Greater Harris County
9-1-1 Emergency Network

Financial Statements and Auditors' Report
December 31, 2021 and 2020

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Houston Office
3737 Buffalo Speedway
Suite 1600
Houston, Texas 77098
713.621.1515 Main

whitleypenn.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Greater Harris County 9-1-1 Emergency Network ("GHC 9-1-1"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise GHC 9-1-1's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of GHC 9-1-1, as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GHC 9-1-1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

GHC 9-1-1's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GHC 9-1-1's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GHC 9-1-1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GHC 9-1-1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information, and other post-employment benefit information, identified as required supplementary information in the table of contents, 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 the 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.

Whitley Penn LLP

Houston, Texas
May 19, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021. 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 $3.6 million during 2021 to a total balance of $23.4 million—the increase was due to a temporary suspension of service payments until deployment of the new 9-1-1 call routing services are complete. 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.
- Total liabilities balance was $10.1 million. About $1.2 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 and net pension liability.
- The 9-1-1 service fee revenue of $46.1 million reflected a $910,242 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 increased by 2.9% ($184,428) due to an increase for the Total Other Post-Employment Benefits (OPEB) Liability accrual, which is based on actuarial estimates.
- The total operating expenses decreased by 0.9% ($405,390) mainly due to an decrease in the depreciation and amortization. Operational Fees and Services are expected to increase during 2022 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 decreased as reflected in the net position table presented in Table 1, below, which reflects an increase of $1.2 million or 2.5% (approximately $50.6 million for 2021 and $49.4 million for 2020).

Table 1
Net Position
(in Millions)

	2021	2020
Current Assets	$ 31.6	$ 28.5
Capital and Other Assets	25.8	28.1
Total Assets	57.4	56.6
Deferred Outflows - Pension	4.0	2.0
Current Liabilities	1.8	3.0
Noncurrent Liabilities	8.3	5.7
Total Liabilities	10.1	8.7
Deferred Inflows - Pension	0.7	0.5
Net Position	$ 50.6	$ 49.4

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.

Table 2
Change in Net Position
(in Millions)

	2021	2020
Revenues:		
Operating Revenue	$ 46.1	$ 45.1
Interest and Other Income	0.0	0.2
Total Revenues	46.1	45.3
Expenses:		
Operating Expense	44.9	45.3
Total Expenses	44.9	45.3
Change in Net Position	1.2	-
Net Position - Beginning Of Year	49.4	49.4
Net Position - End Of Year	$50.6	$ 49.4

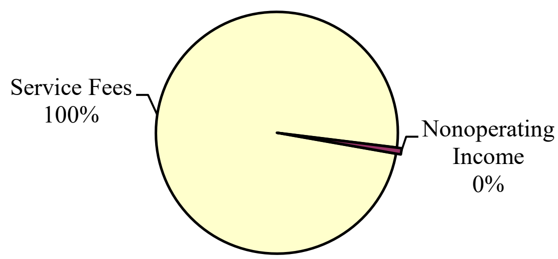
In Table 2 above, operating revenues increased by 2.0% ($910,242). The 9-1-1 service fee revenue for wireline services are expected to continue to decrease as wireline customers disconnect services and rely on wireless services.

Operating expenses decreased by 0.9% ($405,390) mainly due to a decrease in depreciation and amortization expenses. The increase in Salaries and Benefits was mainly due to the OPEB Liability accrual, which is based on actuarial estimates. Some Operational Fees and Services expenses were temporary suspended during 2021 and 2020 during the deployment of the new 9-1-1 call routing service. The deployment was completed during 2022, which will result in an increase in expenses during 2022 and the years going forward.

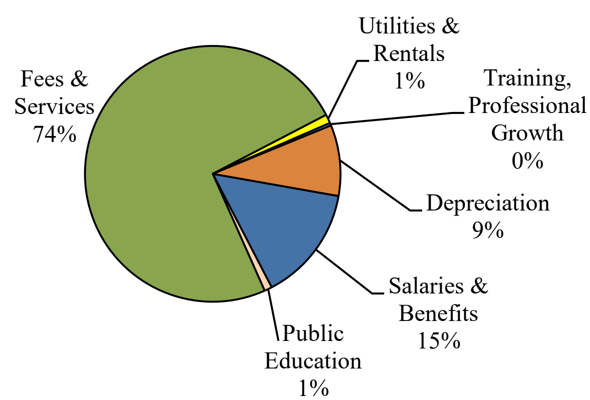
Table 3 below presents the sources and uses of GHC 9-1-1's revenue.

Table 3

Sources of Revenue



Uses of Revenue



The Service Fees (100%) category is the main source of funding, while 74% 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 15% 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 Long-Term Debt

GHC 9-1-1's capital assets, net of accumulated depreciation, totaled $25.7 million as of December 31, 2021. 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).

GHC 9-1-1 has been able to purchase all capital assets without incurring debt and financing charges. Aside from compensated absences payable totaling $419.379, the only other outstanding long-term liability consists of Other Postemployment Benefits (OPEB) totaling $7,047,724, which is an estimate of future health insurance costs and group life insurance for retired staff. In addition, a Net Pension Liability totaling $1,214,182 is also reported to reflect the amount of the actuarially estimated pension liability in excess of the fiduciary net position as of December 31, 2020.

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 2022 operational budget totaling $48.4 million, which included an increase totaling $1.9 million or 4%.

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 2022 through 2024 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.

Greater Harris County 9-1-1 Emergency Network

STATEMENT OF NET POSITION
As Of December 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets-Unrestricted:		
Cash and Cash Equivalents (Note 3)	$ 11,383,630	$ 9,804,266
Invested Funds For Operations/Capital (Note 3)	11,979,360	9,988,724
Accounts Receivable	6,855,378	6,632,870
Accrued Interest Receivable	2,219	1,437
Prepaid Expenses	1,419,210	2,088,004
Total Current Assets	31,639,797	28,515,301
Capital Assets		
Inventoried Assets (Note 7)	70,316,158	66,132,507
Land	3,219,411	3,219,411
Work In Progress	350,000	2,636,464
Less: Accumulated Depreciation and Amortization	(48,142,024)	(44,122,592)
Total Capital Assets, Net	25,743,545	27,865,790
Prepaids, Net Of Current Portion	75,487	219,207
TOTAL ASSETS	57,458,829	56,600,298
DEFERRED OUTFLOWS-PENSION AND OPEB	4,032,862	2,005,785
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,196,307	2,410,972
Salary and Accrued Benefits Payable	254,006	259,940
Compensated Absences Payable	377,441	351,550
Total Current Liabilities	1,827,754	3,022,462
Long-Term Liabilities:		
Compensated Absences Payable	41,938	39,061
Other Post Employment Benefits (Notes 5 and 6)	7,047,724	5,329,429
Net Pension Liability (Asset) (Note 4)	1,214,186	277,985
Total Long-Term Liabilities	8,303,848	5,646,475
TOTAL LIABILITIES	10,131,602	8,668,937
DEFERRED INFLOWS-PENSION AND OPEB	709,553	522,820
NET POSITION		
Net Investment in Capital Assets	25,743,545	27,865,790
Unrestricted	24,906,991	21,548,536
TOTAL NET POSITION	$ 50,650,536	$ 49,414,326

The Accompanying Notes Are An Integral Part Of These Financial Statements

Greater Harris County 9-1-1 Emergency Network

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ending December 31, 2021 and 2020

	2021	2020
Operating Revenues:		
9-1-1 Network Service Fees (Note 1)	$ 46,056,258	$ 45,146,016
Operating Expenses:		
Salaries and Benefits (Note 11)	6,548,295	6,363,863
Office Supplies	11,911	17,813
Public Education Materials	85,113	74,776
Operational Fees and Services (Note 12)	33,215,061	33,312,490
Advertising (Note 2)	339,030	340,189
Rentals	28,352	24,654
Utilities	469,891	471,335
Training and Travel	151,090	130,390
Subtotal	40,848,743	40,735,510
Depreciation and Amortization	4,019,433	4,538,052
Total Operating Expenses	44,868,176	45,273,562
Operating (Loss)	1,188,082	(127,546)
Nonoperating Revenues (Expenses):		
Interest Earnings	13,913	159,816
Miscellaneous Income	34,215	21,412
Total Nonoperating Revenues	48,128	181,228
Change in Net Position	1,236,210	53,682
Net Position - Beginning Of Year	49,414,326	49,360,644
Net Position - End Of Year	$ 50,650,536	$ 49,414,326

The Accompanying Notes Are An Integral Part Of These Financial Statements

Greater Harris County 9-1-1 Emergency Network

STATEMENTS OF CASH FLOW

For the Years Ending December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Cash Received From Fees	$ 45,833,750	$ 45,245,633
Cash Payments For Goods and Services	(34,702,599)	(33,061,987)
Cash Payments To Employees For Services	(5,711,309)	(5,632,601)
Net Cash Provided (Used) By Operating Activities	5,419,842	6,551,045
Cash Flows From Noncapital Financing Activities:		
Other Revenue	34,215	21,412
Net Cash Provided By Noncapital Financing Activities	34,215	21,412
Cash Flows From Capital And Related Financing Activities:		
Acquisition Of Capital Assets	(1,897,187)	(4,196,221)
Net Cash (Used) By Capital And Related Financing Activities	(1,897,187)	(4,196,221)
Cash Flows From Investing Activities:		
Investment Purchases	(11,979,360)	(19,986,228)
Investment Maturities	9,988,724	21,819,612
Interest Received	13,130	227,745
Net Cash Provided (Used) By Investing Activities	(1,977,506)	2,061,129
Net Increase (Decrease) In Cash And Cash Equivalents	1,579,364	4,437,365
Cash And Cash Equivalents - Beginning of Year	9,804,266	5,366,901
Cash And Cash Equivalents - End of Year	$ 11,383,630	$ 9,804,266
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activity		
Operating (Loss)	$ 1,188,082	$ (127,546)
Adjustments to Reconcile Operating (Loss) To Net Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization	4,019,433	4,538,052
Change In Assets And Liabilities:		
Decrease (Increase) In Accounts Receivables	(222,508)	99,617
Decrease (Increase) In Prepaids	812,514	867,930
Decrease (Increase) In Deferred Outflows-Pension	(2,027,077)	(407,731)
Increase (Decrease) In Accounts Payable	(1,214,665)	441,730
Increase (Decrease) In Salaries and Accrued Benefits Payable	(5,934)	91,674
Increase (Decrease) In Compensated Absences	28,768	108,603
Increase (Decrease) In Other Post Employment Benefits	1,718,295	1,870,196
Increase (Decrease) In Net Pension Liability	936,201	(1,295,045)
Increase (Decrease) In Deferred Inflows-Pension	186,733	363,565
Total Adjustments	4,231,760	6,678,591
Net Cash Provided (Used) By Operating Activities	$ 5,419,842	$ 6,551,045

The Accompanying Notes Are An Integral Part Of These Financial Statements

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 5.8 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 2021 and 2020:

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.

GHC 9-1-1 also 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.

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.

(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, 2021 and 2020.

(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.

(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.

(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 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 position 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 plan. This amount is deferred and amortized over the average of the expected service lives of the pension 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. This amount is 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 position 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 plan. This amount is deferred and amortized over the average of the expected service lives of pension 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.

(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. 84, Fiduciary Activities was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business type activities should report their fiduciary activities. GHC 9-1-1 evaluated the standard and determined it was not applicable.

GASB Statement No. 98, The Annual Comprehensive Financial Report. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. GHC 9-1-1 evaluated the standard and determined it was not applicable

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 \$11,383,630 and \$9,804,266 as of December 31, 2021 and 2020, 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, 2021, GHC 9-1-1 had a bank balance of \$14,194,428 in the checking and money market sweep accounts. The checking account bank balance totaled \$5,000,000 and \$9,194,428 was held in the money market sweep account. The money market sweep account 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.

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.

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, 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%

GHC 9-1-1's cash and investments are recorded at fair value. Total investment book value as of December 31, 2020 was less than total fair market value by $2,107 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, 2020, summarized by security type.

	Security	Credit Rating (S&P/Moody's)	Fair Market Value	% of Portfolio
US Treasury Bill	US Treasury Securities	Aaa/AA+	$ 9,988,724	50%
Money Market Sweep Accounts	US Treasury Securities	AAAm/AAA-mf	4,803,966	24%
Cash in Bank			5,000,000	25%
Petty Cash			300	0%
			$ 19,792,990	100%

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, 2021, GHC 9-1-1 held the following at fair value measurements:

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

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, 2021, 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 50% 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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to, but not yet receiving, benefits	15
Active employees	44
Total	67

(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 12.79% in calendar years 2020 and 2021, respectively. GHC 9-1-1's contributions to TCDRS for the fiscal year ended December 31, 2020 and 2021 were $540,293 and $722,513, respectively, which were equal to the required contributions for each year, while contributions for the year 2021 included an additional one-time payment of $200,000 for the year.

(E) Net Pension Liability

GHC 9-1-1's Net Pension Liability (NPL) was measured as of December 31, 2020 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

(F) Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2020 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, 2020 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	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	4.6%, 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
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.

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

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%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities - Emerging Markets	MSCI EM Standard (net) Index	6.00%	4.75%
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%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLP)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.25%
Hedge Funds	Hedge Fund Research. Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(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.

(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	$ 625,089	$ -	$ 625,089
Interest	1,558,889	-	1,558,889
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	104,971	-	104,971
Changes in assumptions	1,395,468	-	1,395,468
Refund of contributions	(9,957)	(9,957)	-
Benefit payments	(220,989)	(220,989)	-
Administrative expense	-	(15,346)	15,346
Contributions - employee	-	295,703	(295,703)
Net investment income	-	1,907,834	(1,907,834)
Contributions - employer	-	540,292	(540,292)
Other changes	-	19,733	(19,733)
Net changes	3,453,471	2,517,270	936,201
Balance at 12/31/2019	18,733,690	18,455,705	277,985
Balance at 12/31/2020	$ 22,187,161	$ 20,972,975	$ 1,214,186

(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)	$ 4,425,914	$ 1,214,186	$ (1,474,049)

(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.

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

For the fiscal year ended December 31, 2021, GHC 9-1-1 recognized pension expense of $437,586. At December 31, 2021, GHC 9-1-1 reported deferred outflows of resources and deferred inflows of resources related to pensions as of the measurement date December 31, 2020 from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 124,199	$ 73,462
Changes in actuarial assumptions	1,187,516	10,275
Difference between projected and actual investment earnings	-	619,764
Contributions subsequent to the measurement date	722,513	N/A
Total	$ 2,034,228	$ 703,501

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $722,513, 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
2022	$ 53,482
2023	210,898
2024	(83,752)
2025	171,882
2026	255,704
Thereafter	-
Total	$ 608,214

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, 2020, the date of the latest actuarial valuation, consists of the following:

Retirees and beneficiaries receiving benefits	5,652
Active plan members	17,223

(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, 2021 – December 31, 2021

Service cost	$	625,522
Interest on total OPEB liability		138,066
Effects of economic/dempgraphic experiences		201,826
Benefit payments		(34,970)
Effects of assumptions changes or inputs		772,531
Net change in total OPEB liability		1,702,975
Balance as of December 31, 2020		5,257,092
Balance as of December 31, 2021	$	6,960,067
Covered payroll	$	4,224,330
Total OPEB liability as a percentage of covered payroll		164.76%

(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 2.50%:

1% Decrease to 1.50%	Current Discount Rate Assumption 2.50%	1% Increase to 3.50%
$ 8,402,082	$ 6,960,067	$ 5,810,150

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 5.80% to 5.00%:

1% Decrease (4.80% to 4.00%)	Current Healthcare Cost Trend Rate (5.80% to 5.00%)	1% Increase (6.80% to 6.00%)
$ 5,525,210	$ 6,960,067	$ 8,870,477

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

For the measurement period ending February 28, 2020, GHC 9-1-1 recognized OPEB expense of $1,042,491. 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, 2020, 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	$ 151,678	$ -
Changes assumptions	1,821,720	-
Differences between projected and actual return investments	-	-
Total	$ 1,973,398	$ -

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
2022	$ 278,903
2022	278,903
2023	278,903
2024	278,903
2025	278,903
Thereafter	578,883
Total	$ 1,973,398

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, 2020 was as follows:

Members	
Inactive employees entitled to but not yet receiving benefits [1]:	7
Active employees:	44
Average age of active employees:	48.90
Average length of service in years for active employees:	13.88
Inactive employees receiving benefits [1]	
Number of benefit recipients [1]	7

[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.

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2020. 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	2020 GTL Rate	Amount
Active Member GTL Benefit	0.20%	$ 8,449
Retiree GTL Benefit	0.01%	422

(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 2.12% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

(D) Actuarial Assumptions

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 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 Normal
Amortization Method:	Straight-line over expected working life
Asset Valuation Method:	Does not apply
Inflation:	Does not apply
Salary Increases:	Does not apply
Investment Rate of Return (Discount Rate):	2.12% 20 Year GO AA Index published by bondbuyer.com as of December 26, 2020
Cost-of-Living Adjustment:	Does not apply

(E) Changes in the Total OPEB Liability

Total OPEB Liability		
Service cost	$	3,385
Interest on total OPEB liability [(1)]		2,069
Changes of benefit terms [(2)]		-
Effect of assumptions changes or inputs [(3)]		11,217
Effect of economic/demographic experiences		(929)
Benefit payments		(422)
Net change in total OPEB liability		15,320
Balance as of December 31, 2019		72,337
Balance as of December 31, 2020	$	87,657

[(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 1.12%	Current Discount Rate Assumption 2.12%	1% Increase to 3.12%
$ 110,437	$ 87,657	$ 70,456

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

For the year ended December 31, 2021, GHC 911 recognized OPEB expense of $8,530.

As of December 31, 2021, 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	$ -	$ 1,305
Changes assumptions	24,827	4,745
Contributions subsequent to the measurement date	409	N/A
Total	$ 25,236	$ 6,050

The $409 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, 2022.

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
2021	$ 3,076
2022	3,076
2023	3,076
2024	3,076
2025	2,726
Thereafter	3,747
Total	$ 18,777

NOTE 7 – CAPITAL ASSETS

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

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at 1/1/2020	Additions	Retirements	Balance at 12/31/2020
Equipment	$ 43,842,534	$ 2,338,451	$ (6,773,001)	$ 39,407,984
Furniture & Fixtures	2,766,485	90,477	-	2,856,962
Land (Non-depreciable)	3,219,411	-	-	3,219,411
Work-In-Progress	869,171	1,976,281	(208,988)	2,636,464
Building	22,585,240	-	-	22,585,240
Building/Property Improvements	1,282,321	-	-	1,282,321
Total Fixed Assets	74,565,162	4,405,209	(6,981,989)	71,988,382
Less: Equipment Accumulated Depreciation	(36,177,803)	(3,103,862)	6,753,122	(32,528,543)
Less: Furniture & Fixture Accumulated Depreciation	(1,436,442)	(391,013)	-	(1,827,455)
Less: Building Accumulated Depreciation	(8,743,297)	(1,023,297)	-	(9,766,594)
Total Accumulated Depreciation/Amortization	(46,357,542)	(4,518,172)	6,753,122	(44,122,592)
Net Capital Assets	$ 28,207,620	$ (112,963)	$ (228,867)	$ 27,865,790

NOTE 8 – LONG-TERM DEBT

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated Absences	$ 390,611	$ 398,983	$ 370,215	$ 419,379	$ 377,441
Other Post Employment Benefits (OPEB)	5,329,429	1,718,295	-	7,047,724	-
Net Pension Liability	277,985	936,201	-	1,214,186	-
Totals	$ 5,998,025	$ 3,053,479	$ 370,215	$ 8,681,289	$ 377,441
Long-term debt due in more than one year				$ 8,303,848	

NOTE 9 – OPERATING LEASES

GHC 9-1-1 has various service agreements for a connectivity services for voice and data traffic. A schedule of future operating lease payments as of December 31, 2021 is presented as follows:

Year	Lease Amounts
2022	$1,846,800
2023	1,145,000
2024	444,000
2025	-
Total future lease payments	$3,436,600

Rental expenses for 2021 and 2020 were $28,351 and $24,653, respectively.

NOTE 10 – 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 2021 or 2020.

NOTE 11 – SALARIES AND BENEFITS

Salary and benefit costs totaling $9,492,704 and $6,363,863 for the years 2021 and 2020, 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 12 – 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, 2021 and 2020. This note is provided as supplemental information to outline those general components included in the amounts reported as Operational Fees and Services.

Expense	2021	2020
Network/Connectivity Services	$ 5,317,159	$ 4,458,927
PSAP Operations	22,386,557	22,954,713
IT Operations and Repairs	448,915	483,203
Maintenance, Legal, and Other Services	4,493,522	4,786,715
Insurance	259,369	233,422
Other General	309,539	395,510
Total	$33,215,061	$33,312,490

NOTE 13 – 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, 2021, insurance coverage levels were not reduced from coverage levels in place as of December 31, 2020. No claims were made during 2021 or 2020.

NOTE 14 – ECONOMIC DEPENDENCE

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

NOTE 15 – 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 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 2022 through 2024 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 to maintain the best 9-1-1 service.

Required Supplementary Information

Greater Harris County 9-1-1 Emergency Network
Schedule of Net Pension Liability and Related Ratios
Texas County and District Retirement System
For the Year Ended December 31, 2021

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total Pension Liability							
Service cost	$ 590,676	$ 625,982	$ 707,061	$ 664,023	$ 600,281	$ 581,638	$ 625,089
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
Effect of plan changes	-	(144,032)	-	-	-	-	-
Effect of economic/demographic gains or los:	43,974	(171,312)	(22,105)	7,153	(42,559)	39,428	104,971
Effect of assumption changes or inputs	-	98,498	-	(23,979)	-	-	1,395,468
Benefit payments/refunds of contributions	(270,951)	(289,423)	(254,221)	(289,117)	(262,208)	(319,617)	(230,946)
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
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
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
Plan Fiduciary Net Position							
Contributions - employer	$ 403,216	$ 436,085	$ 418,804	$ 656,315	$ 460,891	$ 509,553	$ 540,292
Contributions - employee	244,373	269,188	264,111	265,741	252,247	278,879	295,703
Net investment income	685,974	(250,227)	849,772	1,873,760	(279,482)	2,536,103	1,907,834
Benefit payments, including refunds of employee contributions	(270,951)	(289,423)	(254,221)	(289,117)	(262,208)	(319,617)	(230,946)
Administrative expense	(8,361)	(8,231)	(9,234)	(10,157)	(12,406)	(14,064)	(15,346)
Other	15,086	(68,291)	38,404	8,385	14,968	18,620	19,733
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
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
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
Net Pension Liability	$ 26,109	$ 991,408	$ 1,141,026	$ 163,058	$ 1,573,030	$ 277,985	$ 1,214,186
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%
Covered Payroll	$ 3,491,047	$ 3,845,544	$ 3,773,009	$ 3,796,294	$ 3,603,524	$ 3,983,993	$ 4,224,330
Net Pension Liability as a Percentage of Covered Payroll	0.75%	25.78%	30.24%	4.30%	43.65%	6.98%	28.74%

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

Greater Harris County 9-1-1 Emergency Network

Schedule Of Contributions

Texas County and District Retirement System

For the Year Ended December 31, 2021

Fiscal 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
2011	$ 372,013	$ 772,424	$ (400,411)	$ 2,915,461	26.49%
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	$ 522,513	$ 722,513	$ (200,000)	$ 4,085,323	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 Three Measurement Years

	2021	2020	2019
Total OPEB Liability			
Service cost	$ 625,522	$ 220,114	$ 221,179
Interest on total OPEB liability	138,066	135,469	115,746
Changes of benefit terms	-	-	-
Effect of economic/demographic experiences	201,826	-	-
Benefit payments	(34,970)	(33,922)	-
Effect of assumptions changes or inputs	772,531	1,526,232	(28,298)
Net change in total OPEB liability	1,702,975	1,847,893	308,627
Total OPEB liability - beginning	5,257,092	3,409,199	3,100,572
Total OPEB liability - ending	$ 6,960,067	$ 5,257,092	$ 3,409,199
Covered payroll	$ 4,224,330	$ 3,974,652	$ 3,604,348
Total OPEB liability as a percentage of covered payroll	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 Four Measurement Years

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 3,385	$ 2,323	$ 2,799	$ 3,259
Interest on total OPEB liability	2,069	2,139	1,942	1,866
Changes of benefit terms	-	-	-	-
Effect of economic/demographic experiences	(929)	(6)	(578)	(283)
Effect of assumptions changes or inputs	11,217	18,245	(7,592)	3,061
Benefit payments	(422)	(398)	(360)	(380)
Net change in total OPEB liability	15,320	22,303	(3,789)	7,523
Total OPEB liability - beginning	72,337	50,034	53,823	46,300
Total OPEB liability - ending	$ 87,657	$ 72,337	$ 50,034	$ 53,823
Covered payroll	$4,224,330	$ 3,983,993	$ 3,603,524	$ 3,796,294
Total OPEB liability as a percentage of covered payroll	2.08%	1.82%	1.39%	1.42%

Notes to the Required Supplementary Information

Amounts presented are for each measurement year, which end the preceding December 31 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 2017.

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