

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	7-8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	10
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	11
NOTES TO THE FINANCIAL STATEMENTS	12-20
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	22
SUPPLEMENTARY INFORMATION REQUIRED BY FORT BEND COUNTY	
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA	24
LISTING OF THE NUMBER OF EMERGENCY RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT	25
SCHEDULE OF INSURANCE AND BONDING COVERAGE	26
STATEMENT OF ACTIVITIES – NORTHEAST FORT BEND COUNTY FIRE DEPARTMENT	27
OTHER SUPPLEMENTARY INFORMATION	
TAXES LEVIED AND RECEIVABLE	29-30
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – GENERAL FUND – FIVE YEARS	31-32
BOARD OF COMMISSIONERS AND CONSULTANTS	33-34

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Fort Bend County Emergency
Services District No. 5
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Emergency Services District No. 5 (the "District"), as of and for the year ended December 31, 2016, 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 District'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 each major fund of the District as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 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 Fort Bend County and the other supplementary information are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

April 11, 2017

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Management's discussion and analysis of Fort Bend County Emergency Services District No. 5's (the "District") financial performance provides an overview of the District's financial activities for the year ended December 31, 2016. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective 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 financial statements is the Statement of Net Position. 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 Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has two governmental fund types. The General Fund accounts for resources not accounted for in another fund, property tax revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing debt and the cost of assessing and collecting taxes.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$764,190 as of December 31, 2016.

A portion of the District's net position reflects its net investment in capital assets (capital assets less any debt used to acquire those assets that are still outstanding). The District uses these assets to provide firefighting services. The following is a comparative analysis of government-wide change in net position:

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2016	2015	Change Positive (Negative)
Current and Other Assets	\$ 2,825,776	\$ 2,566,628	\$ 259,148
Capital Assets (Net of Accumulated Depreciation)	2,491,585	2,590,767	(99,182)
Total Assets	\$ 5,317,361	\$ 5,157,395	\$ 159,966
Long-Term Liabilities	\$ 2,119,914	\$ 2,247,107	\$ 127,193
Other Liabilities	303,069	405,015	101,946
Total Liabilities	\$ 2,422,983	\$ 2,652,122	\$ 229,139
Deferred Inflows of Resources	\$ 2,130,188	\$ 1,725,199	\$ (404,989)
Net Position:			
Net Investment in Capital Assets	\$ 244,611	\$ 220,958	\$ 23,653
Unrestricted	519,579	559,116	(39,537)
Total Net Position	\$ 764,190	\$ 780,074	\$ (15,884)

*

The following table provides a summary of the District's operations for the year ended December 31, 2016 and December 31, 2015.

	Summary of Changes in the Statement of Activities		
	2016	2015	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,713,978	\$ 1,699,415	\$ 14,563
Other Revenues	17,930	340,269	(322,339)
Total Revenues	\$ 1,731,908	\$ 2,039,684	\$ (307,776)
Expenses for Services	(1,747,792)	(1,597,700)	(150,092)
Change in Net Position	\$ (15,884)	\$ 441,984	\$ (457,868)
Net Position, Beginning of Year	780,074	338,090	441,984
Net Position, End of Year	\$ 764,190	\$ 780,074	\$ (15,884)

*

* As Adjusted, Note 11

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FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of December 31, 2016, were \$529,521, a decrease of \$44,159 from the prior year.

The District's General Fund fund balance decreased by \$44,159, primarily due to construction costs related to a new fire station were paid from prior year note proceeds.

BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$66,544 more than budgeted revenues. Actual expenditures were \$322,391 less than budgeted. See the budget to actual comparison.

CAPITAL ASSETS

Capital assets as of December 31, 2016, total \$2,491,585 (net of accumulated depreciation) and include building and improvements.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2016	2015	Change Positive (Negative)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	\$ 2,149,588	\$ 2,205,888	\$ (56,300)
Firefighting Apparatus	<u>341,997</u>	<u>384,879</u>	<u>(42,882)</u>
Total Net Capital Assets	<u>\$ 2,491,585</u>	<u>\$ 2,590,767</u>	<u>\$ (99,182)</u>

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

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had debt payable of \$2,246,974. The changes in the debt position of the District during the current year ended December 31, 2016, are summarized as follows:

Long-Term Debt Payable, January 1, 2016	\$ 2,369,809
Less: Note Principal Paid	<u>122,835</u>
Long-Term Debt Payable, December 31, 2016	<u>\$ 2,246,974</u>

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Emergency Services District No. 5, c/o Coveler & Peeler, P.C., 820 Gessner, Suite 1710, Houston, Texas 77024.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2016

	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
Cash	\$ 990,545	\$
Cash with Fort Bend County	896,569	
Receivables:		
Property Taxes	836,442	89,821
Penalty and Interest on Delinquent Taxes		
Due from Other Funds		123,117
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	<u><u>\$ 2,723,556</u></u>	<u><u>\$ 212,938</u></u>
LIABILITIES		
Accounts Payable	\$ 125,953	\$
Accrued Interest Payable		
Due to Other Funds	123,117	
Long-Term Liabilities:		
Due Within One Year		
Due After One Year		
TOTAL LIABILITIES	<u><u>\$ 249,070</u></u>	<u><u>\$ -0-</u></u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u><u>\$ 1,944,965</u></u>	<u><u>\$ 212,938</u></u>
FUND BALANCES		
Assigned to 2017 Budget	\$ 12,445	\$
Unassigned	<u><u>517,076</u></u>	
TOTAL FUND BALANCES	<u><u>\$ 529,521</u></u>	<u><u>\$ - 0 -</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 2,723,556</u></u>	<u><u>\$ 212,938</u></u>
NET POSITION		
Net Investment in Capital Assets		
Unrestricted		
TOTAL NET POSITION		

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 990,545	\$	\$ 990,545
896,569		896,569
926,263		926,263
123,117	12,399	12,399
	(123,117)	
	<u>2,491,585</u>	<u>2,491,585</u>
<u>\$ 2,936,494</u>	<u>\$ 2,380,867</u>	<u>\$ 5,317,361</u>
\$ 125,953	\$	\$ 125,953
	50,056	50,056
123,117	(123,117)	
	127,060	127,060
	<u>2,119,914</u>	<u>2,119,914</u>
<u>\$ 249,070</u>	<u>\$ 2,173,913</u>	<u>\$ 2,422,983</u>
<u>\$ 2,157,903</u>	<u>\$ (27,715)</u>	<u>\$ 2,130,188</u>
12,445	\$ (12,445)	\$
<u>517,076</u>	<u>(517,076)</u>	
<u>\$ 529,521</u>	<u>\$ (529,521)</u>	<u>\$ - 0 -</u>
<u>\$ 2,936,494</u>		
	\$ 244,611	\$ 244,611
	<u>519,579</u>	<u>519,579</u>
	<u>\$ 764,190</u>	<u>\$ 764,190</u>

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Total Fund Balances - Governmental Funds	\$	529,521
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		2,491,585
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Deferred tax revenues and uncollected penalty and interest revenues on delinquent taxes for the 2015 and prior tax levies became part of recognized revenue in the governmental activities of the District.		40,114
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (50,056)	
Notes Payable Within One Year	(127,060)	
Notes Payable After One Year	<u>(2,119,914)</u>	<u>(2,297,030)</u>

Total Net Position - Governmental Activities	\$	<u><u>764,190</u></u>
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The accompanying notes to the financial
statements are an integral part of this report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 1,712,927	\$ 1,051	\$ 1,713,978
Penalty and Interest	15,255	1,133	16,388
Investment Revenues	<u>1,542</u>	<u></u>	<u>1,542</u>
TOTAL REVENUES	<u>\$ 1,729,724</u>	<u>\$ 2,184</u>	<u>\$ 1,731,908</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department			
Monthly Fees	\$ 1,422,288	\$	\$ 1,422,288
Capital Costs	62,286		62,286
Accounting and Auditing	17,300		17,300
Appraisal District Fees	10,867		10,867
Commissioner Fees	3,950		3,950
Depreciation		99,182	99,182
Legal Fees - General	22,865		22,865
Legal Fees - Delinquent Tax Collections	3,980		3,980
Tax Assessor Collector Fees	6,048		6,048
Other	11,330		11,330
Debt Service:			
Principal	122,835	(122,835)	
Interest	<u>90,134</u>	<u>(2,438)</u>	<u>87,696</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 1,773,883</u>	<u>\$ (26,091)</u>	<u>\$ 1,747,792</u>
NET CHANGE IN FUND BALANCE	\$ (44,159)	\$ 44,159	\$
CHANGE IN NET POSITION		(15,884)	(15,884)
FUND BALANCE/NET POSITION - JANUARY 1, 2016, AS ADJUSTED	<u>573,680</u>	<u>206,394</u>	<u>780,074</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2016	<u><u>\$ 529,521</u></u>	<u><u>\$ 234,669</u></u>	<u><u>\$ 764,190</u></u>

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net Change in Fund Balance - Governmental Fund	\$ (44,159)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	1,051
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Governmental funds report delinquent tax penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when the penalty and interest are assessed.	1,133
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(99,182)
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Governmental funds report principal payments on long-term liabilities as expenditures in the year paid. However, in the government-wide financial statements, liabilities are reduced when principal payments are made and the Statement of Activities is not affected.	122,835
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Governmental funds report interest payments on long-term liabilities as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on long-term liabilities through the fiscal year-end.	<div style="border-top: 1px solid black; display: inline-block;">2,438</div>
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Change in Net Position - Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ (15,884)</div>
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The accompanying notes to the financial
statements are an integral part of this report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1. CREATION OF DISTRICT

Fort Bend County Emergency Services District No. 5 was created by the Commissioners' Court of the County of Fort Bend on May 12, 2007, 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 rescue 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 appointed 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 appointed governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

Financial Statement Presentation

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

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 revenue and expense in 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 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

The District has two major governmental funds.

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

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing debt and the costs of assessing and collecting taxes.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include 2015 tax levy collections during the period October 1, 2015, to December 31, 2016, and taxes collected from January 1, 2016, to December 31, 2016, for the 2014 and prior tax levies. The 2016 tax levy has been fully deferred to meet the District’s planned expenditures in the 2017 fiscal year.

Capital Assets

Capital assets, if any, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset after completion. 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:

	<u>Years</u>
Buildings and Improvements	20-40
Firefighting Apparatus	4-15

Budgeting

In compliance with governmental accounting principles, the Board of Commissioners annually adopts an unappropriated budget for the General Fund. The budget was not 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 determined that fees of office received by Commissioners are considered to be wages subject to federal income tax withholding for payroll purposes only.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and liabilities 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:

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 does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of December 31, 2016, the District assigned \$12,445 of the current General Fund fund balance to cover a portion of the 2017 budget deficit.

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.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

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

NOTE 3. TAX LEVY

Voters of the District have approved a maximum tax rate of \$0.10 per \$100 of assessed valuation. During the year ended December 31, 2016, the District levied an ad valorem maintenance tax at the rate of \$0.071103 per \$100 of assessed valuation for the 2016 tax year. This resulted in a tax levy of \$1,917,249 on the adjusted taxable valuation of \$2,696,225,684 for the 2016 tax year. The 2016 levy has been fully deferred to meet the operating expenditures for the 2017 fiscal year.

During the year ended December 31, 2016, the District levied an ad valorem debt service tax rate of \$0.007897 per \$100 of assessed valuation, which resulted in a tax levy of \$212,938 on the adjusted taxable valuation of \$2,696,225,684 for the 2016 tax year. The 2016 levy has been fully deferred to meet the principal and interest due for the 2017 fiscal year.

The District's tax calendar is as follows:

- | | |
|-----------------|---|
| Levy Date | - Before the later of September 30 th or the 60 th day after the receipt of the 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.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$990,545 and the bank balance was \$990,506. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was covered by a pledge of securities held in safekeeping by a third party institution in the District's name.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2016, as listed below:

	<u>Cash</u>
TOTAL DEPOSITS	\$ <u>990,545</u>

Investments

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

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,

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

(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. As of December 31, 2016, the District did not have any investments.

NOTE 5. CAPITAL ASSETS

	January 1, 2016	Increases	Decreases	December 31, 2016
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 2,205,888	\$	\$	\$ 2,205,888
Firefighting Apparatus	427,643			427,643
Total Capital Assets Subject to Depreciation	<u>\$ 2,633,531</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 2,633,531</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$	\$ 56,300	\$	\$ 56,300
Firefighting Apparatus	42,764	42,882		85,646
Total Accumulated Depreciation	<u>\$ 42,764</u>	<u>\$ 99,182</u>	<u>\$ - 0 -</u>	<u>\$ 141,946</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,590,767</u>	<u>\$ (99,182)</u>	<u>\$ - 0 -</u>	<u>\$ 2,491,585</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,590,767</u>	<u>\$ (99,182)</u>	<u>\$ - 0 -</u>	<u>\$ 2,491,585</u>
	*			

* As Adjusted, Note 11

NOTE 6. CONTRACT FOR FIRE PROTECTION AND RESCUE SERVICES

On January 13, 2009, the District executed a contract for providing fire protection and rescue services with the Northeast Fort Bend County Fire Department, Inc. (the "Department"). The term of the original contract was from January 1, 2009, to December 31, 2009, renewable from year to year by amendment. On July 9, 2013, the contract was revised extending the term to 20 years. Under the terms of the contract, the Department agrees to provide fire protection and rescue services to all the residents and commercial interests in the service area.

The Department agreed to submit a budget indicating proposed operating, capital and debt expenditures at the District's September meeting each year for the District's review and approval. The District agreed to provide periodic payments to the Department based on the approved budgets. Ownership of all assets of the Department shall remain with the Department during the term of this contract. Responsibility for operating, maintaining, repairing and insuring any facilities by which fire protection and rescue services are provided belongs solely to the Department.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 6. CONTRACT FOR FIRE PROTECTION AND RESCUE SERVICES
(Continued)

For the year ended December 31, 2016, the District paid the Department \$1,422,288 for operations and maintenance costs and \$62,286 for capital costs.

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; and error and omissions for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage in the past three years.

NOTE 8. OPERATING LEASE

Effective October 1, 2011, and as amended on January 7, 2014, the District entered into a ground lease agreement with Fort Bend County for 2.289 acres of land. The District will be allowed to construct, operate and maintain a fire station on the premises. The lease term is 99 years at a cost of \$1 per year.

NOTE 9. NOTES PAYABLE

On June 11, 2013, the District entered into a \$1,500,000 construction loan agreement with Government Capital Corporation to fund the construction of a fire station, secured by tax funds. Annual installments of \$108,207.43 are due each June 1, beginning June 1, 2014, and ending June 1, 2033. The interest rate is 3.806%.

On November 11, 2014, the District entered into a \$600,000 construction loan agreement with Government Capital Corporation to fund additional costs of the fire station, secured by ad valorem tax funds. Annual installments of \$46,277.30 are due each June 1, beginning June 1, 2015, and ending June 1, 2033. The interest rate is 4.393%.

On June 11, 2013, the District entered into a \$500,000 promissory note with Government Capital Corporation to fund the acquisition of a pumper truck, secured by ad valorem tax funds. Annual installments of \$58,484.22 are due each June 1, beginning June 1, 2014, and ending June 1, 2023. The interest rate is 2.996%.

The following is a summary of transactions regarding notes payable for the year ended December 31, 2016:

	January 1, 2016	Additions	Retirements	December 31, 2016
Notes Payable	\$ 2,369,809	\$ - 0 -	\$ 122,835	\$ 2,246,974
		Amount Due Within One Year		\$ 127,060
		Amount Due After One Year		2,119,914
		Notes Payable		<u>\$ 2,246,974</u>

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 9. NOTES PAYABLE (Continued)

As of December 31, 2016, the debt service requirements on the notes payable were as follows:

Fiscal Year	Principal	Interest	Total
2017	\$ 127,060	\$ 85,777	\$ 212,837
2018	131,779	81,191	212,970
2019	136,533	76,436	212,969
2020	141,463	71,505	212,968
2021	146,575	66,393	212,968
2022-2026	635,643	253,751	889,394
2027-2031	636,469	135,956	772,425
2032-2033	291,452	17,516	308,968
	<u>\$ 2,246,974</u>	<u>\$ 788,525</u>	<u>\$ 3,035,499</u>

The assets acquired with these notes, are operated, maintained and insured by the Department.

NOTE 10. CONTRIBUTION

On April 14, 2015, the District entered into an agreement with Fort Bend County ("County") for construction of a fire station for mutual benefit of each party. The District is solely responsible for the construction of the station and will provide space for the County's medical service division personnel and vehicles to be stationed at the fire station. The station will be operated and maintained by the District. The County agrees to provide funding to the District for 15% of the estimated \$2,500,000 design and build costs up to, but not to exceed, \$375,000. The agreement will terminate on September 30, 2016, or upon completion of the project. During the current year, the County reimbursed the District \$322,320, for its share of construction.

NOTE 11. PRIOR PERIOD ADJUSTMENT

In a prior year, the District purchased a pumper truck for use by the Department. The purchase was incorrectly recorded as funding to the Department. It should have been recorded as an asset of the District. The effect of making this correction is as follows:

Net Position - January 1, 2016	\$ 395,195
Effect of Adjustment	384,879
Net Position - January 1, 2016, As Adjusted	<u>\$ 780,074</u>

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FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 1,662,180	\$ 1,712,927	\$ 50,747
Penalty and Interest		15,255	15,255
Investment Revenues	<u>1,000</u>	<u>1,542</u>	<u>542</u>
TOTAL REVENUES	<u>\$ 1,663,180</u>	<u>\$ 1,729,724</u>	<u>\$ 66,544</u>
EXPENDITURES			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department	\$ 1,726,102	\$ 1,484,574	\$ 241,528
Accounting and Auditing	17,800	17,300	500
Appraisal District Fees	18,500	10,867	7,633
Commissioner Fees	7,000	3,950	3,050
Legal Fees - General	14,000	22,865	(8,865)
Legal Fees - Delinquent Tax Collections		3,980	(3,980)
Tax Assessor Collector Fees		6,048	(6,048)
Other	12,836	11,330	1,506
Capital Outlay	87,000		87,000
Debt Service:			
Principal	122,835	122,835	
Interest	<u>90,201</u>	<u>90,134</u>	<u>67</u>
TOTAL EXPENDITURES	<u>\$ 2,096,274</u>	<u>\$ 1,773,883</u>	<u>\$ 322,391</u>
NET CHANGE IN FUND BALANCE	\$ (433,094)	\$ (44,159)	\$ 388,935
FUND BALANCE - JANUARY 1, 2016	<u>573,680</u>	<u>573,680</u>	
FUND BALANCE - DECEMBER 31, 2016	<u><u>\$ 140,586</u></u>	<u><u>\$ 529,521</u></u>	<u><u>\$ 388,935</u></u>

See accompanying independent auditor's report.

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FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

SUPPLEMENTARY INFORMATION

REQUIRED BY FORT BEND COUNTY

DECEMBER 31, 2016

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA
DECEMBER 31, 2016
(UNAUDITED)

Long-Term Debt at December 31, 2016	\$ 2,246,974
Less: Amount in Debt Service Fund	<u> </u>
Net Long-Term Debt at December 31, 2016	<u>\$ 2,246,974</u>
Estimated District Population*	<u>46,911</u>
Net Long-Term Debt Per Capita at December 31, 2016	<u>\$ 47.90</u>

* 2010 Census

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
LISTING OF THE NUMBER OF EMERGENCY
RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT -
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Number of Emergency Responses made Within the District	2,477
Number of Emergency Responses made Outside of the District	<u>-0-</u>
Total Emergency Responses	<u><u>2,477</u></u>

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2016

Type of Coverage	From To	Amount of Coverage	Insurer/Name
FIDELITY BONDS			
Treasurer's Bond	12/15/16 12/15/17	\$ 100,000	Hartford Casualty Company
Position Schedule Bond	12/15/16 12/15/17	10,000	Merchants Bonding Company
Per Commissioner Aggregate		50,000	
Public Employee Blanket Crime Bond	12/15/16 12/15/17	10,000	Hartford Casualty Company
COMMERCIAL GENERAL LIABILITY	12/15/16 12/15/17		Mid-Continent Casualty Company
General Aggregate		\$ 3,000,000	
Each Occurrence		1,000,000	
Personal/Advertising Injury		1,000,000	
Product Liability		3,000,000	
Damages to Premises Rented		100,000	
Hired Car and Non-Ownership Auto Liability		1,000,000	
DIRECTORS AND OFFICERS LIABILITY	12/15/16 12/15/17		Mid-Continent Casualty Company
Per Claim		\$ 1,000,000	
PROPERTY	12/15/16 12/15/17		Travelers Property Casualty
Special Deluxe Property Form Coverage		\$ 2,000,000	
Real/Personal Property		1,000,000	
Flood and Quake		100,000	
Extra Expense			
UMBRELLA	12/15/16 12/15/17		Mid-Continent Casualty Company
General Liability		\$ 1,000,000	
Pollution Liability		1,000,000	
Automobile Liability		1,000,000	
Employers Liability		1,000,000	

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
STATEMENT OF ACTIVITIES -
NORTHEAST FORT BEND COUNTY FIRE DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

REVENUES

Fort Bend County Emergency Services District No. 5	\$ 1,493,013
Miscellaneous	14,775
TOTAL REVENUES	<u>\$ 1,507,788</u>

EXPENSES

Communications Equipment	\$ 3,689
Dues and Subscriptions	3,884
Education and Training	47,905
EMS Supplies	8,721
Fire Equipment	29,638
Fuel	14,088
Insurance	106,104
Interest	1,091
Legal and Professional Fees	3,525
Miscellaneous	3,110
Payroll Expense	989,453
Rescue Equipment	5,749
Service Fees	4,615
Station 1 Costs	123,406
Truck Maintenance	35,215
Utilities	49,534
TOTAL EXPENSES	<u>\$ 1,429,727</u>

CHANGE IN NET POSITION	\$ 78,061
NET ASSETS - January 1, 2016	<u>1,237,318</u>
NET ASSETS - December 31, 2016	<u><u>\$ 1,315,379</u></u>

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2016	\$ 778,321		\$	
Adjustments to Beginning Balance	<u>(11,221)</u>	\$ 767,100	<u></u>	\$ -0-
Original 2016 Tax Levy	\$ 1,869,176		\$ 207,599	
Adjustment to 2016 Tax Levy	<u>48,073</u>	<u>1,917,249</u>	<u>5,339</u>	<u>212,938</u>
TOTAL TO BE ACCOUNTED FOR		\$ 2,684,349		\$ 212,938
TAX COLLECTIONS:				
Prior Years	\$ 739,385		\$	
Current Year	<u>1,108,522</u>	<u>1,847,907</u>	<u>123,117</u>	<u>123,117</u>
TAXES RECEIVABLE - DECEMBER 31, 2016		<u>\$ 836,442</u>		<u>\$ 89,821</u>
TAXES RECEIVABLE BY YEAR:				
2016		\$ 808,727		\$ 89,821
2015		10,374		
2014		4,990		
2013		3,675		
2012		3,308		
2011		1,861		
2010		1,457		
2009		1,141		
2008		<u>909</u>		<u></u>
TOTAL		<u>\$ 836,442</u>		<u>\$ 89,821</u>

See accompanying independent auditor's reports.

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FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 2,696,225,684</u>	<u>\$ 2,417,358,986</u>	<u>\$ 2,124,915,085</u>	<u>\$ 2,027,942,748</u>
TAX RATES PER \$100 VALUATION:				
Operating	\$ 0.071103	\$ 0.071348	\$ 0.079044	\$ 0.083411
Debt Service	<u>0.007897</u>			
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.079000</u>	<u>\$ 0.071348</u>	<u>\$ 0.079044</u>	<u>\$ 0.083411</u>
ADJUSTED TAX LEVY*	<u>\$ 2,130,187</u>	<u>\$ 1,725,199</u>	<u>\$ 1,680,107</u>	<u>\$ 1,691,671</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>57.82 %</u>	<u>99.40 %</u>	<u>99.70 %</u>	<u>99.78 %</u>

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

See accompanying independent auditor's reports.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2016	2015	2014
REVENUES			
Property Taxes	\$ 1,712,927	\$ 1,695,274	\$ 1,687,134
Penalty and Interest	15,255	12,727	15,706
Investment Revenues	<u>1,542</u>	<u>2,560</u>	<u>1,932</u>
TOTAL REVENUES	<u>\$ 1,729,724</u>	<u>\$ 1,710,561</u>	<u>\$ 1,704,772</u>
EXPENDITURES			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department	\$ 1,484,574	\$ 1,434,029	\$ 1,691,912
Accounting and Auditing	17,300	17,800	16,275
Appraisal District Fees	10,867	11,182	11,648
Commissioner Fees	3,950	4,500	7,400
Legal Fees - General	22,865	17,683	18,272
Legal Fees - Delinquent Tax Collections	3,980	3,523	4,229
Tax Assessor Collector Fees	6,048	4,440	5,640
Other	11,330	12,337	10,519
Capital Outlay		2,074,879	117,180
Debt Service:			
Principal	122,835	130,561	99,630
Interest	<u>90,134</u>	<u>82,474</u>	<u>67,062</u>
TOTAL EXPENDITURES	<u>\$ 1,773,883</u>	<u>\$ 3,793,408</u>	<u>\$ 2,049,767</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (44,159)</u>	<u>\$ (2,082,847)</u>	<u>\$ (344,995)</u>
OTHER FINANCING SOURCES (USES)			
Contribution from Fort Bend County	\$ - 0 -	\$ 322,320	\$ - 0 -
Note Proceeds	<u></u>	<u></u>	<u>600,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ 322,320</u>	<u>\$ 600,000</u>
NET CHANGE IN FUND BALANCE	\$ (44,159)	\$ (1,760,527)	\$ 255,005
BEGINNING FUND BALANCE	<u>573,680</u>	<u>2,334,207</u>	<u>2,079,202</u>
ENDING FUND BALANCE	<u>\$ 529,521</u>	<u>\$ 573,680</u>	<u>\$ 2,334,207</u>

See accompanying independent auditor's reports.

		Percentage of Total Revenues											
2013		2012		2016		2015		2014		2013		2012	
\$	1,671,784	\$	1,511,310	99.0	%	99.1	%	99.0	%	99.0	%	99.0	%
	15,454		15,060	0.9		0.8		0.9		0.9		1.0	
	1,084		718	0.1		0.1		0.1		0.1			
\$	1,688,322	\$	1,527,088	100.0	%	100.0	%	100.0	%	100.0	%	100.0	%
\$	1,660,484	\$	1,515,188	85.8	%	83.8	%	99.3	%	98.4	%	99.2	
	16,450		16,300	1.0		1.0		1.0		1.0		1.1	
	9,752		9,052	0.6		0.7		0.7		0.6		0.6	
	6,450		6,500	0.2		0.3		0.4		0.4		0.4	
	12,786		12,344	1.3		1.0		1.1		0.8		0.8	
	3,959		3,910	0.2		0.2		0.2		0.2		0.2	
	5,571		5,584	0.3		0.3		0.3		0.3		0.4	
	7,560		7,184	0.7		0.7		0.6		0.4		0.5	
	13,829					121.3		6.9		0.8			
				7.1		7.6		5.8					
				5.2		4.8		3.9					
\$	1,736,841	\$	1,576,062	102.4	%	221.7	%	120.2	%	102.9	%	103.2	%
\$	(48,519)	\$	(48,974)	(2.4)	%	(121.7)	%	(20.2)	%	(2.9)	%	(3.2)	%
\$	- 0 -	\$	- 0 -										
	2,000,000												
\$	2,000,000	\$	- 0 -										
\$	1,951,481	\$	(48,974)										
	127,721		176,695										
\$	2,079,202	\$	127,721										

See accompanying independent auditor's reports.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2016

District Mailing Address - Fort Bend County Emergency Services District No. 5
c/o Coveler & Peeler, P.C.
820 Gessner, Suite 1710
Houston, Texas 77024

District Telephone Number - (713) 984-8222

<u>Commissioners</u>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended December 31, 2016</u>	<u>Expense Reimbursement for the year ended December 31, 2016</u>	<u>Title</u>
Ernie Carter	01/01/16 12/31/17 (Appointed)	\$ 1,200	\$ 909	President
Cynthia N. Ginyard	01/01/16 12/31/17 (Appointed)	\$ 750	\$ 160	Vice President
John Mukoro	01/01/15 12/31/16 (Appointed)	\$ 650	\$ -0-	Secretary/ Assistant Treasurer
John Godbee	01/01/15 12/31/16 (Appointed)	\$ 700	\$ 425	Treasurer/ Investment Officer
Ben Bono	01/01/15 12/31/16 (Appointed)	\$ 550	\$ -0-	Commissioner

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.

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BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2016

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2016</u>	<u>Title</u>
Smith, Murdaugh, Little & Bonham, L.L.P.	03/11/08 to 04/12/16	\$ 5,099	Prior Attorney
Coveler & Peeler, P.C.	04/13/16	\$ 17,766	Attorney
McCall Gibson Swedlund Barfoot PLLC	01/12/10	\$ 8,000	Auditor
Myrtle Cruz, Inc.	07/08/08	\$ 10,423	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP	01/13/09	\$ 3,980	Delinquent Tax Attorney
Fort Bend County Tax Assessor/Collector	Legislative Action	\$ 6,048	Tax Assessor/ Collector

See accompanying independent auditor's report.

