GREATER HARRIS COUNTY
9-1-1 EMERGENCY NETWORK

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

December 31, 2022 and 2021

GREATER HARRIS COUNTY 9-1-1- EMERGENCY NETWORK

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To the Board or Managers
Greater Harris County 9-1-1 Emergency Network

PLACEHOLDER – AUDITORS REPORT

The following is a discussion and analysis of the Greater Harris County 9-1-1 Emergency Network's (GHC 9-1-1) financial activities for the year ended December 31, 2022. The discussion and analysis should be read along with GHC 9-1-1's financial statements and accompanying footnotes.

Financial Highlights

- GHC 9-1-1's cash and investment balances increased by a total of $6.4 million during 2022 to a total balance of $29.8 million—the increase was due to an increase in accounts payable of $3.2 million. The majority of the funds are reserved for specific future capital expenditures—ongoing capital replacement, upgrades to the 9 1 1 infrastructure, and specific capital projects over the next five years.

    - GHC 9-1-1's goal is to continue to allocate funds for future capital outlay to avoid financing costs, while pursuing and leveraging the best technology to reduce operating costs in order to position GHC 9-1-1 to meet the growing demands on the 9-1-1 system.

- The decrease of $2.1 million in net capital assets is due to normal depreciation.

- The increase in the net pension asset of $2.0 million (from a liability of $1.2 million) was due to favorable conditions related to fair value of pension investments in 2021 (the pension measurement year)

- Total liabilities balance was $10.3 million. About $4.4 million of the balance is due to monthly invoices for operating expenses pending payment, while the remaining portion is for employee compensation accruals and long-term postemployment benefits.

- The 9-1-1 service fee revenue of $46.5 million reflected a $0.4 million increase compared to the prior year. GHC 9 1 1's revenues are key to continue to upgrade the 9-1-1 infrastructure to the Next Generation 9-1-1 (NG 9-1-1) core systems without having to eliminate necessary services or incur financing costs. Ongoing system maintenance costs will continue to increase.

- Salaries and Benefits decreased by 17.3% ($1,132,069) due to employee staffing vacancies during 2022. Total Other Post-Employment Benefits (OPEB) Liability accrual decreased from $7.0 million to $5.6 million which is based on actuarial estimates.

- The total operating expenses decreased by 0.4% ($168,456) mainly due to a decrease in salaries and benefits due to staff vacancies. Operational Fees and Services are expected to increase during 2023 due to the full deployment of the new 9-1-1 call routing service and deployment of other NG 9-1-1 services and applications necessary to deliver 9-1-1 calls.

Overview of the Financial Statements

This annual report consists of two parts: (1) Management's Discussion and Analysis and (2) Financial Statements. The Financial Statements also include notes that explain, in more detail, some of the information included in the report.

Financial Analysis of GHC 9-1-1's Funds

GHC 9-1-1's financial net position increased as reflected in the net position table presented in Table 1, below, which reflects an increase of $2.2 million or 4.4% (approximately $52.9 million for 2022 and $50.6 million for 2021).

	2022	2021
Current Assets	$ 39.2	$ 31.6
Capital and Other Assets	25.6	25.8
Total Assets	64.9	57.4
Deferred Outflows	3.9	4.0
Current Liabilities	4.7	1.8
Noncurrent Liabilities	5.6	8.3
Total Liabilities	10.3	10.1
Deferred Inflows	5.7	0.7
Net Position	$ 52.9	$ 50.6

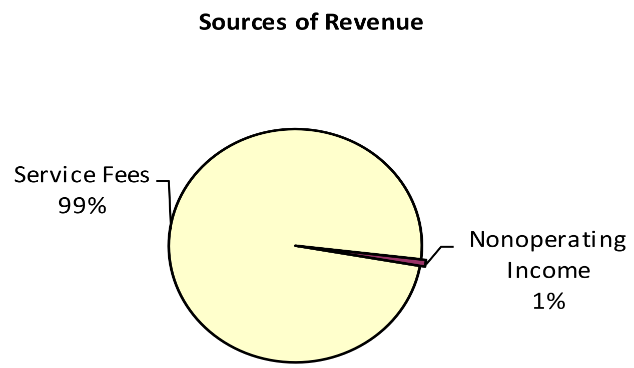
Changes in GHC 9-1-1's net position are reflected in Table 2, below, which presents the condensed Statements of Revenues, Expenses, and Changes in Net Position for the year.

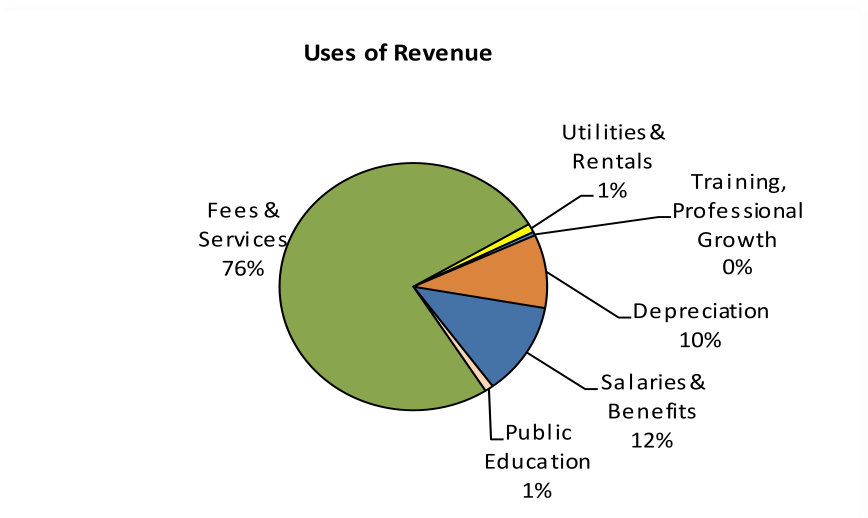
	2022	2021
Revenues:		
Net Operating Revenue	$ 46.5	$ 46.1
Interest and Other Income	0.4	0.0
Total Revenues	46.9	46.1
Expenses:		
Operating Expense	44.7	44.9
Total Expenses	44.7	44.9
Change in Net Assets--Excess of Revenues Over Expenses	2.2	1.2
Net Assets - Beginning Of Year	50.6	49.4
Net Assets - End Of Year	$ 52.9	$ 50.6

In Table 2 above, operating revenues increased by 1.0% ($0.4 million). The 9 1 1 service fee revenue for wireline services are expected to continue to decrease as wireline customers disconnect services and rely on wireless services. Interest and Other Income increased 795.6% due to higher interest rates on our invested funds.

Operating expenses decreased by 0.4% ($0.2 million) mainly due to a decrease in Salaries and Benefits that was due to staffing issues. The Next Generation routing deployment was completed during 2022, which resulted in an increase in Operational Fees and Services expenses during 2022.

Table 3 below presents the sources and uses of GHC 9-1-1's revenue.





The Service Fees (99%) category is the main source of funding, while 76% of the uses of funds are for Operational Fees & Services, which include networking and telephone charges for connectivity from the telephone companies' central offices to the telephone company's selective router to GHC 9-1-1's 30 public safety answering points (PSAPs) and seven secondary safety answering points (SSAPs), 9-1-1 database services, PSAP expenses for the City of Houston and Harris County, operation and maintenance expenses, and contract services. The Salaries & Benefits category is 12% of the uses of revenue (see Table 3 on the previous page). This category includes mainly operational staff staff—the operational staff consists of system engineers, administrators, and technicians that deploy and provide technical support and maintenance for all 9-1-1 systems on a 24-hour, 365 days per year basis for an area spanning approximately 2,664 square miles with a population of approximately 5.8 million or nearly 20% of Texas' population.

Capital Assets and Non-current Assets and Long-Term Liabilities

GHC 9-1-1's capital assets, net of accumulated depreciation, totaled $23.7 million as of December 31, 2022. The capital assets include hardware/software, call taker workstation equipment, backup power infrastructure, telecommunication equipment, technician vehicles, and the land and building for the headquarters location (also serving as a 9-1-1 call center backup location for contingencies).

At year-end GHC 9-1-1's estimated net pension asset was $1,995,427 which reflects the amount of the fiduciary net position in excess of the actuarially estimated pension liability as of December 31, 2021.

GHC 9-1-1 has been able to purchase all capital assets without incurring debt and financing charges. Compensated absences payable totaling $338,926 consists of a current portion of $305,033 and the long-term portion of $33,893.

Other Postemployment Benefits (OPEB) totaling $5,555,352, which is an estimate of future health insurance costs and group life insurance for retired staff is also included in long-term liabilities.

Economic Factors and Next Year's Budget and 9-1-1 Fee Rates

GHC 9-1-1's revenue is based on cellular and landline phones. The growth in cellular phones has leveled off due to market saturation—the slight growth in cellular phones is offsetting some of the decrease in traditional landline phones resulting in homeowners relying solely on their wireless devices. More devices with newer technology are being used to contact 9-1-1, which require upgrades to the 9 1 1 infrastructure and network.

The GHC 9-1-1 Board of Managers approved the 2023 operational budget totaling $56.9 million, which included an increase totaling $3.7 million or 6.95%.

In November 2021, the 87th Texas Legislature in Senate Bill 8 Senate Bill 8 (3rd) appropriated $150 million to fund the Next Generation 9-1-1 Service Fund (NG9 1 1 Fund) created by House Bill 2911 during the Legislature's regular session. The appropriation was made pursuant to the revenue reduction provisions of the federal American Rescue Plan Act of 2021 (ARPA); specifically "for the provision of government services to the extent of the reduction in revenue of such State. due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State." which was codified at 42 U.S.C. § 802.602(c)(1)(C). GHC 9-1-1 anticipates receiving reimbursements for NG 9-1-1 costs incurred during the years 2023 through 2026 totaling approximately $20.3 million.

The anticipated one-time funding totaling $20.3 million will help GHC 9-1-1 fund the deployment of NG 9 1 1 systems; however, ongoing operation and maintenance will require additional funding. GHC 9 1 1's goal is to update the legislation to have the ability to set the lowest single flat rate for all services, wireline and wireless, within Harris and Fort Bend counties.

The 9-1-1 service fees for wireline services for 2021 remained the same—the monthly fees are $0.80 for residential customers, $1.40 for business lines and business trunks. The service fee for wireless subscribers are set under Texas State Statute and has remained unchanged since 1997 at $0.50 per month.

Contacting GHC 9-1-1

This financial report is designed to provide a general overview of GHC 9-1-1's finances. If you have questions, contact GHC 9-1-1 at 10220 Fairbanks N. Houston Road, Houston, Texas 77064.

FINANCIAL STATEMENTS

GREATER HARRIS COUNTY 9-1-1- EMERGENCY NETWORK

STATEMENT OF NET POSITION

For the Year Ended December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets-Unrestricted:		
Cash and Cash Equivalents (Note 3)	$ 16,045,826	$ 11,383,630
Invested Funds For Operations/Capital (Note 3)	13,742,431	11,979,360
Accounts Receivable	6,956,522	6,855,378
Accrued Interest Receivable	-	2,219
Prepaid Expenses	2,496,700	1,419,210
Total Current Assets	39,241,480	31,639,797
Capital Assets:		
Inventoried Assets (Note 7)	72,518,236	70,316,158
Land	3,219,411	3,219,411
Work In Progress	350,000	350,000
Less: Accumulated Depreciation and Amortization	(52,436,120)	(48,142,024)
Total Capital Assets, Net	23,651,526	25,743,545
Prepaids, Net of Current Portion	1,500	75,487
Net Pension Asset (Note 4)	1,995,427	-
Total Assets	64,889,933	57,458,829
Deferred Outflows-Pension and OPEB	3,921,046	4,032,862
Liabilities		
Current Liabilities:		
Accounts Payable	4,360,346	1,196,307
Salary and Accrued Benefits Payable	14,122	254,006
Compensated Absences Payable	305,033	377,441
Total Current Liabilities	4,679,501	1,827,754
Long-Term Liabilities:		
Compensated Absences Payable	33,893	41,938
Other Post Employment Benefits (Notes 5 and 6)	5,555,352	7,047,724
Net Pension Liability (Note 4)	-	1,214,186
Total Long-Term Liabilities	5,589,245	8,303,848
Total Liabilities	10,268,746	10,131,602
Deferred Inflows-Pension And OPEB	5,657,871	709,553
Net Investment In Capital Assets	23,651,526	25,743,545
Unrestricted	29,232,836	24,906,991
Total Net Position	$ 52,884,363	$ 50,650,536

GREATER HARRIS COUNTY 9-1-1- EMERGENCY NETWORK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues:		
9-1-1 Network Service Fees (Note 1)	$ 46,502,512	$ 46,056,258
Operating Expenses:		
Salaries and Benefits (Note 11)	5,416,226	6,548,295
Office Supplies	19,544	11,911
Public Education Materials	103,892	85,113
Operational Fees and Services (Note 12)	33,807,805	33,215,061
Advertising (Note 2)	343,621	339,030
Rentals	25,508	28,352
Utilities	483,040	469,891
Training and Travel	205,989	151,090
Subtotal	40,405,624	40,848,743
Depreciation and Amortization	4,294,096	4,019,433
Total Operating Expenses	44,699,720	44,868,176
Operating Income	1,802,792	1,188,082
Nonoperating Revenues (Expenses):		
Interest Earnings	338,056	13,913
Miscellaneous Income	92,979	34,215
Total Nonoperating Revenues	431,035	48,128
Change in Net Position	2,233,827	1,236,210
Net Position - Beginning of Year	50,650,536	49,414,326
Net Position - End of Year	$ 52,884,363	$ 50,650,536

GREATER HARRIS COUNTY 9-1-1- EMERGENCY NETWORK

STATEMENT OF CASH FLOW

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Cash Received From Fees	$ 46,401,367	$ 45,833,750
Cash Payments For Goods and Services	(32,828,862)	(34,702,599)
Cash Payments To Employees For Services	(5,378,414)	(5,711,309)
Net Cash Provided (Used) by Operating Activities	8,194,092	5,419,842
Cash Flows from Noncapital Financing Activities:		
Other Revenue	92,979	34,215
Net Cash Provided by Noncapital Financing Activities	92,979	34,215
Cash Flows from Capital and Related Financing Activities:		
Acquisition Of Capital Assets	(2,202,077)	(1,897,187)
Net Cash (Used) by Capital and Related Financing Activities	(2,202,077)	(1,897,187)
Cash Flows from Investing Activities:		
Investment Purchases	(13,742,431)	(11,979,360)
Investment Maturities	11,979,360	9,988,724
Interest Received	340,274	13,130
Net Cash Provided (Used) By Investing Activities	(1,422,797)	(1,977,506)
Net Increase (Decrease) In Cash And Cash Equivalents	4,662,196	1,579,364
Cash And Cash Equivalents - Beginning of Year	11,383,630	9,804,266
Cash And Cash Equivalents - End of Year	$ 16,045,826	$ 11,383,630
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activity		
Operating Income	$ 1,802,792	$ 1,188,082
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization	4,294,096	4,019,433
Change In Assets And Liabilities:		
Decrease (Increase) In Accounts Receivables	(101,144)	(222,508)
Decrease (Increase) In Prepaids	(1,003,503)	812,514
Decrease (Increase) In Deferred Outflows-Pension	111,816	(2,027,077)
Increase (Decrease) In Accounts Payable	3,164,039	(1,214,665)
Increase (Decrease) In Salaries and Accrued Benefits Payable	(239,884)	(5,934)
Increase (Decrease) In Compensated Absences	(80,452)	28,768
Increase (Decrease) In Other Post Employment Benefits	(1,492,372)	1,718,295
Increase (Decrease) In Net Pension Liability (Asset)	(3,209,613)	936,201
Increase (Decrease) In Deferred Inflows-Pension	4,948,318	186,733
Total Adjustments	6,391,300	4,231,760
Net Cash Provided (Used) By Operating Activities	$ 8,194,092	$ 5,419,842

Note 1 - Description of The Reporting Entity

The Greater Harris County 9-1-1 Emergency Network (GHC 9-1-1) is a special purpose emergency communications district, authorized by the 9 1 1 Emergency Number Act of May 10, 1983 (Texas Revised Civil Statutes Annotated, Art. 1432c), and confirmed by the voters of Harris County on November 8, 1983 (legislation now codified as Chapter 772, Subchapter B, of the Texas Health and Safety Code).

GHC 9-1-1 was organized on April 1, 1984 with the appointment of an executive director by the Board of Managers. The purpose of GHC 9 1 1 is to establish and administer the primary emergency telephone service in the Harris County and Fort Bend County area, which covers approximately 2,664 square miles and has a population of approximately 5.9 million, which is approximately 20% of Texas' total population.

GHC 9-1-1 provides 9-1-1 equipment, a 24/7 Network Operations Center, in-house maintenance, and support of all 9-1-1 systems, database management services, and other GHC 9 1 1 equipment used by the 49 cities and two counties (Harris and Fort Bend counties) served by GHC 9 1 1 to receive and process the initial 9 1 1 emergency calls.

GHC 9-1-1 levies service fees on users of telecommunications devices within the jurisdictions in GHC 9 1 1 territory. The wireline telephone companies and private switch providers serving GHC 9-1-1 territory collect the fees and transmit them to GHC 9 1 1, while the wireless service providers collect the fees and transmit them to the State Comptroller, which distributes the fees as described below.

The following fees were levied for 2022 and 2021:

Wireline:
Residential: a flat rate of $.80 per line per month
Business: a flat rate of $1.40 per line and per trunk per month, up to 100 lines per company location for both

Internet Protocol: apply rates as wireline services above

Wireless: During the 75th State Legislative Session, the fee was set at a statewide flat rate of $.50 per subscriber number per month effective September 1997. During the 81st State Legislative Session, as set forth in Texas Health and Safety Code Section 771.0712, a two percent (2%) prepaid wireless 9-1-1 emergency service fee became effective June 1, 2010. The fee is collected based on two percent (2%) of the purchase price of each prepaid wireless telecommunications service purchased by any method. Both fees are billed and collected by all wireless providers or retailers in Texas, transmitted to the State Comptroller, and distributed within 15 days of receipt to all 9-1-1 entities in the State. Distribution is determined by the population of citizens that are served by each 9-1-1 entity as a percentage of the total State population (population counts provided by Texas State Data Center/Office of the State Demographer).

The landline telephone companies and wireless carriers are permitted to retain one percent (1%) of the collected 9 1 1 fees as an administrative fee to cover their cost of collection, while prepaid wireless sellers can retain two percent (2%). The fees collected by the telephone companies are due 30 days after the last day of the calendar month. AT&T adjusts its estimated uncollectible rate on a monthly basis for 9 1 1 fees not collected; other telephone companies adjust on an annual basis.

On June 12, 1996, the Federal Communication Commission (FCC) issued regulations pursuant to FCC Docket No. 94-102, which required the wireless industry to provide to the 9-1-1 entities a true call back number by 1998 (Phase I) and location identification no later than October 2002 (Phase II), depending on the technology adopted by the wireless carriers. All wireless carriers serving GHC 9 1 1's territory are Phase II compliant and will continue to modify the system on an ongoing basis to improve accuracy. It is the responsibility of the carriers to meet FCC requirements.

Through an interlocal agreement, Harris County provides to GHC 9-1-1 payroll services provided by the Harris County Auditor, purchasing services by the Harris County Purchasing Agent, staffing of the Harris County Public Safety Answering Point (PSAP) by the Sheriff's Department, and legal services by the Harris County Attorney's Office.

Note 1 - Description of The Reporting Entity (continued)

GHC 9-1-1 has an interlocal agreement with the City of Houston to fund staffing and other administrative expenses of the City of Houston PSAP, known as Houston Emergency Center, while the management responsibility remains with the City, as with Harris County.

GHC 9-1-1 also has an interlocal agreement with Fort Bend County to fund staffing and other administrative expenses of Fort Bend County PSAP, while the management responsibility remains with Fort Bend County.

Note 2 - Summary of Significant Accounting Policies

A. Financial Statements

The financial statements of GHC 9 1 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GHC 9-1-1's significant accounting and reporting policies are described in the following notes to the financial statements.

GHC 9-1-1 applies all applicable GASB pronouncements, as well as Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

B. Basis of Presentation and Accounting

GHC 9-1-1 represents its financials as an enterprise fund. Enterprise funds are proprietary funds used to account for operations in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized and recorded when they are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of GHC 9-1-1’s enterprise fund are charges to customers on their telecommunication services bills. Operating expenses for GHC 9-1-1 include the cost of network connectivity services, operation and maintenance services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Property and Equipment

Property and equipment are stated at historical cost. Depreciation is determined using the straight-line method at rates expected to amortize the cost of depreciable properties over estimated useful lives of seven years for furniture and fixtures, and three to ten years for equipment. Property and equipment purchases and improvements with a cost greater than $1,000 are capitalized.

Note 2 - Summary of Significant Accounting Policies (continued)

D. Compensated Absences

Accumulated compensated absences for the employees of GHC 9 1 1 are recorded as an expense and liability as the benefits accrue for both vacation and compensated time. The vacation policy allows employees to accrue vacation time every pay period, subject to a maximum balance cap of 280 hours per employee for all full-time employees. The liability for vacation time is based on estimated hours accrued for all employees as of the end of the year. The second component of the compensated absences liability is comp-time which is defined as the total hours worked in excess of any employee's required time (40 hours per week), not to exceed a total accumulation of 240 hours.

E. Prepaid Assets

Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenses) and are recognized as expenses when utilized.

F. Accounts Receivable

Accounts receivable and grants receivable are recorded net of allowance for uncollectibles. There were no allowances for uncollectibles for the years ending December 31, 2022 and 2021.

G. Statement of Cash Flows

For purposes of the statement of cash flows, GHC 9 1 1 considers only money market funds as cash equivalents. All other short-term securities are classified as investments.

H. Estimates

The preparation of financial statements in conformity with GAAP as accepted in the United States of America requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

I. Advertising Expense

Educational advertising campaign costs for proper use of 9-1-1 during emergencies are expensed as incurred and are reflected in the statements of revenues, expenses, and changes in net position.

J. Equity Classifications

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets—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 improvement of those assets.
- Restricted Net Position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position—All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, GHC 9 1 1's policy is to apply restricted net position first.

Note 2 - Summary of Significant Accounting Policies (continued)

K. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County District Retirement System (TCDRS) and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Post-Employment Benefits (OPEB)

GHC 9-1-1 participates in a retiree Group Term Life program administered by the Texas County & District Retirement System (TCDRS). GHC 9-1-1 reports the total OPEB liability for this plan. Information regarding the GHC 9 1 1's total OPEB liability is obtained from TCDRS through a report prepared for GHC 9 1 1 by TCDRS' consulting actuary, Milliman, in compliance with GASB Statement No. 75.

GHC 9-1-1 participates in an agent multiple-employer defined benefit postemployment healthcare administered by Harris County that covers retired employees of Harris County, Flood Control District, Toll Road, Juvenile Board, Community Supervision, and GHC 9-1-1. Information regarding the GHC 9 1 1's total OPEB liability is obtained from Harris County through a report prepared for GHC 9-1-1 by Harris County's consulting actuary, DFA, LLC, in compliance with GASB Statement No. 75.

M. Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are deferred and amortized over the average of the expected service lives of pension and OPEB plan members. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. GHC 9 1 1 has four items that qualify for reporting in this category on the Statement of Net Position. A deferred charge has been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the GHC 9 1 1's defined benefit pension and OPEB plan. These amounts are deferred and amortized over the average of the expected service lives of the pension and OPEB plan members. A deferred charge has been recognized for employer pension and OPEB plan contributions that were made subsequent to the measurement date through the end of the fiscal year. These amounts are deferred and recognized as a reduction to the net pension liability and total OPEB liability, respectively, during the measurement period in which the contributions were made. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for the changes in actuarial assumptions. The amount is deferred and amortized over the average of the expected service lives of the pension and OPEB plan members.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. GHC 9 1 1 has three items that qualify for reporting in this category in the Statement of Net Position. Deferred inflows of resources have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the GHC 9 1 1's defined benefit pension and OPEB plans. This amount is deferred and amortized over the average of the expected service lives of pension and OPEB plan members. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for the changes in actuarial assumptions. The amount is deferred and amortized over the average of the expected service lives of the pension and OPEB plan members.

Note 2 - Summary of Significant Accounting Policies (continued)

N. Budget

In accordance with GHC 9 1 1's enabling legislation, the Board of Managers adopts an annual budget for operating and capital expenditures. The budget is adopted on a cash basis and is submitted to the Harris County Commissioners' Court and the Houston City Council for approval.

O. Implementation of New Accounting Standards

GASB Statement No. 87, Leases – ("GASB 87"), requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB 87 had no effect on GHC 9-1-1' financial statements.

GASB Statement No. 91, Conduit Debt Obligations – ("GASB 91"), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB 91 had no effect on GHC 9-1-1' financial statements.

GASB Statement No. 92, Omnibus 2020 – ("GASB 92"), objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB 92 had no effect on GHC 9-1-1' financial statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates – ("GASB 93"), some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The implementation of GASB 93 had no effect on the GHC 9-1-1's financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 – ("GASB 97"), The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB 97 had no effect on the GHC 9-1-1's financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

Note 3 - Cash, Cash Equivalents, and Investments

A. Cash and Cash Equivalents

State statutes authorize GHC 9 1 1 to invest in fully collateralized or insured time deposits, direct debt securities of the United States or its agencies, commercial paper, money market mutual funds, and fully collateralized repurchase agreements. GHC 9-1-1's book value of cash and cash equivalents totaled $16,045,826 and $11,383,630 as of December 31, 2022 and 2021, respectively.

Custodial credit risk related to deposits is the risk that, in the event of a bank failure, GHC 9-1-1's deposits might not be recovered. It is the policy of GHC 9-1-1 that all deposited funds in each of GHC 9 1 1's accounts be insured by the Federal Depository Insurance Coverage (FDIC), or its successor, or secured by collateral pledged to the extent of the fair market value of the amount not insured in compliance with the Collateral Act of Chapter 2256 of the Texas Government Code. As of December 31, 2022, GHC 9 1 1 had a cash bank balance of $16,085,435 in the checking/money market sweep accounts. The balance was held in the money market sweep account, which is made up of investments of US treasury securities—the entire checking account balance was covered under FDIC and a Federal Home Loan Bank letter of credit is held to cover deposits in excess of $250,000.

B. Investments

Chapter 2256 of the Texas Government Code is known as the Public Funds Investment Act. This act authorizes GHC 9-1-1 to invest its funds pursuant to a written investment policy, which primarily emphasizes the safety of principal and liquidity, and addresses investment diversification, yield, and maturity.

GHC 9-1-1 investments are managed by the Harris County Office of Financial Services, as authorized by an interlocal agreement. GHC 9-1-1's Investment Policy is reviewed and approved annually by the GHC 9-1-1's Board of Managers. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity by fund type, and the maximum weighted average maturity of the overall portfolio. Guidelines for diversification and risk tolerance are also detailed within the policy. Additionally, the policy includes specific investment strategies that address investment options and describes the priorities for suitable investments.

Note 2 - Summary of Significant Accounting Policies (continued)

Note 3 - Cash, Cash Equivalents, and Investments (continued)

B. Investments (continued)

Authorized Investments

GHC 9 1 1 funds may be invested in the following investment instruments provided that such instruments meet the guidelines of the investment policy:

1. Obligations of the U.S. or its agencies and instrumentalities.
2. Direct obligations of the State of Texas or its agencies and instrumentalities.
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, with a stated final maturity of 10 years or less.
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of this state or the U.S.
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent.
6. Certificates of deposit issued by a state or national bank domiciled in this state or a savings and loan association domiciled in this state that are guaranteed or insured by the FDIC or secured by authorized investments that have a market value of not less than the principal amount of the certificates.
7. Fully collateralized repurchase agreements as authorized by the Public Funds Investment Act.
8. Commercial paper with a stated maturity of 270 days or fewer from the date of issuance as authorized by the Public Funds Investment Act.
9. No-load money market mutual funds regulated by the Securities and Exchange Commission (SEC), with a dollar-weighted average stated maturity of 90 days or fewer and which include in their investment objectives the maintenance of a stable net asset value of $1 per share as authorized by the Public Funds Investment Act.
10. Guaranteed Investment Contracts as authorized by the Public Funds Investment Act.
11. Public Funds Investment Pools as authorized by the Public Funds Investment Act.

Note 3 - Cash, Cash Equivalents, and Investments (continued)

B. Investments (continued)

Summary of Cash and Investments

GHC 9-1-1's cash and investments are recorded at fair value. Total investment book value as of December 31, 2022 was greater than total fair market value by $ on the investment with a maturity date of less than one year for the US Treasury Bill. The information in the following table presents the fair market value, percentage of portfolio, maturity value, and credit rating of GHC 9 1 1's investments as of December 31, 2022, summarized by security type.

	Security	Credit Rating (S&P/Moody's)	Fair Market Value	% of Portfolio
Toyota Com. Paper	Toyota Commercial Paper	Aaa/AA+	$ 13,742,431	46%
Money Market Sweep Accounts	US Treasury Securities	AAAm/AAA-mf	16,045,526	54%
Petty Cash			300	0%
			$ 29,788,257	100%

GHC 9-1-1's cash and investments are recorded at fair value. Total investment book value as of December 31, 2021 was greater than total fair market value by $6,144 on the investment with a maturity date of less than one year for the US Treasury Bill. The information in the following table presents the fair market value, percentage of portfolio, maturity value, and credit rating of GHC 9 1 1's investments as of December 31, 2021, summarized by security type.

	Security	Credit Rating (S&P/Moody's)	Fair Market Value	% of Portfolio
US Treasury Bill	US Treasury Securities	Aaa/AA+	$ 11,979,360	51%
Money Market Sweep Accounts	US Treasury Securities	AAAm/AAA-mf	6,383,330	27%
Cash in Bank			5,000,000	21%
Petty Cash			300	0%
			$ 23,362,990	100%

Note 3 - Cash, Cash Equivalents, and Investments (continued)

B. Investments (continued)

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurement and Application, establishes an authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. GHC 9-1-1 categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset is not observable, GHC 9-1-1 will measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

As of December 31, 2022, GHC 9-1-1 held the following at fair value measurements:

	Fair Value Measurements	
Investments by Fair Vaule Level:	**Level 1**	**Level 2**
Toyota Commercial Paper	$ 13,742,431	$ -
Money Market Mutual Fund	16,045,526	-
Total	$ 29,787,957	$ -

As of December 31, 2021, GHC 9-1-1 held the following at fair value measurements:

	Fair Value Measurements	
Investments by Fair Vaule Level:	**Level 1**	**Level 2**
Money Market Mutual Fund	$ 6,383,330	$ -
US Treasury Bill	11,979,360	-
Total	$ 18,362,690	$ -

Note 3 - Cash, Cash Equivalents, and Investments (continued)

B. Investments (continued)

Risk Disclosures

Interest Rate Risk: All investments carry the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that GHC 9-1-1 manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by matching cash flows from maturities so that a portion of the portfolio is maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations. As of December 31, 2022, GHC 9-1-1 was in compliance with these guidelines to manage interest rate risk.

Credit Risk and Concentration of Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. GHC 9-1-1 mitigates these risks by emphasizing the importance of a diversified portfolio. All funds must be sufficiently diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In particular, no more than 50% of the overall portfolio may be invested in time deposits, including certificates of deposit, of a single issuer. Concentration by issuer for other investment instruments is not specifically addressed in the investment policy. However, the policy does specify that acceptable investment instruments must have high quality credit ratings and, consequently, risk is minimal. GHC 9-1-1's Investment Policy establishes minimum acceptable credit ratings for certain investment instruments. Securities of states, agencies, counties, cities, and other political subdivisions must be rated as to investment quality by a nationally recognized investment rating firm as "A" or its equivalent. Money market mutual funds and public funds investment pools must be rated "Aaa" by Moody's Investor Rating Service. The investment portfolio includes one US Treasury Bill investment, which represents 46% of GHC 9-1-1's investment balance.

Custodial Credit Risk: Custodial credit risk related to investments is the risk that GHC 9-1-1 will not be able to recover the value of investments or collateral securities that are in possession of an outside party if the counterparty to the transaction fails. Portfolio diversification is employed as an investment policy to control this risk.

Foreign Currency Risk: Foreign currency risk is the risk that fluctuations in the exchange rate will adversely affect the value of investments denominated in a currency other than the US dollar. GHC 9 1 1's Investment Policy does not list securities denominated in a foreign currency among the authorized investment instruments. Consequently, GHC 9-1-1 is not exposed to foreign currency risk.

Note 4 - Employee Pension Plan

A. Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public-employee retirement system. The system serves nearly 800 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the governing bodies of each employer, within the options available in the TCDRS Act. As a result, GHC 9-1-1 has the flexibility and local control to select benefits and pay for those benefits based on its needs and budget.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of GHC 9-1-1 must be enrolled in the plan.

B. Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefits provisions are adopted by GHC 9-1-1's Board of Managers within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight 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 eight years of service, but must leave their accumulated contributions in the plan to receive any GHC 9-1-1-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by GHC 9-1-1.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and GHC 9-1-1-financed monetary credits. The level of these monetary credits are adopted by the Board of Managers within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by GHC 9-1-1's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the GHC 9-1-1-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

C. Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to, but not yet receiving, benefits	15
Active employees	40
Total	66

Note 4 - Employee Pension Plan (continued)

D. Contributions

A combination of three elements fund each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- paying an elected contribution rate higher than the required rate and
- making an extra lump-sum contribution to the employer account.

Employees for GHC 9-1-1 were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for GHC 9-1-1 were 12.79% and 15.76% in calendar years 2021 and 2022, respectively. GHC 9-1-1's contributions to TCDRS for the fiscal years ended December 31, 2021 and 2022 were $722,513 and $602,418, respectively, which were equal to the required contributions for each year. An additional one-time payment of $200,000 was included during the year 2021.

E. Net Pension Liability

GHC 9-1-1's Net Pension Liability (NPL) was measured as of December 31, 2021 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Note 4 - Employee Pension Plan (continued)

F. Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

Following are the key assumptions and methods used in the December 31, 2021 actuarial valuation:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.5 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	4.7%, average over career, including inflation
Investment Rate of Return	7.50%, net of 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	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes 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. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: 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 Schedule.

Note 4 - Employee Pension Plan (continued)

F. Actuarial Assumptions (continued)

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLP)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	6.80%
Hedge Funds	Hedge Fund Research. Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

G. Discount Rate

The discount rate used to measure the TPL was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Note 4 - Employee Pension Plan (continued)

H. Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	**Plan Fiduciary Net Position (B)**	**Net Pension Liability (A) - (B)**
Changes for the year:			
Service cost	$ 723,868	$ -	$ 723,868
Interest	1,727,244	-	1,727,244
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(81,796)	-	(81,796)
Changes in assumptions	118,577	-	118,577
Refund of contributions	(23,794)	(23,794)	-
Benefit payments	(351,339)	(351,339)	-
Administrative expense	-	(14,226)	14,226
Contributions - employee	-	285,972	(285,972)
Net investment income	-	4,679,529	(4,679,529)
Contributions - employer	-	722,512	(722,512)
Other changes	-	23,719	(23,719)
Net changes	2,112,760	5,322,373	(3,209,613)
Balance at 12/31/2020	22,187,161	20,972,975	1,214,186
Balance at 12/31/2021	$ 24,299,921	$ 26,295,348	$ (1,995,427)

I. Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of GHC 9-1-1, calculated using the discount rate of 7.60%, as well as what GHC 9-1-1's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate:

	1% Decrease in Discount Rate (6.60%)	**Discount Rate (7.60%)**	**1% Increase in Discount Rate (8.60%)**
Net Pension Liability (Asset)	$ 1,505,036	$ (1,995,427)	$ (4,938,284)

J. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

Note 4 - Employee Pension Plan (continued)

K. Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2022, GHC 9-1-1 recognized pension income of ($14,988). At December 31, 2022, GHC 9-1-1 reported deferred outflows of resources and deferred inflows of resources related to pensions as of the measurement date December 31, 2021 from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 94,553	$ (110,973)
Changes in actuarial assumptions	1,041,440	(6,849)
Difference between projected and actual investment earnings	-	(2,882,070)
Contributions subsequent to the measurement date	602,419	
Total	$ 1,738,412	$ (2,999,892)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $602,419, will be recognized as a reduction of the net pension liability for the fiscal year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense
2023	$ (395,292)
2024	(689,942)
2025	(434,308)
2026	(350,488)
2027	6,131
Total	$ (1,863,899)

Note 5 – Other Postemployment Benefits (OPEB)-Health Insurance

A. Plan Description

GHC 9-1-1 voluntarily participates in the Harris County, Texas health insurance plan for the benefit of GHC 9 1 1's employees and retirees. Harris County administers an agent multiple employer defined benefit postemployment healthcare plan that covers retired employees of participating governmental entities that includes GHC 9-1-1. The plan provides medical, dental, vision, and basic life insurance benefits to plan members. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Harris County Commissioners' Court. Membership in the Plan at March 1, 2022, the date of the latest actuarial valuation, consists of the following:

Retirees and beneficiaries receiving benefits	6,127
Active plan members	17,329

Note 5 - Other Postemployment Benefits (OPEB)-Health Insurance (continued)

B. Contributions

Local Government Code Section 157.102 assigns to Harris County Commissioners' Court the authority to establish and amend contribution requirements of the plan members and the participating employers. The plan rates charged to retirees are set annually by Harris County Commissioners' Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The plan is funded on a pay-as-you-go basis.

C. Schedule of Changes in Net OPEB Liability January 1, 2022 – December 31, 2022

Service cost	$ 272,457
Interest on total OPEB liability	105,650
Effects of economic/dempgraphic experiences	(4,560)
Benefit payments	(35,275)
Effects of assumptions changes or inputs	(1,838,295)
Net change in total OPEB liability	(1,500,023)
Balance as of December 31, 2021	6,960,067
Balance as of December 31, 2021	$ 5,460,044
Covered payroll	$ 4,085,318
Total OPEB liability as a percentage of covered payroll	213.22%

D. Sensitivity of the Net OPEB to Changes in the Discount Rate

The following presents the Net OPEB Liability, as well, as what the Net OPEB Liability would be if it were calculated using a discount rate of 1% lower or 1% higher than the current discount rate of 4.50%:

1% Decrease to 3.50%	Current Discount Rate Assumption 4.50%	1% Increase to 5.50%
$ 6,497,753	$ 5,460,044	$ 4,627,574

E. Sensitivity of the Net OPEB Liability to Changes in the healthcare cost trend rate

The following presents the Net OPEB Liability, as well, as what the Net OPEB Liability would be if it were calculated using a healthcare cost trend rates discount rate of 1% lower or 1% higher than the current healthcare cost trend rates of 6.50%.

1% Decrease	Current Healthcare Cost Trend Rate (6.50%)	1% Increase
$ 4,492,733	$ 5,460,044	$ 6,706,597

Note 5 - Other Postemployment Benefits (OPEB)-Health Insurance (continued)

F. OPEB Expense and Deferred Inflows/Outflows of Resources Related to OPEB

For the measurement period ending September 30, 2022, GHC 9-1-1 recognized OPEB expense of $373,547. GHC 9 1 1's OPEB plan is a pay as you go plan, and therefore has no deferred inflows or outflows of resources. At December 31, 2022, GHC 9 1 1's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 420,861	$ -
Changes assumptions	1,739,293	(2,653,119)
Total	$ 2,160,154	$ (2,653,119)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2023	$ (7,817)
2024	(7,817)
2025	(7,817)
2026	(7,817)
2027	(21,944)
Thereafter	(439,753)
Total	$ (492,965)

Additional, Texas Local Government Code, Chapter 175 allows GHC 9 1 1 to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with GHC 9-1-1 ("Continuation Coverage") by permitting covered employees to purchase continued health benefits coverage in retirement. Texas Law does not require governmental entities to fund all or any portion of such coverage. Because GHC 9 1 1 is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB so long as GHC 9 1 1 follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due. GHC 9 1 1 has not incurred a legal debt obligation for OPEB and has not levied a tax for the same. GHC 9 1 1 funds the costs associated with OPEB on a "pay as you go" basis every fiscal year through an annual appropriation authorized by GHC 9 1 1's Board of Managers. GASB Statement No. 75 requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits. Accordingly, information and amounts presented in GHC 9 1 1's Annual Financial Report relative to OPEB expense/expenditures, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles and does not constitute or imply that GHC 9 1 1 has made a commitment or is legally obligated to provide the OPEB benefit.

Note 6 - OPEB-TCDRS Group Term Life Fund

A. Plan Description

Greater Harris County 9-1-1 Emergency Network participates in the retiree Group Term Life (GTL) program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.

All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan. The plan provides a $5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program. The OPEB benefit is a fixed $5,000 lump-sum benefit. No future increases are assumed in the $5,000 benefit amount. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.

Membership in the plan as of the measurement date of December 31, 2021 was as follows

<u>Members</u>	
Inactive employees entitled to but not yet receiving benefits (1):	7
Active employees:	40
Average age of active employees	48.99
Average length of service in years for active employees:	14.30
<u>Inactive employees receiving benefits (1)</u>	
Number of benefit recipients (1)	10

(1) "Receiving benefits" indicates the member is retired and receiving monthly pension benefits and his or her beneficiary is eligible for the $5,000 lump sum upon the retiree's death.

B. Contributions

Each participating employer contributes to the GTL program at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The GTL program is voluntary and employers can cease participation at any time. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers.

For GASB 75 purposes, the OPEB plan is not a cost-sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS GTL Program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree covered are included under GASB 75.

Note 6 - OPEB-TCDRS Group Term Life Fund (continued)

B. Contributions (continued)

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2021. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown on the exhibit on the next page. The contributions for active coverage are not considered an OPEB benefit under GASB 75, so there should be no change in how these amounts are reported.

Coverage Type	2021 GTL Rate	Amount
Active Member GTL Benefit	0.21%	$ 8,579
Retiree GTL Benefit	0.01%	409

C. Discount Rate

The GTL program is treated as unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.06% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2021.

D. Actuarial Assumptions

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017 - December 31, 2020, except where required to be different by GASB 75

Valuation Timing:	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method:	Entry Age Level Percent of Salary
Amortization Method:	Straight-line over expected working life
Asset Valuation Method:	Does not apply
Inflation:	Does not apply
Salary Increases:	Does not affect benefits but are used om the allocation of costs under the actuarial cost method.
Investment Rate of Return	
(Discount Rate):	2.06% 20 Year GO AA Index published by bondbuyer.com as of December 30, 2021
Cost-of-Living Adjustment:	Does not apply

Note 6 - OPEB-TCDRS Group Term Life Fund (continued)

E. Changes in the Total OPEB Liability

Total OPEB Liability		
Service cost	$	4,423
Interest on total OPEB liability [(1)]		1,948
Changes of benefit terms [(2)]		-
Effect of assumptions changes or inputs [(3)]		1,150
Effect of economic/demographic experiences		539
Benefit payments		(409)
Net change in total OPEB liability		7,651
Balance as of December 31, 2020		87,657
Balance as of December 31, 2021	$	95,308

[(1)] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[(2)] No plan changes valued.
[(3)] Reflects change in discount rate

F. Sensitivity Analysis

The following presents the total OPEB liability of the employer, calculated using the discount rate of 2.12%, as well as what the GHC 911 total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

1% Decrease to 1.06%	Current Discount Rate Assumption 2.06%	1% Increase to 3.06%
$ 119,201	$ 95,308	$ 76,944

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity

For the year ended December 31, 2022, GHC 911 recognized OPEB expense of $9,688

As of December 31, 2022, GHC 911 reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 462	$ (1,064)
Changes assumptions	21,547	(3,796)
Contributions subsequent to the measurement date	471	
Total	$ 22,480	$ (4,860)

Note 6 - OPEB-TCDRS Group Term Life Fund (continued)

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity (continued)

The $471 reported as deferred outflows of resources related to OPEB resulting from GHC 9 1 1 contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2023.

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2023	$ 3,317
2024	3,317
2025	3,311
2026	2,967
2027	3,994
Thereafter	243
Total	$ 17,149

Note 7 - Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance at 1/1/2022	Additions	Retirements	Balance at 12/31/2022
Equipment	$ 43,579,506	$ 2,128,249	$ -	$ 45,707,755
Furniture & Fixtures	2,869,091	-	-	2,869,091
Land (Non-depreciable)	3,219,411	-	-	3,219,411
Work-In-Progress	350,000	-	-	350,000
Building	22,585,240	-	-	22,585,240
Building/Property Improvements	1,282,321	73,828	-	1,356,149
Total Fixed Assets	73,885,569	2,202,077	-	76,087,646
Less: Equipment Accumulated Depreciation	(35,135,481)	(2,929,737)	-	(38,065,218)
Less: Furniture & Fixture Accumulated Depreciation	(2,218,581)	(342,111)	-	(2,560,692)
Less: Building Accumulated Depreciation	(10,787,962)	(1,022,248)	-	(11,810,210)
Total Accumulated Depreciation/Amortization	(48,142,024)	(4,294,096)	-	(52,436,120)
Net Capital Assets	$ 25,743,545	$ (2,092,019)	$ -	$ 23,651,526

Note 7 - Capital Assets (continued)

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at 1/1/2021	Additions	Retirements	Balance at 12/31/2021
Equipment	$ 39,407,984	$ 4,171,522	$ -	$ 43,579,506
Furniture & Fixtures	2,856,962	12,129	-	2,869,091
Land (Non-depreciable)	3,219,411	-	-	3,219,411
Work-In-Progress	2,636,464	787,880	(3,074,344)	350,000
Building	22,585,240	-	-	22,585,240
Building/Property Improvements	1,282,321	-	-	1,282,321
Total Fixed Assets	71,988,382	4,971,531	(3,074,344)	73,885,569
Less: Equipment Accumulated Depreciation	(32,528,543)	(2,606,938)	-	(35,135,481)
Less: Furniture & Fixture Accumulated Depreciation	(1,827,455)	(391,126)	-	(2,218,581)
Less: Building Accumulated Depreciation	(9,766,594)	(1,021,368)	-	(10,787,962)
Total Accumulated Depreciation/Amortization	(44,122,592)	(4,019,432)	-	(48,142,024)
Net Capital Assets	$ 27,865,790	$ 952,099	$ (3,074,344)	$ 25,743,545

Note 8 - Long-Term Liabilities

During the year ended December 31, 2022, the following changes occurred in long-term liabilities:

	Balance at 1/1/2022	Additions	Retirements	Balance at 12/31/2022
Compensated Absences	$ 419,379	$ -	$ (80,453)	$ 338,926
Other Post Employment Benefits (OPEB)	7,047,724	-	(1,492,372)	5,555,352
Net Pension Liability (Asset)	1,214,186	-	(3,209,613)	(1,995,427)
Total	8,681,289	-	(4,782,438)	3,898,851
Long-term liability				$ 5,894,278
Non-current asset				$ 1,995,427

Note 9 - Commitments

GHC 9-1-1's bank depository pledge contract includes a line of credit with a maximum of $1,000,000 for payment of current year budgeted expenses. Any loan made under the line of credit is to be repaid in the calendar year made. The line of credit was not used during 2022 or 2021.

Note 10 - Salaries and Benefits

Salary and benefit costs totaling $5,416,226 and $6,548,295 for the years 2022 and 2021, respectively, consist mainly of operational staff costs. In general, other 9-1-1 entities contract for first tier 9-1-1 call taker support and database management services; most 9-1-1 entities do not reflect those costs in their salary expenses. GHC 9-1-1 installs and maintains the 9-1-1 systems and has technical staff to perform those tasks in-house (technicians install GHC 9-1-1's call taker workstations/backup power systems, maintain an in-house 24x7x365 helpdesk service, and are dispatched onsite for repairs when necessary). GHC 9-1-1 also employs database/GIS analyst staff to perform the database/GIS maintenance task in-house

Bringing the operational tasks (i.e., equipment installation/support, helpdesk, and database/GIS management) in-house, GHC 9 1 1 has improved service levels for its critical core systems while leveraging staff resources to perform other numerous functions that would otherwise require external expertise.

Note 11 - Operational Fees and Service

In the accompanying Statements of Revenue, Expenses, and Changes In Net Position, the amounts reported as Operational Fees and Services include major expense components outlined below for the years ending December 31, 2022 and 2021. This note is provided as supplemental information to outline those general components included in the amounts reported as Operational Fees and Services.

Expense	2022	2021
Network/Connectivity Services	$ 5,769,129	$ 5,317,159
PSAP Operations	22,690,982	22,386,557
IT Operations and Repairs	344,989	449
Maintenance, Legal, and Other Services	4,348,173	4,493,522
Insurance	277,586	259,369
Other General	376,946	309,539
Total	$ 33,807,805	$ 33,215,061

Note 12 - Risk Management

GHC 9-1-1 is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters for which commercial insurance is purchased; and minimally for tort claims since GHC 9-1-1 is covered by Texas Tort Claims Act.

During the year ended December 31, 2022, insurance coverage levels were not reduced from coverage levels in place as of December 31, 2021. No claims were made during 2022 or 2021.

Note 13 - Economic Dependence

A majority of GHC 9-1-1's service fee revenue is generated through a few primary service suppliers.

Note 14 - Subsequent Events

Grant Funding For System Upgrades and Services

In November 2021, the 87th Texas Legislature in Senate Bill 8 Senate Bill 8 (3rd) appropriated $150 million to fund the Next Generation 9-1-1 Service Fund (NG9 1 1 Fund) created by House Bill 2911 during the Legislature's regular session. The appropriation was made pursuant to the revenue reduction provisions of the federal American Rescue Plan Act of 2022 (ARPA); specifically "for the provision of government services to the extent of the reduction in revenue of such State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State." which was codified at 42 U.S.C. § 802.602(c)(1)(C). GHC 9-1-1 anticipates receiving reimbursements for NG 9-1-1 costs incurred during the years 2022 through 2024 totaling approximately $20.3 million. In 2022 during the 88th Texas Legislature the reimbursement period was extended from 2024 to 2026.

The anticipated one-time funding totaling $20.3 million will help GHC 9-1-1 fund the deployment of NG 9 1 1 systems; however, ongoing operation and maintenance will require additional funding. GHC 9 1 1's goal is to update the legislation to have the ability to set the lowest single flat rate for all services, wireline and wireless, within Harris and Fort Bend counties to maintain the best 9-1-1 service.

REQUIRED SUPPLEMENTARY INFORMATION

GREATER HARRIS COUNTY 9-1-1 EMERGENCY NETWORK

SCHEDULE OF NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Last Eight Measurement Years

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service cost	$ 590,676	$ 625,982	$ 707,061	$ 664,023	$ 600,281	$ 581,638	$ 625,089	$ 723,868
Interest on the Total Pension Liability	838,452	934,687	1,026,519	1,168,879	1,288,468	1,412,980	1,558,889	1,727,244
Effect of plan changes	-	(144,032)	-	-	-	-	-	-
Effect of economic/demographic gains or losses	43,974	(171,312)	(22,105)	7,153	(42,559)	39,428	104,971	(81,796)
Effect of assumption changes or inputs	-	98,498	-	(23,979)	-	-	1,395,468	118,577
Benefit payments/refunds of contributions	(270,951)	(289,423)	(254,221)	(289,117)	(262,208)	(319,617)	(230,946)	(375,134)
Net Change in Total Pension Liability	1,202,151	1,054,400	1,457,254	1,526,959	1,583,982	1,714,429	3,453,471	2,112,759
Beginning total pension liability	10,194,515	11,396,666	12,451,066	13,908,320	15,435,279	17,019,261	18,733,690	22,187,161
Ending Total Pension Liability	$ 11,396,666	$ 12,451,066	$ 13,908,320	$ 15,435,279	$ 17,019,261	$ 18,733,690	$ 22,187,161	$ 24,299,920
Plan Fiduciary Net Position								
Contributions - employer	$ 403,216	$ 436,085	$ 418,804	$ 656,315	$ 460,891	$ 509,553	$ 540,292	$ 722,512
Contributions - employee	244,373	269,188	264,111	265,741	252,247	278,879	295,703	285,973
Net investment income	685,974	(250,227)	849,772	1,873,760	(279,482)	2,536,103	1,907,834	4,679,528
Benefit payments, including refunds of employee contributions	(270,951)	(289,423)	(254,221)	(289,117)	(262,208)	(319,617)	(230,946)	(375,134)
Administrative expense	(8,361)	(8,231)	(9,234)	(10,157)	(12,406)	(14,064)	(15,346)	(14,226)
Other	15,086	(68,291)	38,404	8,385	14,968	18,620	19,733	23,719
Net Change in Plan Fiduciary Net Position	1,069,337	89,101	1,307,636	2,504,927	174,010	3,009,474	2,517,270	5,322,372
Beginning plan fiduciary net position	10,301,220	11,370,557	11,459,658	12,767,294	15,272,221	15,446,231	18,455,705	20,972,975
Ending Plan Fiduciary Net Position	$ 11,370,557	$ 11,459,658	$ 12,767,294	$ 15,272,221	$ 15,446,231	$ 18,455,705	$ 20,972,975	$ 26,295,347
Net Pension Liability (Asset)	$ 26,109	$ 991,408	$ 1,141,026	$ 163,058	$ 1,573,030	$ 277,985	$ 1,214,186	$ (1,995,427)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.77%	92.04%	91.80%	98.94%	90.76%	98.52%	94.53%	108.21%
Covered Payroll	$ 3,491,047	$ 3,845,544	$ 3,773,009	$ 3,796,294	$ 3,603,524	$ 3,983,993	$ 4,224,330	$ 4,085,318
Net Pension Liability as a Percentage of Covered Payroll	0.75%	25.78%	30.24%	4.30%	43.65%	6.98%	28.74%	-48.84%

Note: Only eight years of information is currently available. GHC9-1-1 will build this schedule over the next two-year period.

GREATER HARRIS COUNTY 9-1-1 EMERGENCY NETWORK
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Last Ten Measurement Years

Measurement Year	Actuarially Determined Contribution	Contributions In Relation To the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
2012	$ 404,778	$ 404,778	$ -	$ 3,182,213	12.72%
2013	381,323	381,323	-	3,345,149	11.40%
2014	403,216	403,216	-	3,491,047	11.55%
2015	436,085	436,085	-	3,845,544	11.34%
2016	418,804	418,804	-	3,773,009	11.10%
2017	456,315	656,315	(200,000)	3,796,294	17.29%
2018	445,396	460,891	(15,495)	3,603,524	12.79%
2019	473,697	509,553	(35,856)	3,983,993	12.79%
2020	538,180	540,292	(2,112)	4,224,330	12.79%
2021	512,299	722,513	(210,213)	4,085,318	17.69%

Note: There were no benefit changes during the year.

GREATER HARRIS COUNTY 9-1-1 EMERGENCY NETWORK

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
HARRIS COUNTY POST-EMPLOYMENT MEDICAL HEALTH BENEFITS PLAN
Last Four Measurement Years

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 272,457	$ 625,522	$ 220,114	$ 221,179
Interest on total OPEB liability	105,650	138,066	135,469	115,746
Effect of economic/demographic experiences	(4,560)	201,826	-	-
Benefit payments	(35,275)	(34,970)	(33,922)	-
Effect of assumptions changes or inputs	(1,838,295)	772,531	1,526,232	(28,298)
Net change in total OPEB liability	(1,500,023)	1,702,975	1,847,893	308,627
Total OPEB liability - beginning	6,960,067	5,257,092	3,409,199	3,100,572
Total OPEB liability - ending	$ 5,460,044	$ 6,960,067	$ 5,257,092	$ 3,409,199
Covered payroll	$ 4,085,318	$ 4,224,330	$ 3,974,652	$ 3,604,348
Total OPEB liability as a percentage of covered payroll	133.65%	164.76%	131.96%	94.59%

Notes to the Required Supplementary Information

Amounts presented are for each measurement year, which end the preceding February 28 of GHC 911's fiscal year end.

Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

Ten years of data should be presented in this schedule but data was unavailable prior to 2019.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

GREATER HARRIS COUNTY 9-1-1 EMERGENCY NETWORK
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM GROUP TERM LIFE
Last Five Measurement Years

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 272,457	$ 625,522	$ 220,114	$ 221,179
Interest on total OPEB liability	105,650	138,066	135,469	115,746
Effect of economic/demographic experiences	(4,560)	201,826	-	-
Benefit payments	(35,275)	(34,970)	(33,922)	-
Effect of assumptions changes or inputs	(1,838,295)	772,531	1,526,232	(28,298)
Net change in total OPEB liability	(1,500,023)	1,702,975	1,847,893	308,627
Total OPEB liability - beginning	6,960,067	5,257,092	3,409,199	3,100,572
Total OPEB liability - ending	$ 5,460,044	$ 6,960,067	$ 5,257,092	$ 3,409,199
Covered payroll	$ 4,085,318	$ 4,224,330	$ 3,974,652	$ 3,604,348
Total OPEB liability as a percentage of covered payroll	133.65%	164.76%	131.96%	94.59%

Notes to the Required Supplementary Information

Amounts presented are for each measurement year.

Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

Ten years of data should be presented in this schedule but data was unavailable prior to 2019.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CALL 911 EMERGENCY