349,145</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,068,070</u>	<u>\$ (198,606)</u>	<u>\$ - 0 -</u>	<u>\$ 4,869,464</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,236,903</u>	<u>\$ 4,809,921</u>	<u>\$ 240,761</u>	<u>\$ 11,806,063</u>

NOTE 6. CAPITAL LEASES

On September 25, 2013, the District entered into a lease-purchase agreement with Oshkosh Capital for the purchase of two 2013 Pierce Velocity Pumper trucks in the amount of \$1,088,904. The trucks were delivered in July of 2014. Assets under this lease total \$1,130,548. Accumulated amortization/depreciation through December 31, 2019, totaled \$ 496,079. A lease payment of interest only was due on September 25, 2014. Lease payments and related interest of \$128,322.00 are due annually beginning January 25, 2015 and ending January 25, 2024. The incremental borrowing rate is 3.56%. Subsequent to year-end, on January 27, 2020, the District paid the balance due in full.

On March 1, 2017, the District entered into a lease-purchase agreement with Wells Fargo Bank for \$500,000 toward the purchase a Pierce Dash CF PUC 100' Platform Fire Truck, in the amount of \$963,349. Assets under this lease total \$1,006,035. Accumulated amortization/depreciation through December 31, 2019 totaled \$300,984. Lease payments and related interest of \$57,662.03 are due annually beginning March 1, 2018 and ending March 1, 2027. The incremental borrowing rate is 2.68%. Subsequent to year-end, on January 27, 2020, the District paid the balance due in full.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6. CAPITAL LEASES (Continued)

The following is a summary of transactions regarding capital leases payable for the year ended December 31, 2019:

Capital Leases Payable, January 1, 2019	\$ 1,138,163
Less: Principal Paid	<u>149,476</u>
Capital Leases Payable, December 31, 2019	<u>\$ 988,687</u>
Capital Leases Payable:	
Due Within One Year	<u><u>\$ 988,687</u></u>

The following is a schedule of future minimum lease payments under the capital leases as of December 31, 2019.

Fiscal Year	Principal	Interest	Total
2020	<u>\$ 988,687</u>	<u>\$ 48,230</u>	<u>\$ 1,036,917</u>

NOTE 7. NOTES PAYABLE

On February 25, 2008, the District entered into a real estate lien note agreement with Wells Fargo Brokerage Services, LLC, in the amount of \$4,000,000 for the construction of the station at 12730 Champions Forest Drive. Construction of the station was completed in June 2009. On August 29, 2013, the District refinanced the balance of \$3,200,000 with Wells Fargo Bank, N.A at an interest rate of 3.0%, until August 1, 2020 (the “Reset Date”), at which time the interest rate shall be adjusted to the Five-Year Treasury Constant Maturity Index, in effect as of the Reset Date, plus 300 basis points (3.00%) and that number shall be multiplied by .652. Payments are due and payable in annual installments of \$345,848 beginning on August 1, 2014, and continuing through to and including August 1, 2020, the Reset Date. After the Reset Date, the four remaining annual payments due August 1, 2021 through August 1, 2024, will be adjusted to reflect the new interest rate. See Note 8 for additional information.

On September 27, 2018, the District entered into a loan agreement with Capital One Public Funding, LLC, in the amount of \$4,000,000 for the construction of the station on Cutten Road. Construction of the station was in progress at year-end. Payments are due and payable in annual installments of \$354,102 beginning September 27, 2019 and continuing through to and including September 27, 2033. The interest rate is 3.774%.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7. NOTES PAYABLE (Continued)

The following is a summary of transactions regarding notes payable for the year ended December 31, 2019:

Notes Payable, January 1, 2019	\$	5,871,324
Less: Principal Paid		<u>492,071</u>
Notes Payable, December 31, 2019		<u><u>\$ 5,379,253</u></u>
Notes Payable:		
Due Within One Year	\$	508,393
Due After One Year		<u>4,870,860</u>
Notes Payable, December 31, 2019		<u><u>\$ 5,379,253</u></u>

As of December 31, 2019, the debt service requirements on the note are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 508,393	\$ 191,556	\$ 699,949
2021	525,533	174,418	699,951
2022	543,120	156,830	699,950
2023	561,303	138,648	699,951
2024	580,710	119,877	700,587
2025-2029	1,367,964	402,548	1,770,512
2030-2033	<u>1,292,230</u>	<u>124,179</u>	<u>1,416,409</u>
	<u><u>\$ 5,379,253</u></u>	<u><u>\$ 1,308,056</u></u>	<u><u>\$ 6,687,309</u></u>

NOTE 8. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES

Construction, Financing and Cost-Sharing Agreement

On December 19, 2007, the District entered into a Construction, Financing, and Cost Sharing Agreement with Harris County Emergency Services District No. 11 (“ESD No. 11”) for ESD No. 11 to obtain a fractional ownership interest (16.8%) of the facility located at 12730 Champion Forest Drive.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES (Continued)

Construction, Financing and Cost-Sharing Agreement (Continued)

ESD No. 11 will house emergency service equipment and personnel in the station. ESD No. 11 agrees to reimburse the District for 16.8% of the construction costs and interest on the construction loan. The District shall hold legal title to the facilities and the site, subject to the ESD No. 11's 16.8% interest. ESD No. 11 will reimburse the District for monthly operating and maintenance fees for an amount equal to 16.8% of the total monthly operating costs incurred. Unless terminated by mutual agreement of the parties, this agreement shall continue in force and effect for 40 years from the date executed. As of December 31, 2019, \$265,785 was receivable from ESD No. 11 for note principal and \$3,367 for accrued interest. The District bills ESD No. 11 prior to the payments becoming due. See Note 7.

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 28 (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 to 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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES (Continued)

Radio Channel Communications Dispatch System (Continued)

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.

During a prior year, the District paid \$41,897 to NWC for the District's share of the equipment and installation.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions; for which the District carries commercial insurance. The District participates in the Texas Political Subdivisions Joint Self-Insurance Fund ("TPS") to provide workers compensation insurance coverage. The District, along with other participating entities, contribute annual amounts determined by TPS' management. As claims arise, they are submitted and paid by TPS. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

NOTE 10. SALES AND USE TAX ELECTION

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

On May 11, 2013, the voters of the District approved the establishment and adoption of a sales and use tax of up to a maximum of one percent. On May 22, 2013, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, excluding any territory in the District where sales and use tax is currently two percent (2.0%) effective October 1, 2013. During the current year, the District recorded \$2,946,999 in sales tax receipts, of which \$524,256 was due from the State Comptroller at December 31, 2019.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all full-time and part-time non temporary 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 TCDRS, Finance Division, Barton Oaks Plaza IV Suite 500, 901 S. MoPac Expressway, Austin, Texas or 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 8 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 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by 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 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-0-
Inactive employees entitled but not yet receiving benefits	2
Active employees	<u>61</u>
Total	<u><u>63</u></u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of for 2019% for calendar year 2019. The deposit rate payable by the employee members for calendar year 2019 is for 2019% 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, 2019, were \$; and were equal to the required contributions. The employee's contributions to TCDRS for the year ended December 31, 2019, were \$123,723.

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumption:

	<u>Actuarial Valuation Information</u>
Actuarial valuation date	12/31/18
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	18.4
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment return ¹	8.0%
Projected salary increases ¹	4.9%
Inflation	2.75%
Cost-of-living adjustments	0.0%

¹Includes inflation at the stated rate

The actuarial assumptions that determined the total pension liability as of 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

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 of the Healthy Annuitant Mortality Table for females, both projected with 110% 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.

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

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

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculation 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 January 2019 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is 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	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	10.50 %	5.40 %
Private Equity	18.00	8.40
Global Equities	2.50	5.70
International Equities-Developed Markets	10.00	5.40
International Equities-Emerging Markets	7.00	5.90
Investment-Grade Bonds	3.00	1.60
Strategic Credit	12.00	4.39
Direct Lending	11.00	7.95
Distressed Debt	2.00	7.20
REIT Equities	2.00	4.15
Master Limited Partnerships (MLPs)	3.00	5.35
Private Real Estate Partnerships	6.00	6.30
Hedge Funds	13.00	3.90
	<u>100.00 %</u>	

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in Net Pension Liability/(Asset)

Changes in Net Pension Liability/(Asset) for the measurement year ended December 31, 2018 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances of December 31, 2017	\$ 210,761	\$ 123,439	\$ 87,322
Changes for the year:			
Service Cost	130,022		130,022
Interest on total pension liability	27,603		27,603
Effect of plan changes	44,751		44,751
Effect of economic/demographic gains or losses	22,118		22,118
Administrative expenses		(238)	238
Member contributions		102,231	(102,231)
Net investment income		(419)	419
Employer contributions		66,109	(66,109)
Other	1	5,027	(5,026)
Balances of December 31, 2018	<u>\$ 435,256</u>	<u>\$ 296,149</u>	<u>\$ 139,107</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	\$ 518,758	\$ 435,256	\$ 367,784
Fiduciary Net Position	<u>296,149</u>	<u>296,149</u>	<u>296,149</u>
Net Pension Liability/(asset)	<u>\$ 222,609</u>	<u>\$ 139,107</u>	<u>\$ 71,635</u>

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11. 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,418	\$
Changes of assumptions		2,446
Net differences between projected and actual earnings	15,571	
Contributions subsequent to the measurement date	70,875	
Total	\$ 106,864	\$ 2,446

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:	
2019	\$ 5,672
2020	5,672
2021	5,672
2022	5,091
2023	1,634
Thereafter	9,802

NOTE 12. 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.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,860,000	\$ 2,885,925	\$ 25,925
Sales Tax Receipts	2,050,000	2,946,999	896,999
Penalty and Interest	15,000	33,665	18,665
Investment Revenues	600	157,991	157,391
Miscellaneous Revenues	61,628	69,556	7,928
TOTAL REVENUES	\$ 4,987,228	\$ 6,094,136	\$ 1,106,908
EXPENDITURES			
Service Operations:			
District Fire Operations	\$ 3,255,000	\$ 2,888,069	\$ 366,931
Administrative, Accounting and Auditing	60,000	38,264	21,736
Appraisal District Fees	22,800	21,764	1,036
Legal - General	50,000	47,490	2,510
Legal - Delinquent Tax Collections		9,685	(9,685)
Other Consulting Fees		40,900	(40,900)
Sales Tax Consultant	50,000	238,844	(188,844)
Tax Assessor/Collector Fees	14,000	14,343	(343)
Other	20,100	5,022	15,078
Capital Outlay	377,500	5,109,106	(4,731,606)
Debt Service:			
Capital Lease Principal	149,476	149,476	
Capital Lease Interest	36,624	36,508	116
Note Principal	492,070	492,071	(1)
Note Interest	208,930	207,879	1,051
TOTAL EXPENDITURES	\$ 4,736,500	\$ 9,299,421	\$ (4,562,921)
NET CHANGE IN FUND BALANCE	\$ 250,728	\$ (3,205,285)	\$ (3,456,013)
FUND BALANCE - JANUARY 1, 2019	8,415,138	8,415,138	
FUND BALANCE - DECEMBER 31, 2019	\$ 8,665,866	\$ 5,209,853	\$ (3,456,013)

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Year Ended December 31,		
	2016	2017	2018
Total Pension Liability			
Service Cost	N/A	\$ 177,129	\$ 130,022
Interest on total pension liability	N/A	14,347	27,603
Effect of plan changes	N/A	22,006	44,751
Effect of assumption changes or inputs	N/A	(2,890)	
Effect of economic/demographic (gains) or losses	N/A	169	22,118
Other	N/A		1
Net change in total pension liability	N/A	\$ 210,761	\$ 224,495
Total pension liability, beginning	N/A	-0-	210,761
Total pension liability, ending (a)	N/A	\$ 210,761	\$ 435,256
Fiduciary Net Position			
Employer contributions	N/A	\$ 47,090	\$ 66,109
Member contributions	N/A	72,894	102,231
Investment income net of investment expenses	N/A	1,930	(419)
Benefit payments/refunds of contributions	N/A		
Administrative Expense	N/A	(82)	(238)
Other	N/A	1,607	5,027
Net change in fiduciary net position	N/A	\$ 123,439	\$ 172,710
Fiduciary net position, beginning	N/A	-0-	123,439
Fiduciary net position, ending (b)	N/A	\$ 123,439	\$ 296,149
Net pension liability/(asset), ending = (a) - (b)	N/A	\$ 87,322	\$ 139,107
Fiduciary net position as a percentage of total pension liability	N/A	58.57%	68.04%
Pensionable covered payroll	N/A	\$ 1,455,436	\$ 1,703,847
Net pension liability as a percentage of covered payroll	N/A	6.00%	8.16%

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

Fiscal Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a Percentage of Covered Payroll
2017	\$ 47,090	\$ 47,090	\$ - 0 -	\$ 1,455,436	3.2%
2018	\$ 66,109	\$ 66,109	\$ - 0 -	\$ 1,690,900	3.9%
2019	\$ 123,723	\$ 123,723	\$ - 0 -	\$ 1,012,514	12.2%

⁽¹⁾ *TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.*

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
NOTES TO SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which 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	18.4 years (based on contribution rate calculated in December 31, 2018 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.

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

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2019

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA
DECEMBER 31, 2019
(UNAUDITED)

Long-Term Debt at December 31, 2019	\$ 6,367,940
Less: Amount in Debt Service Fund	<u> </u>
Net Long-Term Debt at December 31, 2019	<u>\$ 6,367,940</u>
Estimated District Population*	<u>32,000</u>
Net Long-Term Debt Per Capita at December 31, 2019	<u>\$ 199.00</u>

* Per 2018 update to comprehensive review

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
LISTING OF THE NUMBER OF EMERGENCY RESPONSES
MADE WITHIN AND OUTSIDE THE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Number of Emergency Responses made Within the District	1,016
Number of Emergency Responses made Outside of the District	<u>107</u>
Total Emergency Responses	<u><u>1,123</u></u>

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2019

Type of Coverage	From To	Amount of Coverage	Insurer/Name
POSITION SCHEDULE COVERAGE Treasurer	05/17/19 05/17/20	\$ 100,000	Arch Insurance Company
UMBRELLA LIABILITY General Aggregate Each Occurrence	05/17/19 05/17/20	\$ 4,000,000 2,000,000	Arch Insurance Company
AUTOMOBILE Liability - Combined Single Limit Deductible Property Damage – Per Accident	05/17/19 05/17/20	\$ 1,000,000 1,000 Scheduled Vehicles	Arch Insurance Company
INLAND MARINE Deductible	05/17/19 05/17/20	Blanket Unlimited Coverage \$ 250	Arch Insurance Company
PROPERTY AND TERRORISM Buildings Contents Building and Content Deductible	05/17/19 05/17/20	\$ 6,030,431 402,029 2,500	Arch Insurance Company
ACCIDENT AND SICKNESS Accidental Death and Dismemberment Group Life Accident and Health/Death Benefit	08/07/19 08/07/20	\$ 100,000 50,000 100,000	Provident Insurance
WORKERS COMPENSATION Bodily Injury by Accident Bodily Injury by Disease Disease Policy Limit	09/05/19 09/05/20	\$ 1,000,000 1,000,000 1,000,000	Texas Political Subdivisions
GENERAL LIABILITY, INCLUDING MANAGEMENT, FIREFIGHTER AND EMS LIABILITY/CRIME General Aggregate Each Occurrence	05/17/19 05/17/20	\$ 10,000,000 1,000,000	Arch Insurance Company

See accompanying independent auditor's report.

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HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019

		Maintenance Taxes
TAXES RECEIVABLE - JANUARY 1, 2019	\$ 1,811,315	
Adjustments to Beginning Balance	(34,378)	\$ 1,776,937
Original 2019 Tax Levy	\$ 2,997,245	
Adjustment to 2019 Tax Levy	97,722	3,094,967
 TOTAL TO BE ACCOUNTED FOR		 \$ 4,871,904
 TAX COLLECTIONS:		
Prior Years	\$ 1,698,442	
Current Year	1,295,075	2,993,517
 TAXES RECEIVABLE - DECEMBER 31, 2019		 \$ <u>1,878,387</u>
 TAXES RECEIVABLE BY YEAR:		
2019		\$ 1,799,892
2018		30,216
2017		7,863
2016		6,998
2015		6,297
2014		4,515
2013		3,949
2012		3,754
2011		4,408
2010		3,555
2009		3,379
2008		1,033
2007		423
2006		410
2005		280
2004		307
2003		350
2002		152
2001		22
2000		20
1999		165
1998		399
 TOTAL		 \$ <u>1,878,387</u>

See accompanying independent auditor's report.

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**HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
PROPERTY VALUATIONS	<u>\$ 3,094,859,066</u>	<u>\$ 2,930,584,836</u>	<u>\$ 2,842,357,704</u>	<u>\$ 2,850,155,882</u>
TAX RATES PER \$100 VALUATION	<u>\$ 0.10000</u>	<u>\$ 0.10000</u>	<u>\$ 0.10000</u>	<u>\$ 0.08923</u>
ADJUSTED TAX LEVY*	<u>\$ 3,094,967</u>	<u>\$ 2,931,128</u>	<u>\$ 2,842,490</u>	<u>\$ 2,543,598</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>41.84 %</u>	<u>98.97 %</u>	<u>99.72 %</u>	<u>99.72 %</u>

* Based upon the adjusted 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. 29
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2019	2018	2017
REVENUES			
Property Taxes	\$ 2,885,925	\$ 2,813,586	\$ 2,507,147
Sales Tax Receipts	2,946,999	2,455,466	1,789,884
Penalty and Interest	33,665	35,770	30,414
Investment Revenues	157,991	67,256	1,276
Miscellaneous Revenues	69,556	60,261	60,260
TOTAL REVENUES	\$ 6,094,136	\$ 5,432,339	\$ 4,388,981
EXPENDITURES			
District Fire Operations	\$ 2,888,069	\$ 2,589,936	\$ 2,210,416
Administrative, Accounting and Auditing	38,264	46,041	47,871
Appraisal District Fees	21,764	21,656	18,793
Fire Marshall Services			4,025
Legal - General	47,490	60,469	34,171
Legal - Delinquent Tax Collections	9,685	10,094	6,703
Other Consulting Fees	40,900	800	29,250
Sales Tax Consultant	238,844	134,505	48,064
Tax Assessor/Collector Fees	14,343	14,041	15,007
Other	5,022	2,317	3,747
Capital Outlay	5,109,106	837,000	1,374,543
Debt Service:			
Capital Lease Principal	149,476	144,714	97,018
Capital Lease Interest	36,508	41,270	31,304
Note Principal	492,071	280,400	271,951
Note Interest	207,879	65,448	73,897
TOTAL EXPENDITURES	\$ 9,299,421	\$ 4,248,691	\$ 4,266,760
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,205,285)	\$ 1,183,648	\$ 122,221
OTHER FINANCING SOURCES (USES)			
Capital Lease Proceeds	\$	\$	\$ 500,000
Note Proceeds		4,000,000	
TOTAL OTHER FINANCING SOURCES (USES)	\$ - 0 -	\$ 4,000,000	\$ 500,000
NET CHANGE IN FUND BALANCE	\$ (3,205,285)	\$ 5,183,648	\$ 622,221
BEGINNING FUND BALANCE	8,415,138	3,231,490	2,609,269
ENDING FUND BALANCE	\$ 5,209,853	\$ 8,415,138	\$ 3,231,490

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2016	2015	2019	2018	2017	2016	2015
\$ 2,439,294	\$ 2,340,548	47.4 %	51.8 %	57.1 %	61.6 %	63.4 %
1,394,587	1,261,500	48.4	45.2	40.8	35.2	34.1
39,685	22,102	0.5	0.7	0.7	1.0	0.6
731	543	2.6	1.2			
88,125	69,570	1.1	1.1	1.4	2.2	1.9
<u>\$ 3,962,422</u>	<u>\$ 3,694,263</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 2,052,439	\$ 1,832,356	47.4 %	47.7 %	50.4 %	51.8 %	49.6 %
26,109	24,347	0.6	0.8	1.1	0.7	0.7
18,447	18,710	0.4	0.4	0.4	0.5	0.5
				0.1		
37,234	27,693	0.8	1.1	0.8	0.9	0.7
12,248	5,791	0.2	0.2	0.1	0.3	0.2
		0.7		0.7		
13,430	21,948	3.9	2.5	1.1	0.3	0.6
12,356	14,633	0.2	0.3	0.3	0.3	0.4
20,471	24,069	0.1		0.1	0.5	0.7
1,408,956	30,324	83.8	15.4	31.3	35.5	0.8
93,644	186,955	2.4	2.7	2.2	2.4	5.1
34,658	17,019	0.6	0.8	0.7	0.9	0.5
263,863	256,481	8.1	5.2	6.2	6.7	6.9
81,984	89,367	3.4	1.2	1.7	2.1	2.4
<u>\$ 4,075,839</u>	<u>\$ 2,549,693</u>	<u>152.6 %</u>	<u>78.3 %</u>	<u>97.2 %</u>	<u>102.9 %</u>	<u>69.1 %</u>
\$ (113,417)	\$ 1,144,570	(52.6) %	21.7 %	2.8 %	(2.9) %	30.9 %
\$	\$					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ (113,417)	\$ 1,144,570					
<u>2,722,686</u>	<u>1,578,116</u>					
<u>\$ 2,609,269</u>	<u>\$ 2,722,686</u>					

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2019

District Mailing Address - Harris County Emergency Services District No. 29
12730 Champion Forest Drive
Houston, TX 77066

District Telephone Number - (281) 444-2014

<u>Commissioners</u>	<u>Term of Office (Appointed or Elected)</u>	<u>Fees of Office for the year ended December 31, 2019</u>	<u>Expense Reimbursements for the year ended December 31, 2019</u>	<u>Title</u>
Scott Morgan	06/01/18 05/31/22 (Elected)	\$ -0-	\$ 1,522	President
Richard Escott	06/01/18 05/31/22 (Elected)	\$ -0-	\$ 2,420	Vice President
David J. Parker	06/01/16 05/31/20 (Elected)	\$ -0-	\$ 462	Secretary
Kenneth Latimer	06/01/16 05/31/20 (Elected)	\$ -0-	\$ -0-	Treasurer/ Investment Officer
William Hogue, III	01/05/17 05/31/20 (Appointed)	\$ -0-	\$ -0-	Assistant Secretary/ Assistant Treasurer

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

See accompanying independent auditor's report.

HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 29
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2019

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2019*</u>	<u>Title</u>
Coveler & Peeler, P.C.		\$ 47,490	General Counsel
McCall Gibson Swedlund Barfoot PLLC	01/22/09	\$ 20,750	Auditor
Myrtle Cruz, Inc.	05/01/17	\$ 23,603	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 9,685	Delinquent Tax Attorney
Sales Tax Assurance LLC	02/26/15	\$ 238,844	Sales Tax Consultant
Harris County Tax Assessor/Collector	Legislative Action	\$ 14,343	Tax Assessor/ Collector

* Accrual basis

See accompanying independent auditor's report.

