

FORT BEND COUNTY EMERGENCY  
SERVICES DISTRICT NO. 3

Financial Statements  
with  
Report of Independent Auditor

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Fort Bend County Emergency Services District No. 3

***Opinion***

We have audited the financial statements of the general fund of Fort Bend County Emergency Services District No. 3, (the "District") as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the general fund of Fort Bend County Emergency Services District No. 3, as of December 31, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fort Bend County Emergency Services District No. 3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Fort Bend County Emergency Services District No. 3's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fort Bend County Emergency Services District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fort Bend County Emergency Services District No. 3's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fort Bend County Emergency Services District No. 3's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 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.

Brenham, Texas  
May 10, 2023

*Seidel Schuster*

Fort Bend County  
Emergency Services District No. 3  
P.O. Box 295  
Orchard, Texas 77464

Management's Discussion and Analysis

The following discussion and analysis provides an overview of the financial activities of the Fort Bend County Emergency Services District No. 3 for the year ended 2022. The information presented herein should be considered in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

The Statement of Net Position and the Statement of Activities are statements required under GASB 34 and provide information about the activities of the district as a whole and present a longer-term view of the District's finances.

Overview of the Financial Statements

The annual report consists of three parts – Independent Auditors Report, Management Discussion and Analysis, Basic Financial Statements and Fund Financial Statements.

- The first statement shows Statements of Net Position and Governmental Funds Balance Sheet.
- The next statement presents the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

The financial statements also include notes that explain some of the information in the financial statements and provide more details.

Reporting the District as a Whole

The accompanying **Government Wide Financial Statements** include two statements that present financial data for the district as a whole. The Statement of Activities reports information about the district as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting. All the current year revenues and expenses are taken into account regardless of when funds are received or paid.

These two statements report the District's net position and liabilities and changes in them. The difference between the District's assets and liabilities are one way to measure the district's financial position.

Reporting the District's Most Significant Funds

The fund financial statements provide detailed information about the District's general fund which is the only fund.

Outstanding debt decreased \$49,000 in 2022 due to the paydown on the truck loan.

Deferred inflows of resources increased \$36,386 in 2022 due to an increase in property tax collections before year end.

Property taxes increased by \$26,040 in 2022 due to an increase in the property tax values for the 2021 assessment.

### General Fund Budget

Differences between the budget and the actual income/expenses are summarized as follows:

- Income was \$13,092 more than budgeted in 2022 primarily due to the increase in property tax revenue.
- Overall, expenditures were \$8,857 more than budgeted in 2022 primarily due to an increase in insurance expense.

### Capital Assets

The District owns the following capital assets:

<u>Governmental activities</u>	Balance Dec. 31, 2021	Additions	Retirements	Balance Dec. 31, 2022
Capital assets being depreciated				
Machinery and equipment	\$ 343,671	\$ -	\$ -	\$ 343,671
Total at historical cost	343,671	-	-	343,671
Less: accumulated depreciation for:				
Machinery and equipment	267,172	20,235	-	287,407
Total accumulated depreciation	267,172	20,235	-	287,407
Total capital assets being depreciated, net	76,499	(20,235)	-	56,264
Governmental activities capital assets, net	\$ 76,499	\$ (20,235)	\$ -	\$ 56,264

### Long-Term Debt

In 2021, the District borrowed \$549,721 for the purchase of a pumper truck. At the end of 2022, the District owed \$500,721 on this loan, of which \$50,240 is due within one year.

### Contacting the District's Financial Management

This financial report is designed to provide our taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have a question about this report or need additional information, contact Fort Bend County Emergency Services District No. 3, P.O. Box 295, Orchard, Texas 77464.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Statement of Net Position and  
Governmental Funds Balance Sheet  
December 31, 2022

	General Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 257,415	\$ -	\$ 257,415
Investments	103,902	-	103,902
Receivables, tax	19,528	-	19,528
Due from Fort Bend County Tax Office	42,107	-	42,107
Prepaid expense	549,721	2,089 (1)	551,810
Capital assets	-	56,264 (1)	56,264
Total Assets	<u>\$ 972,673</u>	<u>58,354</u>	<u>1,031,027</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 16,509	\$ -	\$ 16,509
Current portion of note payable	-	50,240 (3)	50,240
Note payable, less current portion	-	450,481 (3)	450,481
Total Liabilities	<u>16,509</u>	<u>500,721</u>	<u>517,230</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	107,491	(18,902) (2)	88,589
Total Deferred Inflows of Resources	<u>107,491</u>	<u>(18,902)</u>	<u>88,589</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance:			
Nonspendable	549,721	(549,721)	-
Assigned	103,902	(103,902)	-
Unassigned	195,050	(195,050)	-
	<u>848,673</u>	<u>(298,952)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 972,673</u>		
Net Position:			
Net investment in capital assets		56,264	56,264
Unrestricted		368,944	368,944
Total Net Position		<u>\$ 425,208</u>	<u>\$ 425,208</u>

(1) Capital assets and certain prepaids are not financial resources and are not reported in the general fund.

(2) Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

(3) Long-term liabilities are not recorded until due in the fund financial statements.

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



FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Statement of Activities and  
Governmental Fund Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2022

	General Fund	Adjustments	Statement of Activities
Revenues:			
Property taxes	\$ 196,222	\$ 1,530 (2)	\$ 197,752
Penalty and interest	5,023	-	5,023
Interest income	1,810	-	1,810
Total revenues	<u>203,055</u>	<u>1,530</u>	<u>204,585</u>
Expenditures/expenses:			
Current:			
Administrative:			
Tax collection fee	3,354	-	3,354
Central Appraisal District fees	2,549	(454) (1)	2,095
Professional fees	17,783	-	17,783
Bond fee	400	-	400
Insurance expense	4,261	(1,236) (1)	3,025
Office	1,703	-	1,703
Board fee	2,350	-	2,350
Department:			
Orchard Volunteer Fire Department			
Operations	81,349	-	81,349
Depreciation expense	-	20,235 (3)	20,235
Debt service:			
Principal	49,000	(49,000) (1)	-
Interest	13,908	-	13,908
Total expenditures/expenses	<u>176,657</u>	<u>(30,455)</u>	<u>146,202</u>
Change in fund balance/net position	26,398	31,985	58,383
Fund balance / net position:			
Beginning of the year	<u>822,275</u>	<u>(455,450)</u>	<u>366,825</u>
End of the year	<u>\$ 848,673</u>	<u>\$ (423,465)</u>	<u>\$ 425,208</u>

- (1) Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the general fund.
- (2) In the governmental fund, property taxes that are receivable, but not available are not recognized as income and are deferred.
- (3) General fund reports capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated based upon their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual GAAP Actual	Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget Over/(Under)
Revenues:						
Property taxes	\$ 189,962	\$ 189,962	\$ 196,222	\$ -	\$ 196,222	\$ 6,260
Penalty and interest	-	-	5,023	-	5,023	5,023
Interest income	-	-	1,809	-	1,809	1,809
Total revenues	<u>189,962</u>	<u>189,962</u>	<u>203,054</u>	<u>-</u>	<u>203,054</u>	<u>13,092</u>
Expenditures:						
Current:						
Administrative						
Tax collection fee	1,500	1,500	3,354	-	3,354	1,854
Central Appraisal District fees	1,200	1,200	2,549	-	2,549	1,349
Professional fees	18,000	18,000	17,783	-	17,783	(217)
Bond fee	400	400	400	-	400	-
Insurance expense	-	-	4,261	-	4,261	4,261
Office	1,200	1,200	1,703	-	1,703	503
Advertising	100	100	-	-	-	(100)
Board fee	2,400	2,400	2,350	-	2,350	(50)
Department:						
Orchard Volunteer Fire Department						
Operations	80,000	80,000	81,349	-	81,349	1,349
Debt service:						
Principal	-	63,000	49,000	13,908	62,908	(92)
Interest	-	-	13,908	(13,908)	-	-
Total expenditures	<u>104,800</u>	<u>167,800</u>	<u>176,657</u>	<u>-</u>	<u>176,657</u>	<u>8,857</u>
Change in fund balance	85,162	22,162	26,398	-	26,397	4,235
Fund balance, beginning of the year	<u>822,275</u>	<u>822,275</u>	<u>822,275</u>	<u>-</u>	<u>822,275</u>	<u>-</u>
Fund balance, end of the year	<u>\$ 907,437</u>	<u>\$ 844,437</u>	<u>\$ 848,673</u>	<u>\$ -</u>	<u>\$ 848,672</u>	<u>\$ 4,235</u>

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

1. Summary of significant accounting policies

The accompanying financial statements include all funds of Fort Bend County Emergency Services District No. 3 (the District). The accounting policies of the District conform to generally accepted accounting principles. The following is a summary of the more significant policies:

A. Reporting entity

The District is a political subdivision created under Article III, Section 48-d, of the Texas Constitution by an affirmative vote of the Texas State Legislature in 1988. The District operates under Chapter 775 of the Health and Safety Code.

B. Basis of presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Governmental activities consist of only the general fund, as the general fund is the only fund of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements

The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows, fund equity, revenues, and expenditures, as appropriate. This fund is a governmental fund which is the general operating fund of the District. It is used to account for all financial resources.

C. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, 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 (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on this balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. The general fund uses fund balance as its measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

**D. Use of estimates**

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

**E. Risk management**

The District is exposed to various risks of loss from torts: theft of, damage to, and destruction of Department assets; business interruption; errors and omissions; injuries; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**F. Income taxes**

The District is a political subdivision under the laws of the State of Texas and, therefore, is exempt from federal income tax.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

G. Capital assets

Capital assets which includes equipment is reported in the governmental activities column of the government-wide financial statements. The district defines capital assets as assets with an estimated useful life greater than one year for equipment. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is unavailable. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Improvements are capitalized over the remaining useful lives of the related capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation over the following estimated useful lives:

Buildings	5 to 50 years
Equipment	5 to 20 years

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund at the time of acquisition.

H. Fund equity

*Government-wide statements*

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

*Fund statements*

Governmental fund equity is classified as fund balance.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

*Classification of fund balances*

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include supplies inventories and prepaid items, long-term advances to other funds net of deferred interest revenue, long-term receivable net of deferred interest revenue, nonfinancial assets held for resale, and unrealized change in the fair value of investments.

Some resources are spendable but are legally or contractually required to be maintained intact. Such resources include the principal of an endowment.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation. The enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Board actions, no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the Board or its designated officials to assign amounts to be used for specific purposes, but are neither restricted nor committed. Constraints imposed on the use of assigned amounts can be removed with no formal Board actions. The assigned fund balance is only reported in the General Fund.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes.

*Spending Prioritization in Using Available Resources*

When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the District budget considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the District's budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

2. Property tax

Property taxes are levied by October 1 of each year for the following calendar year. Taxes are due on receipt of the tax statement and are delinquent if not paid before February 1 of the year following the year of assessment. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and the payment of any penalties and interest ultimately imposed.

Taxes levied for fiscal year ending December 31, 2022 were at the tax rate of \$0.10 per \$100 valuation. The tax for the 2022 fiscal year was levied in 2021 on property within the District having an assessed valuation of approximately \$198,060,283.

The District set and approved the 2022 tax rate to be \$0.100 per \$100 valuation. Property taxes for 2022 were levied for the 2023 fiscal year. Therefore, the 2022 tax monies collected in the months of October, November, and December 2022, have been presented as unavailable revenue and included as deferred inflows.

3. Stewardship, compliance and accountability

The District adopted its 2022 budget on August 18, 2021. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the account level. Actual expenditures exceeded the budget in the following categories: tax collection fee by \$1,854, central appraisal district fees by \$1,349, insurance expense by \$4,261, office expenses by \$503, and OVFD expenses by \$1,349.

4. Cash and investments

As of December 31, 2022, the District's cash and investments totaled \$361,317, and consisted of a demand deposit account and investments in an investment pool. As of December 31, 2022, \$250,000 of the District's deposits with financial institutions was covered by federal depository insurance and approximately \$11,000 were not insured by the Federal Deposit Insurance Corporation.

The District had an investment in Texas Cooperative Liquid Assets Securities System Trust (Texas Class), a local government investment pool, which had a balance of \$103,902 as of December 31, 2022. Texas Class is a local government investment pool created for the purpose of investing funds on behalf of Texas local government entities. Its fair value approximates carrying value, and the District's net asset value in the pool at fiscal year-end was \$1.00 per share. The fund maintains a weighted average maturity of 1 year or less and was rated AAAM by Standard and Poor's. Authorized investments for Texas Class funds include government securities, repurchase and reverse repurchase agreements and no-load money market funds.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

5. Assigned fund balance

As of December 31, 2022 the Board has assigned \$103,902 for capital outlay expenditures for the District or the Orchard Volunteer Fire Department.

6. Contract with Orchard Volunteer Fire Department

The District has entered into a contract with the Orchard Volunteer Fire Department. Within the District's geographical area, the Department has agreed to provide fire prevention and medical emergency training and to respond to requests for assistance in the event of fire and/or medical emergencies. The District has agreed to pay the Department's monthly submitted and approved bills not to exceed the taxes collected less the District's administrative expenses.

7. Capital Assets

The following is a summary of capital asset activity during the year ended December 31, 2022.

	Balance Dec. 31, 2021	Additions	Retirements	Balance Dec. 31, 2022
<u>Governmental activities</u>				
Capital assets being depreciated				
Machinery and equipment	\$ 343,671	\$ -	\$ -	\$ 343,671
Total at historical cost	343,671	-	-	343,671
Less: accumulated depreciation for:				
Machinery and equipment	267,172	20,235	-	287,407
Total accumulated depreciation	267,172	20,235	-	287,407
Total capital assets being depreciated, net	76,499	(20,235)	-	56,264
Governmental activities capital assets, net	\$ 76,499	\$ (20,235)	\$ -	\$ 56,264

8. Long-term debt

In December 2021, the District entered into a loan agreement for financing a pumper truck used by the Department. The note payable is secured by a 2021 Pierce Saber Pumper truck. The note bears interest at 2.53% and matures in December 2031. The balance as of December 31, 2022 was \$500,721.



FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
Notes to Basic Financial Statements  
December 31, 2022

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Notes payable	\$ 549,721	\$ -	\$ 49,000	\$ 500,721	\$ 50,240
	<u>\$ 549,721</u>	<u>\$ -</u>	<u>\$ 49,000</u>	<u>\$ 500,721</u>	<u>\$ 50,240</u>

Long-term liabilities for the year ended December 31, 2022 were as follows:

	Principal	Interest
2023	\$ 50,240	\$ 12,668
2024	51,511	11,397
2025	52,814	10,094
2026	54,150	8,758
2027	55,520	7,388
2028 and thereafter	236,487	15,145
	<u>\$ 500,721</u>	<u>\$ 65,450</u>