



TENESHIA HUDSPETH

COUNTY CLERK

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May 27, 2021

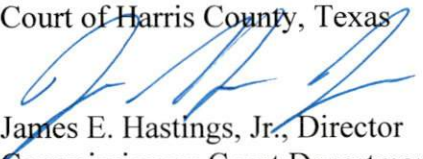
Honorable County Judge and
Commissioners of Harris County, Texas

Members of the Court:

Transmittal of the annual financial report for Waller-Harris Emergency Services District No. 200
for the year ending December 31, 2020.

Sincerely,

Teneshia Hudspeth, County Clerk and
Ex-Officio Clerk of Commissioners
Court of Harris County, Texas



James E. Hastings, Jr., Director
Commissioners Court Department

TH/jh

COVELER & PEELER, P.C.

Attorneys At Law

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May 21, 2021

Harris County Clerk
Attn: James Hastings
Office of Commissioners' Court
1001 Preston, Suite 610
Houston, Texas 77002

***Re: Waller-Harris Emergency Services District No. 200;
Audit Report, Year Ended December 31, 2020***

Dear Mr. Hastings:

This office is counsel to the Waller-Harris Emergency Services District No. 200, and acting pursuant to its instruction, we are filing herewith the 2020 Audit for the District pursuant to Section 775.082 of the Texas Health and Safety Code.

Please do not hesitate to contact our office should you have questions or need additional information regarding the enclosed submission.

Very truly yours,

COVELER & PEELER, P.C.

By:



Deirdra Wine

Legal Assistant to John W. Peeler

/dw
Enclosure

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200**

WALLER AND HARRIS COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200**

WALLER AND HARRIS COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waller-Harris Emergency
Services District No. 200
Waller and Harris Counties, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Waller-Harris Emergency Services District No. 200 (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 Proportionate Share of Net Pension Liability and Contributions to TESRS, and the Schedule of Changes in Proportionate Share of Net Pension Liability and Related Ratios 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

May 11, 2021

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Management's discussion and analysis of Waller-Harris Emergency Services District No. 200'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 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, costs of assessing and collecting taxes and general expenditures.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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 \$9,504,446 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).

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Summary of Changes in the Statement of Net Position		
	2020	2019	Change Positive (Negative)
Current and Other Assets	\$ 14,020,043	\$ 9,842,950	\$ 4,177,093
Capital Assets (Net of Accumulated Depreciation)	8,866,944	8,192,539	674,405
Total Assets	\$ 22,886,987	\$ 18,035,489	\$ 4,851,498
Deferred Outflows of Resources	\$ 591	\$ -0-	\$ 591
Long-Term Liabilities	\$ 3,975,678	\$ 870,561	\$ (3,105,117)
Other Liabilities	1,595,525	934,207	(661,318)
Total Liabilities	\$ 5,571,203	\$ 1,804,768	\$ (3,766,435)
Deferred Inflows of Resources	\$ 7,811,929	\$ 6,740,572	\$ (1,071,357)
Net Position:			
Net Investment in Capital Assets	\$ 3,996,807	\$ 6,731,558	\$ (2,734,751)
Unrestricted	5,507,639	2,758,591	2,749,048
Total Net Position	\$ 9,504,446	\$ 9,490,149	\$ 14,297

The following table provides a comparative analysis 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	\$ 6,810,210	\$ 6,353,612	\$ 456,598
Other Revenues	164,891	241,147	(76,256)
Total Revenues	\$ 6,975,101	\$ 6,594,759	\$ 380,342
Expenses for Services	6,960,804	6,563,430	397,374
Change in Net Position	\$ 14,297	\$ 31,329	\$ (17,032)
Net Position, Beginning of Year	9,490,149	9,458,820	31,329
Net Position, End of Year	\$ 9,504,446	\$ 9,490,149	\$ 14,297

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance as of December 31, 2020, was \$5,100,572, an increase of \$2,723,808 from the prior year. The increase was due to receipt of note proceeds of \$4 million for construction of a fire station in Prairie View, Texas, offset by operating expenditures exceeding operating revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the fiscal year. Actual revenues were \$67,803 less than budgeted revenues primarily due to less investment revenues than budgeted. Actual expenditures were \$1,308,389 more than budgeted expenditures primarily due to repairs and maintenance, capital outlay and paid firefighters expenditures being more than budgeted, offset by less Katy Station expenditures than budgeted.

CAPITAL ASSETS

Capital assets as of December 31, 2020, total \$8,866,944 (net of accumulated depreciation) and include land, buildings, vehicles and equipment. Capital asset events during the current fiscal year included the purchase or completion of the following:

- Pumps and valves - \$11,145
- 2020 RAM 3500 ambulance - \$222,075
- Diesel laptop - \$8,295
- Rescue tools - \$27,240
- Safeguard metal building - \$14,217
- Brookshire fire station electrical - \$5,200
- Waller EMS Stryker monitors and maintenance agreement - \$178,326
- Air bag set for Prairie View fire station - \$6,335
- Mallard Creek fire station - \$466,894
- Quantifit respiratory system - \$9,687
- Utility trailer - \$2,437

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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	\$ 1,199,843	\$ 1,199,843	\$
Construction in Progress	969,121	459,889	509,232
Capital Assets, Net of Accumulated Depreciation:			
Equipment	633,815	574,345	59,470
Vehicles	4,372,041	4,686,597	(314,556)
Buildings and Improvements	1,692,124	1,271,633	420,491
Land Improvements		232	(232)
Total Net Capital Assets	<u>\$ 8,866,944</u>	<u>\$ 8,192,539</u>	<u>\$ 674,405</u>

Additional information on the District's capital assets can be found in Note 6 of this report.

LONG-TERM DEBT ACTIVITY

The changes in the debt position of the District during the fiscal year ended December 31, 2020, are summarized as follows:

Long-Term Debt Payable, January 1, 2020	\$ 1,460,981
Add: Note Proceeds	4,000,000
Less: Principal Paid	<u>590,844</u>
Long-Term Debt Payable, December 31, 2020	<u>\$ 4,870,137</u>

CONTACTING THE DISTRICT'S FINANCIAL 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 Waller-Harris Emergency Services District No. 200, PO Box 510, Waller, TX 77484.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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	\$ 5,832,340	\$	\$ 5,832,340
Investments	1,393,577		1,393,577
Cash with Tax Assessor/Collector	267,833		267,833
Receivables:			
Property Taxes	6,181,644		6,181,644
Penalty and Interest on Delinquent Taxes		155,363	155,363
Provider Advances	188,686		188,686
Prepaid Costs	600		600
Land		1,199,843	1,199,843
Construction in Progress		969,121	969,121
Capital Assets (Net of Accumulated Depreciation)		<u>6,697,980</u>	<u>6,697,980</u>
TOTAL ASSETS	<u>\$ 13,864,680</u>	<u>\$ 9,022,307</u>	<u>\$ 22,886,987</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Plan Charges	<u>\$ -0-</u>	<u>\$ 591</u>	<u>\$ 591</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 13,864,680</u>	<u>\$ 9,022,898</u>	<u>\$ 22,887,578</u>

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

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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	\$ 571,048	\$	\$ 571,048
Accrued Interest Payable		21,107	21,107
Net Pension Liability		108,911	108,911
Long-Term Debt:			
Due Within One Year		894,459	894,459
Due After One Year		3,975,678	3,975,678
TOTAL LIABILITIES	<u>\$ 571,048</u>	<u>\$ 5,000,155</u>	<u>\$ 5,571,203</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 8,193,060	\$ (386,496)	\$ 7,806,564
Deferred Pension Plan Charges		5,365	5,365
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 8,193,060</u>	<u>\$ (381,131)</u>	<u>\$ 7,811,929</u>
FUND BALANCE/NET POSITION			
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 600	\$ (600)	\$
Assigned to 2021 budget	1,868,452	(1,868,452)	
Unassigned	3,231,520	(3,231,520)	
TOTAL FUND BALANCE	<u>\$ 5,100,572</u>	<u>\$ (5,100,572)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 13,864,680</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 3,996,807	\$ 3,996,807
Unrestricted		5,507,639	5,507,639
TOTAL NET POSITION		<u>\$ 9,504,446</u>	<u>\$ 9,504,446</u>

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

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total Fund Balance - Governmental Funds	\$	5,100,572
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Pension plan liabilities are not due and payable in the current period, and, therefore, are recorded on the government-wide financial statements only.		(108,911)
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Portions of the change in net pension liability that are not immediately recognized as pension expense are recorded as deferred outflows of resources.		(4,774)
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		8,866,944
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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.		541,859
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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	\$ (21,107)	
Long-Term Debt Due Within One Year	(894,459)	
Long-Term Debt Due After One Year	(3,975,678)	(4,891,244)

Total Net Position - Governmental Activities	\$	<u>9,504,446</u>
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The accompanying notes to the financial
statements are an integral part of this report.

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 6,747,405	\$ 62,805	\$ 6,810,210
Penalty and Interest	135,632	(24,201)	111,431
Investment Revenues	44,609		44,609
Miscellaneous Revenues	8,851		8,851
TOTAL REVENUES	<u>\$ 6,936,497</u>	<u>\$ 38,604</u>	<u>\$ 6,975,101</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services:			
Brookshire VFA	\$ 34,925		\$ 34,925
City of Hempstead	65,000		65,000
Monaville VFD	43,950		43,950
Mount Zion VFD	22,610		22,610
Pattison Area VFD	56,928		56,928
Prairie View VFD	31,886		31,886
Rolling Hills VFD	40,391		40,391
Tri-County VFD	79,930		79,930
Waller VFD	53,100		53,100
Waller County EMS	1,866,631		1,866,631
Accounting and Auditing	79,186		79,186
Appraisal District Fees	83,743		83,743
Commissioner Fees	34,750		34,750
Election Expense	109,054		109,054
Insurance for Providers	157,523		157,523
Katy Station	958,034		958,034
Paid Fire Fighters	1,595,481		1,595,481
Legal Fees - General	110,508		110,508
Legal Fees - Delinquent Tax Collections	45,944		45,944
Repairs and Maintenance	409,981		409,981
Tax Assessor/Collector Fees	45,232		45,232
Office Expense	72,603		72,603
Depreciation		786,679	786,679
Other	126,816	(1,820)	124,996
Capital Outlay	1,461,084	(1,461,084)	
Debt Service:			
Principal	590,844	(590,844)	
Interest	36,555	15,184	51,739
TOTAL EXPENDITURES/EXPENSES	<u>\$ 8,212,689</u>	<u>\$ (1,251,885)</u>	<u>\$ 6,960,804</u>

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

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,276,192)	\$ 1,290,489	\$ 14,297
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 4,000,000	\$ (4,000,000)	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 2,723,808	\$ (2,723,808)	\$
CHANGE IN NET POSITION		14,297	14,297
FUND BALANCE/NET POSITION - JANUARY 1, 2020	<u>2,376,764</u>	<u>7,113,385</u>	<u>9,490,149</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2020	<u>\$ 5,100,572</u>	<u>\$ 4,403,874</u>	<u>\$ 9,504,446</u>

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

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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	\$ 2,723,808
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.	62,805
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Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when the penalty and interest are assessed.	(24,201)
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Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(786,679)
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The changes in the net pension liability as well as deferred outflows of resources are recorded as pension expense in the government-wide financial statements.	1,820
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Governmental funds record capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.	1,461,084
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Governmental funds report principal payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, liabilities are reduced when principal payments are made and the Statement of Activities is not affected.	590,844
--	---------

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.	(15,184)
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Governmental funds report note proceeds as other financing sources. Note proceeds increase long-term liabilities in the Statement of Net Position.	(4,000,000)
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Change in Net Position - Governmental Activities	\$ <u>14,297</u>
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The accompanying notes to the financial
statements are an integral part of this report.

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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. CREATION OF DISTRICT

Waller-Harris Emergency Services District No. 200 (the “District”) was created on May 4, 2002, 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 operating funds for the contracting of fire prevention and emergency medical services within the boundaries of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

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

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has one governmental fund; therefore, it 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 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 meet the District’s planned expenditures in the 2021 fiscal year.

Capital Assets

Capital assets, which include land, buildings, vehicles 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 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. Installation costs, professional fees and certain other costs are capitalized as part of the asset. Assets are capitalized if they have an original cost of \$2,500 or more and a useful life over one year. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Buildings, vehicles, land improvements, and all other equipment are amortized over periods ranging from 5 to 32 years.

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax for payroll tax purposes only. The District established a 457(b) retirement plan for its employees and a pension plan for its contracted service providers. Additional disclosure is provided in Note 9 and Note 10.

Measurement Focus

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

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

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

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.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. The District has assigned \$1,868,452 of its General Fund fund balance for 3 custom cab trucks at \$488,000 each, 2 booster trucks totaling \$203,902 and 1 Dodge ambulance for \$200,550.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. TAX LEVY

Voters of the District have approved the levy and collection of an ad valorem tax not to exceed \$0.10 per \$100 of assessed valuation on taxable property within the District. During the year ended December 31, 2020, 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 \$7,806,564 on the adjusted taxable valuation of \$7,806,489,040 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.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 bank deposits was \$5,832,340 and the bank balance was \$5,134,970. Of the bank balance, \$500,000 was covered by federal depository insurance and 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, 2020, as listed below:

	<u>Cash</u>
GENERAL FUND	<u>\$ 5,832,340</u>

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.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

As of December 31, 2020, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	<u>\$ 1,393,577</u>	<u>\$ 1,393,577</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 investments in Texas CLASS were rated AAAm by Standard and Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have a maturity of less than one year due to the fact that the share position can usually be redeemed each day at the discretion of the District.

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5. FIRE PROTECTION SERVICES

The District has contracted with area volunteer fire departments, voluntary fire associations, emergency medical services, the City of Brookshire, the City of Hempstead, and the City of Katy (the "Departments") to provide firefighting and suppression services and emergency medical and rescue services to the residents of the District. The term of the current contracts is for a period of one year and was in effect during the period under audit. The continuation of the contracts from year to year is subject to the adoption each year of an operating and capital budget. Under the terms of the contracts, the Departments agree to provide emergency services to all the residents, commercial interests and others found within the Department service area, and those requesting mutual aid. The contract may be terminated by either party without cause upon thirty days written notice.

The Departments agree to submit annually to the District an operating budget and a capital budget for approval by the District. The District agrees to pay to the Departments monthly amounts as invoiced, which agree to the Departments approved budget. At the January and July regular meetings of the District, the Departments will submit a reconciliation of the funds received and expended to identify those District funds which have been not been expended. The District shall vote either to re-allocate such unexpended funds for other current or prospective District-approved expenditures of the Departments and purchases or to have the unexpended funds returned to the District for subsequent use and funding.

Title to and ownership of all assets of the Department acquired by the Department prior to contracting with the District shall remain with the Department, subject to the contractual lien provisions. Thereafter, title to all assets, capital and otherwise, exceeding \$5,000 (specifically including land and buildings, vehicles, fire apparatus and all equipment used therein) and all land and/or improvements purchased with District appropriated funds shall be taken in the name of the District and be owned by the District.

It is the agreement and intent of the District and the Departments that the District be a lien holder (subordinate to a bona fide first lien holder) on those assets of the Department purchased or improved in whole or in part with District funds. The purpose of such lien holder status is to provide that in the event any such asset is sold, traded, assigned or conveyed to another person or entity for any reason or is damaged or subject to other casualty, the District will be reimbursed for its monetary contribution of District funds. If such asset was purchased wholly with District funds, the District's interest in the asset proceeds shall be for the entire amount. If such asset was purchased or repaired in part with District funds, the District's interest in the asset proceeds shall be based upon the pro-rata portion of the purchase price and/or repair cost paid for with District funds.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5. FIRE PROTECTION SERVICES (Continued)

SERVICE PROVIDER	<u>2020</u>	<u>Advances</u>
Brookshire VFA	\$ 34,925	\$ 2,900
City of Hempstead Fire Department	65,000	
Monaville Volunteer Fire Department	43,950	6,667
Mount Zion Volunteer Fire Department	22,610	1,884
Pattison Area Volunteer Fire Department	56,928	5,942
Prairie View Volunteer Fire Department	31,886	3,934
Rolling Hills Volunteer Fire Department	40,391	
Tri-County Volunteer Fire Department	79,930	7,109
Waller Volunteer Fire Department	53,100	4,697
Waller County Emergency Medical Services	<u>1,866,631</u>	<u>155,553</u>
TOTAL SERVICE PROVIDER FEES/ ADVANCES	<u><u>\$ 2,295,351</u></u>	<u><u>\$ 188,686</u></u>

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6. 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	\$ 1,199,843	\$	\$	\$ 1,199,843
Construction in Progress	459,889	1,461,084	951,852	969,121
Total Capital Assets Not Being Depreciated	<u>\$ 1,659,732</u>	<u>\$ 1,461,084</u>	<u>\$ 951,852</u>	<u>\$ 2,168,964</u>
Capital Assets Subject to Depreciation				
Equipment	\$ 2,451,925	\$ 248,665	\$	\$ 2,700,590
Vehicles	8,964,028	222,075		9,186,103
Buildings and Improvements	1,691,253	481,112		2,172,365
Land Improvements	41,927			41,927
Total Capital Assets Subject to Depreciation	<u>\$ 13,149,133</u>	<u>\$ 951,852</u>	<u>\$ - 0 -</u>	<u>\$ 14,100,985</u>
Less Accumulated Depreciation				
Equipment	\$ 1,877,580	\$ 189,195	\$	\$ 2,066,775
Vehicles	4,277,431	536,631		4,814,062
Buildings and Improvements	419,620	60,621		480,241
Land Improvements	41,695	232		41,927
Total Accumulated Depreciation	<u>\$ 6,616,326</u>	<u>\$ 786,679</u>	<u>\$ - 0 -</u>	<u>\$ 7,403,005</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,532,807</u>	<u>\$ 165,173</u>	<u>\$ - 0 -</u>	<u>\$ 6,697,980</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,192,539</u>	<u>\$ 1,626,257</u>	<u>\$ 951,852</u>	<u>\$ 8,866,944</u>

NOTE 7. LONG-TERM DEBT PAYABLE

On October 21, 2010, the District entered into a ten-year municipal lease purchase agreement in the amount of \$574,209 with Government Capital Corporation at an interest rate of 3.95%, with annual payments of \$68,621 due through February 15, 2020. This was refinanced at 2.83% on February 15, 2013, with annual payments of \$65,903 due through February 5, 2020. The funds were used to fund the acquisition of a 2009 ladder truck and related equipment. Assets under this capital lease total \$650,000 at December 31, 2020. Accumulated amortization/depreciation through December 31, 2020, totaled \$433,690. The loan was paid in full during the current fiscal year.

On February 9, 2015, the District executed a lease purchase agreement for a total amount of \$1,276,596 with an interest rate of 2.79%. Proceeds from this lease were used to purchase a Rosenbauer Rescue Pumper for a total purchase price of \$340,195, a Patriot Elliptical Tanker for

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7. LONG-TERM DEBT PAYABLE (Continued)

a total purchase price of \$360,643, and two Spartan Pumpers for a total purchase price of \$575,758. Annual payments of \$200,678 are due beginning September 1, 2015 and ending September 1, 2021. Assets under this capital lease total \$1,276,596 at December 31, 2020. Accumulated amortization/depreciation through December 31, 2020, totaled 466,994.

On December 21, 2017, the District executed a promissory note for a total amount of \$1,686,460 with an interest rate of 2.39%. Proceeds from this lease were used to purchase three Freightliner Pumper trucks and one Freightliner Tanker truck. Annual principal payments of \$337,292, plus accrued interest are due annually beginning December 21, 2020 and ending December 21, 2022.

On October 9, 2020, the District executed a promissory note in the amount of \$4,000,000 with Government Capital Corporation at an interest rate of 2.22%. The funds will be used to fund the construction of a fire station in Prairie View, Texas. Annual payments of \$450,494, including accrued interest, are due annually beginning October 16, 2021 through October 16, 2030.

The following is a summary of transactions regarding long-term debt payable for the year ended December 31, 2020:

Long-Term Debt Payable, January 1, 2020	\$ 1,460,981
Add: Note Proceeds	4,000,000
Less: Principal Paid	<u>590,844</u>
Long-Term Debt Payable, December 31, 2020	<u>\$ 4,870,137</u>

Long-Term Debt Payable:	
Due Within One Year	\$ 894,459
Due After One Year	<u>3,975,678</u>
Long-Term Debt Payable, December 31, 2020	<u>\$ 4,870,137</u>

Fiscal Year	Principal	Interest	Total
2021	\$ 894,459	\$ 110,789	\$ 1,005,248
2022	706,941	89,018	795,959
2023	377,863	72,631	450,494
2024	386,259	64,235	450,494
2025	394,842	55,653	450,495
2026-2030	<u>2,109,773</u>	<u>142,697</u>	<u>2,252,470</u>
	<u>\$ 4,870,137</u>	<u>\$ 535,023</u>	<u>\$ 5,405,160</u>

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8. 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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9. PENSION PLAN

Plan Description

Effective August 1, 2011, the District provides retirement, disability, and death benefits for each person who performs qualified service as a volunteer and auxiliary member of its contracted service providers through a cost-sharing multiple employer pension system (System), the statewide Texas Emergency Services Retirement System (TESRS). TESRS was created as a standalone agency by the 83rd Legislature via the passage of SB220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the Agency is new, the System has been in existence since 1977. As of August 31, 2020, there were 238 contributing fire or emergency services department members in the System. Eligible participants include volunteer emergency services personnel who are members in good standing of a participating department. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Comprehensive Annual Financial Report. TESRS issues an annual financial report on a fiscal year basis. The annual financial report is available from the Texas Emergency Services Retirement System web site at <http://tesrs.org>.

At August 31, 2020, TESRS membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,837
Terminated Participants Entitled to Benefits but Not Yet Receiving Them	1,787
Active Participants (Vested and Non-vested)	<u>3,634</u>
TOTAL	<u>9,258</u>

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), recodified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9. PENSION PLAN (Continued)

Plan Description (Continued)

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount and continuing monthly payments to a member's surviving spouse and dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The State is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2020, the Part Two contributions are not required for an adequate contribution arrangement. Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. PENSION PLAN (Continued)

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule and there was no maximum contribution rate. For the fiscal year ending August 31, 2020, total contributions of \$3,755,240 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,329,224 for the fiscal year ending August 31, 2020.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: inflation 3.00%, salary increases not applicable, investment rate of return 7.5% net of pension plan investment expenses, including inflation. Mortality rates were based on the PubS-201 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.60%) and by adding expected inflation (3.00%). In addition, the final 7.50% assumption was selected by rounding down.

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities		
Large Cap Domestic	20.00 %	5.83 %
Small/Mid Cap Domestic	10.00	5.94
Developed International	15.00	6.15
Emerging Markets	5.00	7.25
Global Infrastructure	5.00	6.41
Real Estate	10.00	4.48
Multi-Asset Income	5.00	3.84
Fixed Income	30.00	1.99
Cash	0.00	0.00
Total	100.00 %	

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. PENSION PLAN (Continued)

Contributions Required and Contributions Made

The actuarial valuation as of August 31, 2020 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses. On August 31, 2020 the actuarial liabilities exceeded the actuarial assets by \$25,210,882.

Pension Expense and Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances of August 31, 2019	\$ 584,049	\$ 468,683	\$ 115,366
Changes for the year:			
Service Costs	8,061		8,061
Interest on total pension liability	47,517		47,517
Effect of plan changes	12,912		12,912
Effect of economic/demographic gains or losses	(8,489)		(8,489)
Effect of assumption changes or inputs	(293)		(293)
Refund of contributions			
Benefit payments	(29,729)	(29,729)	
Administrative Expense		(1,384)	1,384
Member department contributions		16,223	(16,223)
Net investment income		52,669	(52,669)
State contributions		5,742	(5,742)
Impact of change in proportionate share	35,875	28,788	7,087
Balances of August 31, 2020	<u>\$ 649,903</u>	<u>\$ 540,992</u>	<u>\$ 108,911</u>

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9. PENSION PLAN (Continued)

Pension Expense and Net Pension Liability

Sensitivity Analysis – The following presents the net pension liability of the District, calculated using the discount rate of 7.50%, 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 209,836	\$ 108,911	\$ 38,789

As of December 31, 2020, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 591	\$
Changes of assumptions		178
Net differences between projected and actual earnings		5,187
Total	<u>\$ 591</u>	<u>\$ 5,365</u>

Deferred outflows and inflows of resources related to pensions will be recognized as an impact to net pension liability and in pension expense in the year ended December 31, 2020.

For the District's accounting year ending December 31, 2020, the amount of expense recognized by the District for the TESRS plan for provider members was \$20,624. The District's proportionate share of the collective net pension liability was \$108,911 and the District's proportion of the collective pension liability was 0.432% as of the measurement date of August 31, 2020, which is the date of the most recent TESRS Report on Pension Information. The District's proportionate share of the collective net pension liability was \$115,366 and the District's proportion of the collective pension liability was 0.407% as of the prior measurement date of August 31, 2019. The participating department's proportionate share of the net pension liability is equal to the collective net pension liability multiplied by the participating department's allocation percentage of the collective pension expense for TESRS's fiscal year ended August 31, 2020. The District has made contributions of \$20,160 on behalf of Provider members as of August 31, 2020. The District has recognized deferred outflows of resources of \$591 and deferred inflows of resources of \$5,365 as of December 31, 2020.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10. REGULATED FIRE DEPARTMENT AND RETIREMENT PLAN

In March 2017, the District applied to the Texas Commission for Fire Protection Certification for a District fire department. In April 2017, the District was notified the application was complete and the District is considered a regulated fire department. In July 2017, the District hired three captains and nine fire and EMS trained personnel for 24-hour coverage for the Katy Station. In November 2018, the board approved part-time paid personnel at all stations funded by the District.

In July 2017, the District established a 457(b)-retirement plan for its employees. The plan is a qualified prototype plan approved by the Internal Revenue Service and administered by Edward Jones which also serves as custodian of the assets of the plan. The 457(b)-retirement plan is a defined contribution plan open to regular full-time employees only and employee contributions are matched by the District up to 3%. Each employee participant directs the investment in his/her respective account. All participants are immediately fully vested in all contributions. During the current fiscal year, employee contributions to the plan were \$20,834 and employer contributions were \$18,780.

NOTE 11. 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 are likely to 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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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200**

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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	\$ 6,805,000	\$ 6,747,405	\$ (57,595)
Penalty and Interest	70,000	135,632	65,632
Investment Revenues	118,500	44,609	(73,891)
Miscellaneous Revenues	10,800	8,851	(1,949)
TOTAL REVENUES	\$ 7,004,300	\$ 6,936,497	\$ (67,803)
EXPENDITURES			
Service Operations:			
District Services:			
Brookshire VFA	\$ 37,025	\$ 34,925	\$ 2,100
City of Hempstead	65,000	65,000	
Monaville VFD	43,950	43,950	
Mount Zion VFD	22,610	22,610	
Pattison Area VFD	62,555	56,928	5,627
Prairie View VFD	31,886	31,886	
Rolling Hills VFD	42,700	40,391	2,309
Tri-County VFD	81,030	79,930	1,100
Waller VFD	53,100	53,100	
Waller County EMS	1,866,631	1,866,631	
Accounting and Auditing	100,500	79,186	21,314
Appraisal District Fees	80,051	83,743	(3,692)
Commissioner Fees	35,000	34,750	250
Election Expense	50,000	109,054	(59,054)
Insurance for Providers	161,000	157,523	3,477
Katy Station	1,152,344	958,034	194,310
Paid Fire Fighters	1,323,148	1,595,481	(272,333)
Legal Fees - General	60,000	110,508	(50,508)
Legal Fees - Delinquent Tax Collections	8,928	45,944	(37,016)
Repairs and Maintenance	288,773	409,981	(121,208)
Tax Assessor/Collector Fees	43,000	45,232	(2,232)
Office Expense	102,460	72,603	29,857
Other	153,340	126,816	26,524
Capital Outlay	396,086	1,461,084	(1,064,998)
Debt Service:			
Principal	590,844	590,844	
Interest	52,339	36,555	15,784
TOTAL EXPENDITURES	\$ 6,904,300	\$ 8,212,689	\$ (1,308,389)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 100,000	\$ (1,276,192)	\$ (1,376,192)
OTHER FINANCING SOURCES(USES)			
Note Proceeds	\$ -0-	\$ 4,000,000	\$ 4,000,000
NET CHANGE IN FUND BALANCE	\$ 100,000	\$ 2,723,808	\$ 2,623,808
FUND BALANCE - JANUARY 1, 2020	2,376,764	2,376,764	
FUND BALANCE - DECEMBER 31, 2020	\$ 2,476,764	\$ 5,100,572	\$ 2,623,808

See accompanying independent auditor's report.

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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF NET
PENSION LIABILITY AND CONTRIBUTIONS TO TESRS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Contributing Entity's Proportionate Share of Collective Net Pension Liability							
Date of Actuarial Valuation	8/31/2020	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015	8/31/2014
Proportionate Share per TESRS	<u>0.432%</u>	<u>0.407%</u>	<u>0.493%</u>	<u>0.508%</u>	<u>0.535%</u>	<u>0.587%</u>	<u>0.704%</u>
TESRS Net Pension Liability	\$ 25,210,882	\$ 28,345,563	\$ 21,650,451	\$ 24,001,678	\$ 29,128,103	\$ 26,692,531	\$ 18,171,643
proportionate share	\$ 108,911	\$ 115,366	\$ 106,737	\$ 121,929	\$ 155,835	\$ 156,685	\$ 127,928
Contributing Entity's Contributions to TESRS							
Contributions	\$ 20,160	\$ 18,230	\$ 23,602	\$ 24,552	\$ 24,516	\$ 27,720	\$ 31,860

See accompanying independent auditor's report.

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2020

	Year Ended December 31,		
	2020	2019	2018
Total Pension Liability			
Service Cost	\$ 8,061	\$ 7,594	\$ 7,856
Interest on total pension liability	47,517	42,950	48,827
Effect of plan changes	12,912		13,929
Effect of economic/demographic (gains) or losses	(8,489)		(446)
Effect of assumption changes or inputs	(293)		
Impact from change in proportionate share	35,875	(118,263)	(19,368)
Benefit payments/refunds of contributions	<u>(29,729)</u>	<u>(26,178)</u>	<u>(28,789)</u>
Net change in total pension liability	\$ 65,854	\$ (93,897)	\$ 22,009
Total pension liability, beginning	<u>584,049</u>	<u>677,946</u>	<u>655,937</u>
Total pension liability, ending (a)	<u>\$ 649,903</u>	<u>\$ 584,049</u>	<u>\$ 677,946</u>
Fiduciary Net Position			
Employer contributions	\$ 16,223	\$ 14,166	\$ 20,207
State contributions	5,742	5,410	6,553
Investment income net of investment expenses	52,669	4,642	55,777
Impact of change in proportionate share	28,788	(99,643)	(15,768)
Benefit payments/refunds of contributions	(29,729)	(26,178)	(28,789)
Administrative Expense	(1,384)	(923)	(780)
Other	<u></u>	<u></u>	<u></u>
Net change in fiduciary net position	\$ 72,309	\$ (102,526)	\$ 37,200
Fiduciary net position, beginning	<u>468,683</u>	<u>571,209</u>	<u>534,009</u>
Fiduciary net position, ending (b)	<u>\$ 540,992</u>	<u>\$ 468,683</u>	<u>\$ 571,209</u>
Net pension liability/(asset), ending = (a) - (b)	<u>\$ 108,911</u>	<u>\$ 115,366</u>	<u>\$ 106,737</u>
Fiduciary net position as a percentage of total pension liability	83.24%	80.25%	84.26%
Number of active members *	38	33	47
Net pension liability per active member	\$ 2,900	\$ 3,518	\$ 2,282

* Calculated based on proportionate employer contributions

All amounts on the table calculated based on the District's proportionate share of system-wide amounts.

See accompanying independent auditor's report.

2017	2016	2015	2014
\$ 8,095	\$ 9,064	\$ 9,945	\$ 12,866
48,098	47,626	49,723	56,681
	3,863		
	346		
	4,762		
(33,235)	(60,071)	(128,530)	
<u>(25,564)</u>	<u>(25,154)</u>	<u>(26,408)</u>	<u>(29,344)</u>
\$ (2,606)	\$ (19,566)	\$ (95,269)	\$ 40,204
<u>658,543</u>	<u>678,108</u>	<u>773,378</u>	<u>733,174</u>
<u>\$ 655,937</u>	<u>\$ 658,543</u>	<u>\$ 678,108</u>	<u>\$ 773,378</u>
\$ 25,462	\$ 18,530	\$ 20,636	\$ 29,404
8,046	8,473	9,611	10,774
49,664	26,519	(19,329)	83,835
(25,369)	(46,192)	(107,269)	
(25,564)	(25,154)	(26,408)	(29,344)
(936)	(893)	(1,267)	(1,166)
<u>31,302</u>	<u>(18,717)</u>	<u>(124,026)</u>	<u>93,502</u>
<u>502,707</u>	<u>521,423</u>	<u>645,449</u>	<u>551,948</u>
<u>\$ 534,009</u>	<u>\$ 502,707</u>	<u>\$ 521,423</u>	<u>\$ 645,449</u>
<u>\$ 121,928</u>	<u>\$ 155,836</u>	<u>\$ 156,685</u>	<u>\$ 127,928</u>
81.41%	76.34%	76.89%	83.46%
59	43	48	68
\$ 2,069	\$ 3,633	\$ 3,280	\$ 1,880

See accompanying independent auditor's report.

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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200**

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2020

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
COMPUTATION OF LONG-TERM DEBT PER CAPITA
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Long-Term Debt at December 31, 2020	\$ 4,870,137
Less: Amount in Debt Service Fund	<u> </u>
Net Long-Term Debt at December 31, 2020	\$ 4,870,137
Estimated District Population per Texas Association of Counties	<u>51,307</u>
Net Long-Term Debt Per Capita at December 31, 2020	<u><u>\$ 94.92</u></u>

See accompanying independent auditor's report.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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	10,078
Number of emergency responses made outside of the District	<u>65</u>
Total emergency responses	<u><u>10,143</u></u>

See accompanying independent auditor's report.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2020**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC OFFICIAL BOND Treasurer	12/31/20 12/31/21	\$ 100,000	Hartford Casualty Insurance Company
PUBLIC EMPLOYEE DISHONESTY BLANKET Crime	08/17/20 08/17/21	\$ 300,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Per Occurrence	08/17/20 08/17/21	\$ 3,000,000 \$ 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY General Aggregate Each Occurrence	08/17/20 08/17/21	\$ 3,000,000 \$ 1,000,000	National Union Fire Insurance Company
EXCESS LIABILITY General Aggregate Each Occurrence	08/17/20 08/17/21	\$ 4,000,000 \$ 2,000,000	National Union Fire Insurance Company
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit Deductible	08/17/20 08/17/21	\$ 1,000,000 \$ 1,000	National Union Fire Insurance Company
PORTABLE EQUIPMENT Deductible	08/17/20 08/17/21	Blanket Replacement Cost \$ 500	National Union Fire Insurance Company
PROPERTY Buildings Contents Deductible	08/17/20 08/17/21	\$ 421,824 \$ 67,672 \$ 1,000	National Union Fire Insurance Company
ACCIDENT & SICKNESS Accidental Death & Dismemberment	08/17/20 08/17/21	\$ 50,000	National Union Fire Insurance Company

See accompanying independent auditor's report.

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
STATEMENT OF ACTIVITIES
OF SERVICE PROVIDERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

	<u>Brookshire VFA</u>	<u>Monaville VFD</u>	<u>Mount Zion VFD</u>
REVENUES			
Waller Harris ESD 200	\$ 34,925	\$ 43,950	\$ 22,610
Other Revenues		251,195	3,817
Unused funds returned/Miscellaneous Revenue			
TOTAL REVENUES	<u>\$ 34,925</u>	<u>\$ 295,145</u>	<u>\$ 26,427</u>
EXPENSES:			
Administrative		\$ 57,621	\$ 6,712
Apparatus Maintenance		2,270	514
Fuel		8,130	396
Insurance Expense		4,724	10,380
Payroll		70,805	
Station Repairs and Maintenance		68,239	1,155
Firefighter Equipment and Gear		16,012	
Training		8,669	
Utilities		11,653	3,268
TOTAL EXPENSES	<u>\$ - 0 -</u>	<u>\$ 248,123</u>	<u>\$ 22,425</u>
CHANGE IN NET ASSETS	<u>\$ 34,925</u> **	<u>\$ 47,022</u>	<u>\$ 4,002</u> *

* Nine months of data.

** Data not provided.

See accompanying independent auditor's report.

<u>Pattison Area VFD</u>	<u>Prairie View VFD</u>	<u>Rolling Hills VFD</u>	<u>Tri-County VFD</u>	<u>Waller VFD</u>
\$ 56,928	\$ 31,886	\$ 40,391	\$ 79,930	\$ 53,100
73,586	39,264	32,812	24,400	39,264
<u>(4,733)</u>				
\$ 125,781	\$ 71,150	\$ 73,203	\$ 104,330	\$ 92,364
\$ 21,521	\$ 12,206	\$ 12,941	\$ 14,964	\$ 10,719
2,490	7,252	219	3,489	5,684
4,024	10,970	4,940	10,115	4,608
	25,174	25,317		34,063
38,005	2,736	7,182	6,243	10,094
3,568	1,206	7,542	31,419	14,277
25		1,687		3,030
<u>20,306</u>	<u>8,195</u>	<u>10,144</u>	<u>18,840</u>	<u>17,066</u>
\$ 89,939	\$ 67,739	\$ 69,972	\$ 85,070	\$ 99,541
\$ 35,842	\$ 3,411	\$ 3,231	\$ 19,260	\$ (7,177)

See accompanying independent auditor's report.

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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200**

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Property Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2020	\$ 4,703,592	
Adjustments to Beginning Balance	<u>69,777</u>	\$ 4,773,369
Original 2020 Tax Levy	\$ 7,658,974	
Adjustment to 2020 Tax Levy	<u>147,590</u>	<u>7,806,564</u>
TOTAL TO BE ACCOUNTED FOR		\$ 12,579,933
TAX COLLECTIONS:		
Prior Years	\$ 4,386,875	
Current Year	<u>2,011,414</u>	<u>6,398,289</u>
TAXES RECEIVABLE - DECEMBER 31, 2020		<u>\$ 6,181,644</u>
TAXES RECEIVABLE BY YEAR:		
2020		\$ 5,795,150
2019		157,039
2018		54,064
2017		33,916
2016		34,843
2015		18,735
2014		16,050
2013		11,758
2012		9,797
2011		7,673
2010		7,091
2009		7,466
2008		7,259
2007		5,668
2006		5,138
2005		4,035
2004		2,785
2003		<u>3,177</u>
TOTAL		<u>\$ 6,181,644</u>

See accompanying independent auditor's report.

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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
HARRIS COUNTY				
TOTAL PROPERTY VALUATIONS	\$ <u>2,687,785,420</u>	\$ <u>2,322,370,296</u>	\$ <u>2,036,893,130</u>	\$ <u>1,520,940,099</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.10000</u>	\$ <u>0.10000</u>	\$ <u>0.09950</u>	\$ <u>0.09950</u>
ADJUSTED TAX LEVY*	\$ <u>2,687,861</u>	\$ <u>2,322,601</u>	\$ <u>2,026,710</u>	\$ <u>1,513,336</u>
WALLER COUNTY				
TOTAL PROPERTY VALUATIONS	\$ <u>5,118,703,620</u>	\$ <u>4,417,832,710</u>	\$ <u>4,234,280,724</u>	\$ <u>4,051,967,620</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.10000</u>	\$ <u>0.10000</u>	\$ <u>0.09950</u>	\$ <u>0.09950</u>
ADJUSTED TAX LEVY*	\$ <u>5,118,703</u>	\$ <u>4,417,832</u>	\$ <u>4,218,255</u>	\$ <u>4,031,708</u>
TOTAL TAX LEVY*	\$ <u>7,806,564</u>	\$ <u>6,740,433</u>	\$ <u>6,244,965</u>	\$ <u>5,545,044</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>25.77 %</u>	<u>97.67 %</u>	<u>99.13 %</u>	<u>99.39 %</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.

WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amount		
	2020	2019	2018
REVENUES			
Property Taxes	\$ 6,747,405	\$ 6,309,904	\$ 5,561,455
Penalty and Interest	135,632	138,655	140,481
Investment Revenues	44,609	70,037	38,375
Miscellaneous Revenues	8,851	24,800	18,750
TOTAL REVENUES	<u>\$ 6,936,497</u>	<u>\$ 6,543,396</u>	<u>\$ 5,759,061</u>
EXPENDITURES			
Service Operations			
District Services:			
City of Brookshire	\$ 34,925	\$ 3,333	\$ 16,500
Brookshire VFA	65,000	15,944	60,000
City of Hempstead		60,000	
City of Katy			
Monaville VFD	43,950	52,639	60,660
Mount Zion VFD	22,610	24,300	24,300
Pattison Area VFD	56,928	96,422	94,764
Prairie View VFD	31,886	53,500	49,160
Rolling Hills VFD	40,391	56,910	56,910
Tri-County VFD	79,930	94,315	80,315
Waller VFD	53,100	72,600	63,421
Waller County EMS	1,866,631	1,852,526	1,620,000
Accounting & Auditing	79,186	56,490	57,731
Appraisal District Fees	83,743	75,679	77,063
Commissioner Fees	34,750	34,750	27,300
Election Expense	109,054		
Insurance for Providers	157,523	145,177	125,110
Katy Station	958,034	943,139	911,712
Paid Fire Fighters	1,595,481	1,226,546	456,594
Legal Fees - General	110,508	54,560	60,307
Legal Fees - Delinquent Tax Collections	45,944	43,390	44,947
Repairs and Maintenance	409,981	499,524	
Tax Assessor/Collector Fees	45,232	53,458	48,845
Office Expense	72,603	86,422	84,794
Other	126,816	116,225	234,028
Capital Outlay	1,461,084	596,981	930,811
Debt Service Principal	590,844	584,958	577,417
Debt Service Interest	36,555	51,450	65,766
TOTAL EXPENDITURES	<u>\$ 8,212,689</u>	<u>\$ 6,951,238</u>	<u>\$ 5,828,455</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,276,192)</u>	<u>\$ (407,842)</u>	<u>\$ (69,394)</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 4,000,000	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 2,723,808	\$ (407,842)	\$ (69,394)
BEGINNING FUND BALANCE	2,376,764	2,784,606	2,854,000
ENDING FUND BALANCE	<u>\$ 5,100,572</u>	<u>\$ 2,376,764</u>	<u>\$ 2,784,606</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues									
		2020		2019		2018		2017		2016	
2017	2016										
\$ 4,858,595	\$ 4,246,908	97.3	%	96.4	%	96.6	%	96.2	%	96.2	%
125,459	127,483	2.0		2.1		2.4		2.5		2.9	
29,794	26,752	0.6		1.1		0.7		0.6		0.6	
35,815	11,916	0.1		0.4		0.3		0.7		0.3	
<u>\$ 5,049,663</u>	<u>\$ 4,413,059</u>	<u>100.0</u>	<u>%</u>	<u>100.0</u>	<u>%</u>	<u>100.0</u>	<u>%</u>	<u>100.0</u>	<u>%</u>	<u>100.0</u>	<u>%</u>
\$ 16,500	\$ 16,500		%	0.1	%	0.3	%	0.3	%	0.4	%
		0.5		0.2							
60,000	60,000	0.9		0.9		1.0		1.2		1.4	
75,000	100,000							1.5		2.3	
61,300	61,223	0.6		0.8		1.1		1.2		1.4	
16,601	19,987	0.3		0.4		0.4		0.3		0.5	
194,186	162,983	0.8		1.5		1.6		3.8		3.7	
40,580	49,075	0.5		0.8		0.9		0.8		1.1	
34,395	48,915	0.6		0.9		1.0		0.7		1.1	
156,336	159,198	1.2		1.4		1.4		3.1		3.6	
149,689	128,872	0.8		1.1		1.1		3.0		2.9	
1,410,000	1,200,000	26.9		28.3		28.1		27.9		27.2	
54,508	51,015	1.1		0.9		1.0		1.1		1.2	
67,304	65,134	1.2		1.2		1.3		1.3		1.5	
13,950	11,850	0.5		0.5		0.5		0.3		0.3	
		1.6									
131,620	119,966	2.3		2.2		2.2		2.6		2.7	
457,503		13.8		14.4		15.8		9.1			
		23.0		18.7		7.9					
42,431	36,355	1.6		0.8		1.0		0.8		0.8	
39,717	41,790	0.7		0.7		0.8		0.8		0.9	
		5.9		7.6							
48,504	45,868	0.7		0.8		0.8		1.0		1.0	
81,781	81,899	1.0		1.3		1.5		1.6		1.9	
279,397	446,313	1.8		1.8		4.1		5.5		10.1	
2,788,992	559,711	21.1		9.1		16.2		55.2		12.7	
233,283	466,757	8.5		8.9		10.0		4.6		10.6	
33,298	49,539	0.5		0.8		1.1		0.7		1.1	
<u>\$ 6,486,875</u>	<u>\$ 3,982,950</u>	<u>118.4</u>	<u>%</u>	<u>106.1</u>	<u>%</u>	<u>101.1</u>	<u>%</u>	<u>128.4</u>	<u>%</u>	<u>90.4</u>	<u>%</u>
\$ (1,437,212)	\$ 430,109	<u>(18.4)</u>	<u>%</u>	<u>(6.1)</u>	<u>%</u>	<u>(1.1)</u>	<u>%</u>	<u>(28.4)</u>	<u>%</u>	<u>9.6</u>	<u>%</u>
\$ 1,686,460	\$ - 0 -										
\$ 249,248	\$ 430,109										
2,604,752	2,174,643										
<u>\$ 2,854,000</u>	<u>\$ 2,604,752</u>										

See accompanying independent auditor's report.

District Mailing Address - Waller-Harris Emergency Services District No. 200
PO Box 510
Waller, Texas 77484

District Telephone Number - (936) 372-8084

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.

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**WALLER-HARRIS
EMERGENCY SERVICES DISTRICT NO. 200
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>
Coveler & Peeler, P.C.		\$ 94,670	Attorney
McCall Gibson Swedlund Barfoot PLLC	04/08/13	\$ 20,100	Auditor
Gundersons Bookkeeping	11/11/13	\$ 31,586	Former Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 7,556	Harris County Delinquent Tax Attorney
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/19/13	\$ 38,389	Waller County Delinquent Tax Attorney
Harris County Tax Assessor	Legislative Action	\$ 6,842	Tax Assessor/ Collector
Waller County Tax Assessor	Legislative Action	\$ 40,665	Tax Assessor/ Collector

* Accrual Basis

See accompanying independent auditor's report.