

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**

**HARRIS AND FORT BEND COUNTIES, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2014**



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**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

111 Congress Avenue  
Suite 400  
Austin, Texas 78701  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Harris-Fort Bend Emergency  
Services District No. 100  
Harris and Fort Bend Counties, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Harris-Fort Bend Emergency Services District No. 100 (the "District"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 7 and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by Harris County Commissioners Court on pages 26 through 28 and other supplementary information on pages 30 through 35 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Management's discussion and analysis of Harris-Fort Bend Emergency Services District No. 100's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the District's financial statements, which begin on page 8.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The first of the government-wide statements is the Statement of Net Position. This information is found in the Statement of Net Position column on page 8. The Statement of Net Position is the District-wide statement of its financial position presenting information that includes all of the District's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The government-wide portion of the Statement of Activities on page 10 reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund financial statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position on page 9 and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities on page 11 explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 through 22 in this report.

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). The budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$40,776,505 as of December 31, 2014.

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

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

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2014</u>	<u>2013</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 30,253,352	\$ 27,412,577	\$ 2,840,775
Capital Assets (Net of Accumulated Depreciation)	<u>15,882,578</u>	<u>12,828,179</u>	<u>3,054,399</u>
Total Assets	<u>\$ 46,135,930</u>	<u>\$ 40,240,756</u>	<u>\$ 5,895,174</u>
Other Liabilities	<u>\$ 954,668</u>	<u>\$ 349,270</u>	<u>\$ (605,398)</u>
Total Liabilities	<u>\$ 954,668</u>	<u>\$ 349,270</u>	<u>\$ (605,398)</u>
Deferred Inflows of Resources	<u>\$ 4,404,757</u>	<u>\$ 4,638,686</u>	<u>\$ 233,929</u>
Net Position:			
Net Investment in Capital Assets	\$ 15,882,578	\$ 12,828,179	\$ 3,054,399
Unrestricted	<u>24,893,927</u>	<u>22,424,621</u>	<u>2,469,306</u>
Total Net Position	<u>\$ 40,776,505</u>	<u>\$ 35,252,800</u>	<u>\$ 5,523,705</u>

The following table provides comparative analysis of the District's operations for the years ended December 31, 2014, and December 31, 2013. During the current fiscal year, the District's net position increased by \$5,523,705, accounting for a 15.7% growth in net position.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 4,558,744	\$ 4,523,157	\$ 35,587
Sales Tax Receipts	6,905,252	6,004,930	900,322
Other Revenues	<u>833,216</u>	<u>751,251</u>	<u>81,965</u>
Total Revenues	<u>\$ 12,297,212</u>	<u>\$ 11,279,338</u>	<u>\$ 1,017,874</u>
Expenses for Services	<u>(6,773,507)</u>	<u>(5,657,543)</u>	<u>(1,115,964)</u>
Change in Net Position	<u>\$ 5,523,705</u>	<u>\$ 5,621,795</u>	<u>\$ (98,090)</u>
Net Position, Beginning of Year	<u>35,252,800</u>	<u>29,631,005</u>	<u>5,621,795</u>
Net Position, End of Year	<u>\$ 40,776,505</u>	<u>\$ 35,252,800</u>	<u>\$ 5,523,705</u>

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND**

The District's General Fund fund balance as of December 31, 2014, was \$24,755,733, an increase of \$2,538,519 from the prior year. The increase was primarily due to the collection of sales tax receipts.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Commissioners amended the budget during the fiscal year to increase capital expenditures by \$40,000 and to decrease funding to the service provider by \$1,182,252. Actual revenues were \$1,580,425 more than budgeted revenues. Actual expenditures were \$1,177,101 less than budgeted expenditures. See budget and actual comparison on page 24.

**CAPITAL ASSETS**

Capital assets as of December 31, 2014, total \$15,882,578 (net of accumulated depreciation) and include land, buildings, vehicles and equipment.

Capital asset events during the current fiscal year included the purchase or completion of the following:

- Storm Sewer Repair- \$50,848
- Traffic Controls- \$158,206
- 2014 Tahoe - \$30,411
- Access Road at Station No. 3- \$15,094
- Equipment - \$52,453
- Construction in progress includes construction costs for renovations at Station Nos. 1 and 3, a training center at Station No. 1, Pierce Velocity Rehab Unit, pending delivery - \$5,128,879

Capital Assets At Year-End, Net of Accumulated Depreciation

	<u>2014</u>	<u>2013</u>	<u>Change Positive (Negative)</u>
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,501,694	\$ 1,501,694	\$
Construction in Progress	5,128,879	1,345,674	3,783,205
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	4,951,696	5,055,456	(103,760)
Vehicles	3,852,356	4,600,272	(747,916)
Equipment	447,953	325,083	122,870
Total Net Capital Assets	<u>\$ 15,882,578</u>	<u>\$ 12,828,179</u>	<u>\$ 3,054,399</u>

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris-Fort Bend Emergency Services District No. 100, c/o Coveler & Katz, P.C., 820 Gessner, Suite 1710, Houston, TX 77024.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2014**

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash, Note 4	\$ 11,535,541	\$	\$ 11,535,541
Investments, Note 4	13,996,560		13,996,560
Cash with Other Governments	971,207		971,207
Receivables:			
Property Taxes	2,283,961		2,283,961
Penalty and Interest on Delinquent Taxes	52,520		52,520
Sales Tax Receipts, Note 9	1,404,248		1,404,248
Accrued Interest	9,315		9,315
Land, Note 6		1,501,694	1,501,694
Construction in Progress, Note 6		5,128,879	5,128,879
Capital Assets (Net of Accumulated Depreciation), Note 6		9,252,005	9,252,005
<b>TOTAL ASSETS</b>	<b>\$ 30,253,352</b>	<b>\$ 15,882,578</b>	<b>\$ 46,135,930</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 492,435	\$	\$ 492,435
Retainage Payable	184,315		184,315
Due to Fort Bend County Road District, Note 10	277,918		277,918
<b>TOTAL LIABILITIES</b>	<b>\$ 954,668</b>	<b>\$ -0-</b>	<b>\$ 954,668</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 4,490,431	\$ (85,674)	\$ 4,404,757
Penalty and Interest on Delinquent Taxes	52,520	(52,520)	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 4,542,951</b>	<b>\$ (138,194)</b>	<b>\$ 4,404,757</b>
<b>FUND BALANCE</b>			
Committed, Note 2	\$ 921,013	\$ (921,013)	\$
Assigned for 2015 Budget, Note 2	405,565	(405,565)	
Unassigned	23,429,155	(23,429,155)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 24,755,733</b>	<b>\$ (24,755,733)</b>	<b>\$ - 0 -</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 30,253,352</b>		
<b>NET POSITION</b>			
Net Investment in Capital Assets Unrestricted		\$ 15,882,578 24,893,927	\$ 15,882,578 24,893,927
<b>TOTAL NET POSITION</b>		<b>\$ 40,776,505</b>	<b>\$ 40,776,505</b>

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

Total Fund Balance - Governmental Funds \$ 24,755,733

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

Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 15,882,578

Deferred tax revenues and deferred penalty and interest revenues on delinquent taxes for the 2013 and prior tax levies became part of recognized revenues in the governmental activities of the District. 138,194

Total Net Postion - Governmental Activities \$ 40,776,505

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>REVENUES</b>			
Property Taxes	\$ 4,602,397	\$ (43,653)	\$ 4,558,744
Sales Tax Receipts, Note 9	6,905,252		6,905,252
EMS Collections, Note 5	653,000		653,000
Lease Revenues, Note 7	39,300		39,300
Penalty and Interest	48,107	(25,560)	22,547
Investment Revenues	46,369		46,369
Insurance Reimbursement	72,000		72,000
	<u>\$ 12,366,425</u>	<u>\$ (69,213)</u>	<u>\$ 12,297,212</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
District Services - Community Protection Agency, Inc.	\$ 3,725,027	\$	\$ 3,725,027
Accounting and Auditing	22,350		22,350
Appraisal District Fees	33,009		33,009
Commissioner Fees	8,600		8,600
Legal Fees - General	47,278		47,278
Legal Fees - Delinquent Tax Collections	8,778		8,778
Sales Tax Consultant	44,962		44,962
Tax Assessor/Collector Fees	30,162		30,162
Repairs and Maintenance	1,879		1,879
Depreciation, Note 6		1,035,818	1,035,818
Other	123,550		123,550
Fort Bend County, Note 10	1,100,255		1,100,255
Capital Outlay	4,682,056	(4,090,217)	591,839
	<u>\$ 9,827,906</u>	<u>\$ (3,054,399)</u>	<u>\$ 6,773,507</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 2,538,519</b>	<b>\$ (2,538,519)</b>	<b>\$</b>
<b>CHANGE IN NET POSITION</b>		<b>5,523,705</b>	<b>5,523,705</b>
<b>FUND BALANCE/NET POSITION - JANUARY 1, 2014</b>	<b><u>22,217,214</u></b>	<b><u>13,035,586</u></b>	<b><u>35,252,800</u></b>
<b>FUND BALANCE/NET POSITION - DECEMBER 31, 2014</b>	<b><u>\$ 24,755,733</u></b>	<b><u>\$ 16,020,772</u></b>	<b><u>\$ 40,776,505</u></b>

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Net Change in Fund Balance - Governmental Funds	\$	2,538,519
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.</p>		(43,653)
<p>Governmental funds report penalty and interest revenues on property taxes when collected. However, in the government-wide financial statements, revenues are recorded when the penalty and interest are assessed.</p>		(25,560)
<p>Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.</p>		(1,035,818)
<p>Governmental funds record capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.</p>		<u>4,090,217</u>
Change in Net Position - Governmental Activities	\$	<u><u>5,523,705</u></u>

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

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**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 1. CREATION OF DISTRICT**

Harris-Fort Bend Emergency Services District No. 100 (the “District”) was created on August 8, 1997, in accordance with Article III, Section 48-e, of the Texas Constitution. The District operates under Chapter 775 of the Health and Safety Code. The District was established to provide operating funds for the contracting of fire prevention and emergency medical services within the boundaries of the District.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

Financial Statement Presentation

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

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

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds

The District has one governmental fund and considers this fund to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, costs of assessing and collecting taxes and general expenditures.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and recorded as revenue include the 2013 tax levy collections during the period October 1, 2013, to December 31, 2014, and taxes collected from January 1, 2014, to December 31, 2014, for all prior tax levies. The 2014 tax levy has been fully deferred to meet the District’s planned expenditures in the 2015 fiscal year.

Capital Assets

Capital assets, which include land, buildings, vehicles and equipment, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as an expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Installation costs, professional fees and certain other costs are capitalized as part of the asset.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued)

Assets are capitalized if they have an original cost of \$25,000 or more (including installation costs and professional fees) a useful life of at least one year. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
All Other Equipment	2-30

Budgeting

In compliance with governmental accounting principles, the Board of Commissioners annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Commissioners are considered to be wages subject to federal income tax for payroll tax purposes only.

Measurement Focus

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

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*Nonspendable:* amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

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

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District has awarded contracts with remaining balances of \$801,013 for the construction of the community training center and \$120,000 for a sprinkler system at Station 3.

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of December 31, 2014, the District has assigned \$405,565 of the current General Fund fund balance to cover a portion of the 2015 budget.

*Unassigned:* all other spendable amounts in the General Fund.

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

Accounting Estimates

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 3. TAX LEVY**

Voters of the District have approved the levy and collection of an ad valorem tax not to exceed \$0.10 per \$100 of assessed valuation on taxable property within the District. During the year ended December 31, 2014, the District levied an ad valorem tax at the rate of \$0.0884 per \$100 of assessed valuation, which resulted in a tax levy of \$4,404,757 on the adjusted taxable valuation of \$4,982,102,188 for the 2014 tax year.

The District's tax calendar is as follows:

Levy Date	- Before the later of September 30 or the 60 <sup>th</sup> day after receipt of certified tax roll
Lien Date	- January 1.
Due Date	- Not later than January 31.
Delinquent Date	- February 1, at which time the taxpayer is liable for penalty and interest.

**NOTE 4. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's bank deposits was \$16,840,962 and the bank balance was \$16,840,791. Of the bank balance, \$6,055,421 was covered by federal depository insurance and the balance was covered by the pledge of securities held in safekeeping by a third-party institution in the District's name or a letter of credit issued in the District's name.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2014, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 11,535,541	\$ 5,305,421	\$ 16,840,962

Investments

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

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers’ acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

All investments are recorded at cost, which the District considers to be fair value. The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. First Southwest Company and J.P. Morgan Investment Management, Inc. manage the daily operations of Tex STAR. The fair value of the District's position in the pools is the same as the value of pool shares.

As of December 31, 2014, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 5,469,165	\$ 5,469,165	\$	\$	\$
TexSTAR	3,221,974	3,221,974			
Certificates of Deposit	5,305,421	5,305,421			
<b>TOTAL INVESTMENTS</b>	<u>\$ 13,996,560</u>	<u>\$ 13,996,560</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2014, the District's investments in TexPool and TexSTAR were rated "AAAm" by Standard and Poor's. The District also manages credit risk by investing in certificates of deposits covered by FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and TexSTAR to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

**NOTE 5. FIRE PROTECTION SERVICES**

The District has contracted with the Community Protection Agency, Inc. (the "Department") to provide fire fighting and suppression services and emergency medical and rescue services to the residents of the District. The term of the current contract is for a period of six years effective January 1, 2010. The continuation of the contract from year to year is subject to the adoption each year of an operating and capital budget. Under the terms of the contract, the Department

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 5. FIRE PROTECTION SERVICES (Continued)**

agrees to provide fire fighting and suppression services and emergency medical and rescue services to all the residents and commercial interests within the geographic area of the District and those requesting mutual aid. The contract may be terminated by either party due to the other party committing a material breach of contract. Once notice has been given of a contract breach, the breaching party will have 90 days from the date of the notice to cure the breach or show to the satisfaction of the non-breaching party that no breach has occurred.

The Department agrees to submit annually, due each August, both an operating budget and a capital budget for approval by the District. The District agrees to pay to the Department monthly amounts as invoiced, which agree to the Department's approved budget. Each quarter, the Department will perform a reconciliation of the funds received and expended to identify those District funds which have been not been expended. The District shall vote either to re-allocate such unexpended funds for other current or prospective District-approved expenditures of the Department and purchases or to have the unexpended funds returned to the District for subsequent use and funding.

It is the agreement and intent of the District and the Department that the District be a lien holder (subordinate to a bona fide first lien holder) on those assets of the Department purchased in whole or in part with District funds or where title to any such asset is not otherwise in the District's name. The purpose of such lien holder status is to provide that in the event any such asset is sold, traded, assigned or conveyed to another person or entity for any reason or is damaged or subject to other casualty, the District will be reimbursed for its monetary contribution of District funds. If such asset was purchased wholly with District funds, the District's interest in the asset proceeds shall be for the entire amount. If such asset was purchased in part with District funds, the District's interest in the asset proceeds shall be based upon the pro-rata portion of the purchase price paid for with District funds.

The Department transfers emergency service billing revenues to the District on a monthly basis as they are received less the amount that the Department needs to maintain a \$10,000 reserve to cover refunds and adjustments. During the current fiscal year, the District received \$653,000 from current year collections.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 6. CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2014:

	January 1, 2014	Increases	Decreases	December 31, 2014
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 1,501,694	\$	\$	\$ 1,501,694
Construction in Progress	<u>1,345,674</u>	<u>4,090,217</u>	<u>307,012</u>	<u>5,128,879</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 2,847,368</u>	<u>\$ 4,090,217</u>	<u>\$ 307,012</u>	<u>\$ 6,630,573</u>
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 6,148,942	\$ 65,942	\$	\$ 6,214,884
Vehicles	8,363,338	30,411		8,393,749
Equipment	<u>853,212</u>	<u>210,659</u>		<u>1,063,871</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 15,365,492</u>	<u>\$ 307,012</u>	<u>\$ - 0 -</u>	<u>\$ 15,672,504</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ 1,093,486	\$ 169,702	\$	\$ 1,263,188
Vehicles	3,763,066	778,327		4,541,393
Equipment	<u>528,129</u>	<u>87,789</u>		<u>615,918</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 5,384,681</u>	<u>\$ 1,035,818</u>	<u>\$ - 0 -</u>	<u>\$ 6,420,499</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 9,980,811</u>	<u>\$ (728,806)</u>	<u>\$ - 0 -</u>	<u>\$ 9,252,005</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 12,828,179</u>	<u>\$ 3,361,411</u>	<u>\$ 307,012</u>	<u>\$ 15,882,578</u>

**NOTE 7. TOWER LEASE AGREEMENTS**

On August 26, 2005, the District entered into an agreement with Voicestream Houston, Inc. for the lease of one of the District's telecommunication towers. The rent payable to the District is \$1,650 per month. The initial term of the lease is 12 months with the option of seven years upon written notice to the District and payment of \$1,000. During the current fiscal year the District recorded revenue of \$19,800 from this lease.

On February 8, 2010, the District entered into an agreement with Clear Wire, LLC ("Clearwire") for the lease of one of the District's telecommunication towers. The rent payable to the District is \$1,500 per month. The initial term of the lease is 18 months with the option to extend the term for five successive five-year periods unless Clearwire notifies the District of its intention not to renew at least 30 days prior to commencement of any renewal term. During the current fiscal year, the District recorded revenue of \$19,500 from this lease.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 9. SALES AND USE TAX**

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

On November 6, 2007, the voters of the District approved the establishment and adoption of a sales and use tax of up to a maximum of one percent. On November 19, 2007, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, excluding any territory in the District where sales and use tax is currently two percent, effective April 1, 2008. During the current fiscal year, the District recorded \$6,905,252 in sales tax receipts, of which \$1,404,248 was due from the State Comptroller at December 31, 2014.

**NOTE 10. INTERLOCAL AGREEMENT FOR FORT BEND COUNTY MOBILITY ENHANCEMENT**

On December 13, 2011, the District executed the Interlocal Agreement for Fort Bend County Mobility Enhancement with Fort Bend County, Texas. The District agrees to allocate 25% of the District's local sales and use tax revenue generated in the area described as the portion of the District located in Fort Bend County and west of FM 1464. The District agrees to make quarterly payments to Fort Bend County. During the current fiscal year the District recorded total payments of \$1,100,255 to Fort Bend County in relation to this agreement, of which \$277,918 was recorded as a payable as of December 31, 2014. The term of this agreement is 15 years.

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**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2014**



**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 4,600,000	\$ 4,600,000	\$ 4,602,397	\$ 2,397
Sales Tax Receipts	5,500,000	5,500,000	6,905,252	1,405,252
EMS Collections	625,000	625,000	653,000	28,000
Lease Revenues	36,000	36,000	39,300	3,300
Penalty and Interest			48,107	48,107
Investment Revenues	25,000	25,000	46,369	21,369
Insurance Reimbursement			72,000	72,000
<b>TOTAL REVENUES</b>	<u>\$ 10,786,000</u>	<u>\$ 10,786,000</u>	<u>\$ 12,366,425</u>	<u>\$ 1,580,425</u>
<b>EXPENDITURES</b>				
Service Operations:				
District Services - Community Protection Agency, Inc.				
	\$ 6,726,659	\$ 5,544,407	\$ 3,725,027	\$ 1,819,380
Accounting and Auditing	30,000	30,000	22,350	7,650
Appraisal District Fees	35,000	35,000	33,009	1,991
Commissioner Fees	15,000	15,000	8,600	6,400
Legal Fees - General	55,000	55,000	47,278	7,722
Legal Fees - Delinquent Tax Collections			8,778	(8,778)
Sales Tax Consultant	50,000	50,000	44,962	5,038
Tax Assessor/Collector Fees	25,000	25,000	30,162	(5,162)
Repairs and Maintenance			1,879	(1,879)
Other	150,600	150,600	123,550	27,050
Fort Bend County	1,250,000	1,250,000	1,100,255	149,745
Capital Outlay	3,810,000	3,850,000	4,682,056	(832,056)
<b>TOTAL EXPENDITURES</b>	<u>\$ 12,147,259</u>	<u>\$ 11,005,007</u>	<u>\$ 9,827,906</u>	<u>\$ 1,177,101</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,361,259)	\$ (219,007)	\$ 2,538,519	\$ 2,757,526
<b>FUND BALANCE - JANUARY 1, 2014</b>	<u>22,217,214</u>	<u>22,217,214</u>	<u>22,217,214</u>	<u>                    </u>
<b>FUND BALANCE - DECEMBER 31, 2014</b>	<u>\$ 20,855,955</u>	<u>\$ 21,998,207</u>	<u>\$ 24,755,733</u>	<u>\$ 2,757,526</u>

See accompanying independent auditor's report.

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**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY HARRIS COUNTY**

**DECEMBER 31, 2014**



**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**LISTING OF THE NUMBER OF EMERGENCY**  
**RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(UNAUDITED)**

Number of emergency responses made within the District	6,995
Number of emergency responses made outside of the District	<u>81</u>
Total emergency responses	<u><u>7,076</u></u>

See accompanying independent auditor's report.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**SCHEDULE OF INSURANCE AND BONDING COVERAGE**  
**DECEMBER 31, 2014**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC OFFICIAL BOND Treasurer	01/01/14 01/01/15	\$ 100,000	Hartford Casualty Insurance Company
GENERAL LIABILITY General Aggregate Products/Completed Operations Personal and Advertising Injury Per Occurrence Damage to Rented Premises Medical Expense (Any one person)	12/01/14 12/01/15	\$ 3,000,000 3,000,000 1,000,000 1,000,000 1,000,000 5,000	American Alternative Insurance Corporation
MANAGEMENT LIABILITY Aggregate Each Occurrence	12/01/14 12/01/15	\$ 3,000,000 1,000,000	American Alternative Insurance Corporation
UMBRELLA LIABILITY General Aggregate Products/Completed Operations Each Occurrence	12/01/14 12/01/15	\$ 6,000,000 6,000,000 3,000,000	American Alternative Insurance Corporation
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	12/01/14 12/01/15	\$ 1,000,000	American Alternative Insurance Corporation
PROPERTY LIABILITY Buildings Contents Deductible	12/01/14 12/01/15	\$ 7,511,184 16,330 5,000	American Alternative Insurance Corporation
WORKERS COMPENSATION Bodily Injury by Accident Disease Policy Limit Bodily Injury by Disease	11/17/14 11/17/15	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company
CRIME POLICY Public Employee Blanket Bond Position Schedule Bond-Treasurer	12/01/14 12/01/15	\$ 100,000 100,000	American Alternative Insurance Corporation

See accompanying independent auditor's report.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**STATEMENT OF ACTIVITIES**  
**COMMUNITY PROTECTION AGENCY, INC.**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(UNAUDITED)**

REVENUES AND OTHER SUPPORT	
Harris-Fort Bend ESD No. 100	\$ 3,755,512
EMS Billing Revenue	738,741
Miscellaneous Receipts	5,236
Interest Income	<u>569</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>\$ 4,500,058</u>
EXPENSES	
OPERATING EXPENSES:	
Administrative	\$ 905,361
Communications	214,654
Emergency Medical Service Operations	247,723
Fuel	126,692
Insurance Expense	144,578
Repairs and Maintenance	442,934
Salaries and Payroll Taxes	1,638,836
Station Expenses	349,713
Suppression and Rescue Equipment	255,827
Training	100,163
Personnel Support Expense	<u>128,428</u>
TOTAL OPERATING EXPENSES	<u>\$ 4,554,909</u>
INCREASE IN NET ASSETS	\$ (54,851)
NET ASSETS - JANUARY 1, 2014	<u>1,035,022</u>
NET ASSETS - DECEMBER 31, 2014	<u>\$ 980,171</u>

See accompanying independent auditor's report.

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**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2014**



**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Property Taxes	
TAXES RECEIVABLE - JANUARY 1, 2014	\$ 2,479,457	
Adjustments to Beginning Balance	(79,942)	\$ 2,399,515
Original 2014 Tax Levy	\$ 4,162,187	
Adjustment to 2014 Tax Levy	242,570	4,404,757
TOTAL TO BE ACCOUNTED FOR		\$ 6,804,272
TAX COLLECTIONS:		
Prior Years	\$ 2,313,841	
Current Year	2,206,470	4,520,311
TAXES RECEIVABLE - DECEMBER 31, 2014		\$ 2,283,961
TAXES RECEIVABLE BY YEAR:		
2014		\$ 2,198,287
2013		22,347
2012		11,908
2011		9,218
2010		7,325
2009		8,202
2008		7,171
2007		4,565
2006		4,246
2005		4,580
2004		4,602
2003		456
2002		524
2001		168
2000		187
1999		83
1998		92
TOTAL		\$ 2,283,961

See accompanying independent auditor's report.

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**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>HARRIS COUNTY</b>				
TOTAL PROPERTY VALUATIONS**	\$ <u>1,930,901,993</u>	\$ <u>1,965,565,078</u>	\$ <u>1,911,782,669</u>	\$ <u>1,962,818,188</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.08840</u>	\$ <u>0.08840</u>	\$ <u>0.09000</u>	\$ <u>0.09000</u>
ADJUSTED TAX LEVY*	\$ <u>1,706,918</u>	\$ <u>1,737,559</u>	\$ <u>1,720,612</u>	\$ <u>1,766,537</u>
<b>FORT BEND COUNTY</b>				
TOTAL PROPERTY VALUATIONS**	\$ <u>3,051,200,195</u>	\$ <u>3,281,475,515</u>	\$ <u>3,140,238,957</u>	\$ <u>3,095,450,290</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.08840</u>	\$ <u>0.08840</u>	\$ <u>0.09000</u>	\$ <u>0.09000</u>
ADJUSTED TAX LEVY*	\$ <u>2,697,839</u>	\$ <u>2,901,127</u>	\$ <u>2,827,265</u>	\$ <u>2,787,700</u>
<b>TOTAL TAX LEVY*</b>	\$ <u>4,404,757</u>	\$ <u>4,638,686</u>	\$ <u>4,547,877</u>	\$ <u>4,554,237</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>50.09</u> %	<u>99.52</u> %	<u>99.74</u> %	<u>99.80</u> %

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

\*\* Includes Exemptions

See accompanying independent auditor's report.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amount		
	2014	2013	2012
<b>REVENUES</b>			
Property Taxes	\$ 4,602,397	\$ 4,519,928	\$ 4,539,067
Sales Tax Receipts	6,905,252	6,004,930	5,064,157
EMS Collections	653,000	606,000	724,099
Lease Revenues	39,300	37,800	36,648
Penalty and Interest	48,107	61,199	59,169
Investment Revenues	46,369	39,889	48,760
Insurance Reimbursement	72,000		
Miscellaneous Revenues		10	10
<b>TOTAL REVENUES</b>	\$ 12,366,425	\$ 11,269,756	\$ 10,471,910
<b>EXPENDITURES</b>			
District Services - Community Protection Agency, Inc.	\$ 3,725,027	\$ 3,348,582	\$ 3,350,179
Accounting and Auditing	22,350	22,400	22,300
Appraisal District Fees	33,009	28,902	30,950
Commissioner Fees	8,600	8,750	7,950
Legal Fees - General	47,278	52,945	39,410
Legal Fees - Delinquent Tax Collections	8,778	12,635	12,966
Sales Tax Consultant	44,962	33,747	33,277
Tax Assessor/Collector Fees	30,162	23,944	37,240
Repairs and Maintenance	1,879	51,662	50,160
Other	123,550	51,706	47,455
Fort Bend County	1,100,255	935,563	781,476
Capital Outlay	4,682,056	1,563,607	2,120,486
Debt Service:			
Note Principal			1,104,500
Note Interest			48,195
<b>TOTAL EXPENDITURES</b>	\$ 9,827,906	\$ 6,134,443	\$ 7,686,544
<b>NET CHANGE IN FUND BALANCE</b>	\$ 2,538,519	\$ 5,135,313	\$ 2,785,366
<b>BEGINNING FUND BALANCE</b>	22,217,214	17,081,901	14,296,535
<b>ENDING FUND BALANCE</b>	\$ 24,755,733	\$ 22,217,214	\$ 17,081,901

See accompanying independent auditor's report.

Percentage of Total Revenues

		Percentage of Total Revenues				
2011	2010	2014	2013	2012	2011	2010
\$ 4,598,467	\$ 5,088,163	37.2 %	40.1 %	43.3 %	52.6 %	61.5 %
3,314,154	2,429,997	55.8	53.3	48.4	37.8	29.4
655,000	550,000	5.3	5.4	6.9	7.5	6.6
36,000	32,661	0.3	0.3	0.3	0.4	0.4
90,822	110,395	0.4	0.5	0.6	1.0	1.3
62,558	67,234	0.4	0.4	0.5	0.7	0.8
		0.6				
10	2,083					
\$ 8,757,011	\$ 8,280,533	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 2,914,099	\$ 2,904,632	30.1 %	29.7 %	32.0 %	33.3 %	35.1 %
19,400	19,400	0.2	0.2	0.2	0.2	0.2
29,628	31,193	0.3	0.3	0.3	0.3	0.4
6,550	7,000	0.1	0.1	0.1	0.1	0.1
66,686	44,175	0.4	0.5	0.4	0.8	0.5
24,932	31,513	0.1	0.1	0.1	0.3	0.4
58,479	15,000	0.4	0.3	0.3	0.7	0.2
32,386	28,520	0.2	0.2	0.4	0.4	0.3
57,904	47,598		0.5	0.5	0.7	0.6
32,477	93,599	1.0	0.5	0.5	0.4	1.1
539,471		8.9	8.3	7.5	6.2	
2,195,378	345,208	37.9	13.9	20.2	25.1	4.2
285,714	285,714			10.5	3.3	3.5
66,915	80,184			0.5	0.8	1.0
\$ 6,330,019	\$ 3,933,736	79.6 %	54.6 %	73.5 %	72.6 %	47.6 %
\$ 2,426,992	\$ 4,346,797	20.4 %	45.4 %	26.5 %	27.4 %	52.4 %
11,869,543	7,522,746					
\$ 14,296,535	\$ 11,869,543					

See accompanying independent auditor's report.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2014**

District Mailing Address - Harris-Fort Bend Emergency Services District No. 100  
c/o Coveler & Katz, P.C.  
820 Gessner, Suite 1710  
Houston, Texas 77024

District Telephone Number - (713) 984-8222

<u>Board Members</u>	<u>Term of Office (Appointed or Elected)</u>	<u>Fees of Office for the year ended December 31, 2014</u>	<u>Expense Reimbursements for the year ended December 31, 2014</u>	<u>Title</u>
Leland D. Terry	06/01/14 05/31/18 (Elected)	\$ 2,200	\$ -0-	President
Jeff Jernberg	06/01/12 05/31/16 (Elected)	\$ 850	\$ -0-	Vice President
Robert L. Perez	06/01/14 05/31/18 (Elected)	\$ 2,950	\$ 1,522	Treasurer/ Investment Officer
Mary Blondell	06/01/14 05/31/18 (Elected)	\$ 1,250	\$ 315	Secretary
Janie Bickford	10/15/14 05/31/16 (Elected)	\$ 150	\$ -0-	Assistant Treasurer/ Assistant Secretary

The limit of fees of office that a Commissioner may receive during a year is \$3,000 as set by the Health and Safety Code-Chapter 775. Fees of office and expense reimbursements are the amounts actually paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2014**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2014*</u>	<u>Title</u>
Coveler & Katz, P.C.		\$ 74,835	Attorney
McCall Gibson Swedlund Barfoot PLLC	04/06/04	\$ 12,000	Auditor
Myrtle Cruz, Inc.		\$ 12,237	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 8,778	Delinquent Tax Attorney
Harris County Tax Assessor	Legislative Action	\$ 22,036	Tax Assessor/ Collector
Fort Bend County Tax Assessor	Legislative Action	\$ 8,126	Tax Assessor/ Collector
Tax Revenue Consultants, LLC	08/10/10	\$ 44,962	Tax Consultant

\* Accrual basis

See accompanying independent auditor's report.

