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May 29, 2025

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VIA REGULAR MAIL AND ELECTRONIC MAIL

Fort Bend County Judge KP George
301 Jackson Street
Richmond, Texas 77469
KP.George@fbctx.gov

Re: Fort Bend County Emergency Services District No. 9 (the "District");
Audit Report for the Fiscal Year Ended December 31, 2024

Honorable County Judge George:

Pursuant to Chapter 775, Texas Health and Safety Code, requiring the District to complete an audit of its financial records and submit the report to the County Commissioners Court by June 1st, please find enclosed the District's Audit Report for the Fiscal Year Ended December 31, 2024. The District requests the inclusion of an item on the agenda for the June 10, 2025, or June 24, 2025, Commissioners Court meeting to "Record into the minutes the Annual Audit Report for the Fiscal Year Ended December 31, 2024, of Fort Bend County Emergency Services District No. 9, as prescribed by Texas Health and Safety Code Section 775.082."

Very truly yours,

A handwritten signature in blue ink that reads "Monica A. Garza".

Monica A. Garza
General Counsel for the District

MAG/kc

cc: Ms. Olga Payero, Court Services Manager *[via email]*
Ms. Estefania Saucedo, Assistant Court Services Manager *[via email]*
Board of Commissioners, Fort Bend County Emergency Services District No. 9 *[via email]*

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

REPORT ON FINANCIAL STATEMENTS
(With Supplemental Material)

FOR THE YEAR ENDED DECEMBER 31, 2024

BREEDLOVE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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BREEDLOVE & CO., P.C.

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JILL A. HENZE, CPA
President

NICOLE BREEDLOVE HUNT, CPA
CEO

INDEPENDENT AUDITORS' REPORT

May 21, 2025

Board of Commissioners
Fort Bend County Emergency Services District No. 9
Fort Bend County, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fort Bend County Emergency Services District No. 9, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fort Bend County Emergency Services District No. 9, as of December 31, 2024, and the respective 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. Our responsibilities under those standards are further described in the Auditors' 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. 9, 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

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.

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. 9'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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. 9'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. 9's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, on pages 5 through 8 and 19 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fort Bend County Emergency Services District No. 9's basic financial statements. The supplementary information is 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 basic financial statements. The information 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Breallone & Co., P.C.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

MANAGEMENT DISCUSSION & ANALYSIS DECEMBER 31, 2024

Our discussion and analysis of the financial performance of Fort Bend County Emergency Services District No. 9 (the "District") provides an overview of the District's financial activities for the year ended December 31, 2024. Please read it in conjunction with the District's financial statements, included in this annual report.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include (1) combined fund financial statements and government-wide financial statements, and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine (1) the Statement of Net Position and Governmental Funds Balance Sheet, and (2) the Statement of Activities and Governmental Revenues, Expenditures and Changes in Fund Balance. This report also includes other supplemental information in addition to these 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 financial statements is the Statement of Net Position. This statement is the District-wide statement of its financial position presenting information that includes all of the District's assets and liabilities, 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 reports how the District's net position changed during the current fiscal year. All current revenues and expenses are included regardless of when cash is received or paid.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2024

(Continued)

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 by \$2,943,693 as of December 31, 2024.

With the implementation of Government Accounting Standards Board (GASB) Statement No. 34, the District is presenting comparable prior-year columns in the various comparisons and analyses.

Summary of Net Position

	2024	2023
Current and other assets	\$ 2 705 169	\$ 2 111 951
Capital assets and noncurrent assets	<u>252 875</u>	<u>-</u>
Total assets	<u>\$ 2 958 044</u>	<u>\$ 2 111 951</u>
Current liabilities	\$ 14 351	\$ 6 813
Total liabilities	<u>\$ 14 351</u>	<u>\$ 6 813</u>
Net position:		
Net investment in capital assets	\$ 252 875	\$ -
Unrestricted	<u>2 690 818</u>	<u>2 105 138</u>
Total net position	<u>\$ 2 943 693</u>	<u>\$ 2 105 138</u>

The following table provides a summary of the District's operations for the year ended December 31, 2024. The District increased its net position by \$838,555.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2024

(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues:		
Property taxes	\$ 1 652 940	\$ 1 557 161
Other revenues	<u>76 070</u>	<u>25 901</u>
Total revenues	<u>1 729 010</u>	<u>1 583 062</u>
Interest expense	-	1 167
Operating expenses	<u>890 455</u>	<u>469 135</u>
Total expenses	<u>890 455</u>	<u>470 302</u>
Change in net position	838 555	1 112 760
Net position, beginning of period	<u>2 105 138</u>	<u>992 378</u>
Net position, end of period	<u>\$ 2 943 693</u>	<u>\$ 2 105 138</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's fund balance as of December 31, 2024 was \$1,598,785.

The General Fund balance increased by \$935,111.

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 property tax revenues, costs, general expenditures, and resources not accounted for in another fund.

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 adjustment column and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2024

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of government-wide and fund financial statements. The notes to the financial statements follow the financial statements in this annual report.

OTHER INFORMATION

In addition to the basic 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners amended the budget during the fiscal year. The change in fund balance was \$628,724 more than budgeted due to property tax revenue and interest earned on temporary investments being greater than budgeted.

CAPITAL ASSETS AND RELATED DEBT

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below.

	<u>2024</u>	<u>2023</u>
Vehicles, net of depreciation	\$ 252 875	\$ -
Total Capital Assets	<u>\$ 252 875</u>	<u>\$ -</u>

The District purchased a Brush Truck and accessories for \$255,000 during the year.

Debt

The District continued to operate without the need to obtain Debt.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to District president, P.O. Box 1329, Needville, Texas 77461; email: president@fbesd9.org.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET DECEMBER 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1 188 170	\$ -	\$ 1 188 170
Taxes Receivable	1 092 033	-	1 092 033
Due from Tax Assessor	424 966	-	424 966
Capital Assets Net of Accumulated Depreciation of \$2,125	-	252 875	252 875
Total Assets	<u>\$ 2 705 169</u>	<u>\$ 252 875</u>	<u>\$ 2 958 044</u>
<u>LIABILITIES</u>			
Liabilities			
Accounts Payable	\$ 14 351	\$ -	\$ 14 351
Total Liabilities	<u>14 351</u>	<u>-</u>	<u>14 351</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Tax Revenue	1 092 033	(1 092 033)	-
Total Deferred Inflows of Resources	<u>1 092 033</u>	<u>(1 092 033)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balances			
Unassigned	1 598 785	(1 598 785)	-
Total Fund Balance	<u>1 598 785</u>	<u>(1 598 785)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2 705 169</u>		
Net Position			
Net Investment in Capital Assets		252 875	252 875
Unrestricted		<u>2 690 818</u>	<u>2 690 818</u>
Total Net Position		<u>2 943 693</u>	<u>2 943 693</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position		<u>\$ 252 875</u>	<u>\$ 2 958 044</u>

See the Independent Auditors' Report and the Accompanying Notes to Financial Statements

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Property Taxes	\$ 2 002 371	\$ (349 431)	\$ 1 652 940
Penalty and Interest on Property Taxes	20 678	-	20 678
Interest Earned on Temporary Investments	55 392	-	55 392
Total Revenues	<u>2 078 441</u>	<u>(349 431)</u>	<u>1 729 010</u>
Expenditures/Expenses			
Service Operations			
Accounting	19 825	-	19 825
Administration	3 837	-	3 837
Appraisal District Fees	10 020	-	10 020
Auditing Fees	10 375	-	10 375
Consulting Fees	6 445	-	6 445
Collection Fees	3 209	-	3 209
Dues and Subscriptions	2 772	-	2 772
Election Fees	5 976	-	5 976
Emergency Services	695 421	-	695 421
Fuel	7 789	-	7 789
Information Technology	2 400	-	2 400
Insurance	1 749	-	1 749
Office	3 139	-	3 139
Payroll and Related Expense	15 897	-	15 897
Professional Services	89 024	-	89 024
Travel	10 452	-	10 452
Capital Outlay	255 000	(255 000)	-
Depreciation	-	2 125	2 125
Total Expenditures/Expenses	<u>1 143 330</u>	<u>(252 875)</u>	<u>890 455</u>
Changes in Fund Balance/Net Position	935 111	(96 556)	838 555
Fund Balance/Net Position			
Beginning of Year	663 674	1 441 464	2 105 138
End of Year	<u>\$ 1 598 785</u>	<u>\$ 1 344 908</u>	<u>\$ 2 943 693</u>

See the Independent Auditors' Report and the Accompanying Notes to Financial Statements

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

NOTE (1) CREATION OF DISTRICT

Fort Bend County Emergency Services District No. 9 (“District”) is a political subdivision of the State of Texas created by election on May 7, 2022. The District operates under the direction of five commissioners and will provide emergency services to the District as defined in Health & Safety Code of Texas Statutes Chapter 775, Emergency Services District, Subchapter C, Organization, Powers and Duties Sec. 775.031 District Powers.

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The District is an Emergency Services District with a five-member board of commissioners, who are appointed to serve two-year terms by the Fort Bend County Commissioners Court.

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39; *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the District is financially accountable. The District is not a participant in any joint venture and has not identified any entities which would be components units of the District.

The District is a special-purpose government that is governed by a separately appointed governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District.

B. BASIS OF PRESENTATION

The financial transactions of the District are recorded in an individual fund. The funds are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures. The funds are reported by generic classification within the financial statements.

a. Fund Types:

General Fund - To account for all revenues and expenditures not required to be accounted for in other funds.

b. Fund Balances

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 (Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the board of commissioners or by an official or body to which the board of commissioners delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose.

The District uses the following classifications for net position:

Net Investment in Capital Assets - To indicate the value of capital invested in capital assets less accumulated depreciation, net of associated debt.

Restricted - To indicate the funds restricted within the General Fund for the purposes of contingencies or emergencies. The board must approve any change in the restriction of this fund balance.

Unrestricted - To indicate net position that is available for use in future period.

C. BASIS OF ACCOUNTING

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become available and measurable. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 (Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

The District has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In compliance with GASB Statement No. 34, the District has presented a Statement of Net Position and Statement of Activities for the year ended December 31, 2024. These statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded in the period they are earned, and expenses are recorded in the period they are incurred. The "Adjustments" column on these statements represents accounts adjusted to reflect an accrual basis rather than a modified accrual basis of accounting. All fund balances are adjusted to reflect net position.

D. BUDGET

The District annually adopted a budget for the General Fund beginning in 2024 in accordance with the accounting principles applicable to this fund. The Board of Commissioners' approval is required for revisions that alter the total expenditures. Reported budgeted amounts are as final adopted. Budgeted amounts lapse annually.

E. CASH EQUIVALENTS

The District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. However, certificates of deposit are considered cash equivalents, regardless of maturity date.

F. CAPITAL ASSETS

Capital assets, which include land, furniture and fixtures, vehicles and construction in progress, are reported in the government-wide Statement of Net Assets. 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 expenditure in the governmental fund as 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.

Assets are capitalized if they have 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:

	<u>Years</u>
Vehicles	10

G. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Management considers accounts receivable to be fully collectible at year-end; accordingly, no allowance for doubtful accounts is required.

I. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net position and governmental funds balance sheet are different because:

Total Fund Balance at December 31, 2024	<u>\$ 1 598 785</u>
Conversion of property tax assessments to full accrual basis	1 092 033
Capital assets used in governmental activities are not financial and are not reported in the funds.	<u>252 875</u>
Adjustment to fund balance to arrive at net position	<u>1 344 908</u>
Total Net Position at December 31, 2024	<u><u>\$ 2 943 693</u></u>

Amounts reported for governmental activities in the statement of activities are different because:

Change in fund balance	\$ 935 111
Conversion of property tax assessments to full accrual basis	(349 431)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and conveyance of capital assets exceeded depreciation in the current period.	<u>252 875</u>
Change in net position of governmental activities	<u><u>\$ 838 555</u></u>

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 (Continued)

NOTE (3) AD VALOREM TAX

During the year ended December 31, 2024, the District levied an ad valorem tax at the rate of \$.094565 per \$100 of assessed valuation, which resulted in a tax levy of \$1,625,086 for 2024, on the taxable valuation of \$1,718,485,553, for the 2024 tax year. The ad valorem tax was due upon receipt and will be considered delinquent if not paid by February 1, at which time penalties and interest will be assessed. The levy date of the tax was September 1 prior to the delinquent date, or as soon after September 1 as it took to set the tax rate. The lien date is January 1 subsequent to the delinquent date.

In the governmental funds, property taxes are initially recorded as receivables and unearned revenue at the time the tax levy is billed. Revenues recognized during the fiscal year ended December 31, 2024 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

NOTE (4) DEPOSITS AND INVESTMENTS

During the year ended December 31, 2024, the contracted depository bank used by the District was NewFirst Bank. The largest cash, savings and time deposit combined balance in the bank during the year ended December 31, 2024 was \$1,958,859 in February 2024. During the year the deposits were secured by FDIC coverage.

The District holds investments at December 31, 2024, in accordance with the Board approved investment policy, in TexPool State Treasury ("TexPool"). In following the Public Funds Collateral Act, TexPool invests the District's funds in obligations of the United States, obligations issued by a public agency that is payable from taxes, revenues, or a combination thereof that has been rated by a nationally recognized rating agency with a rating of not less than A, or any security in which a public entity may invest under the Public Funds Investment Act of 1987. Surety bonds and investment securities are used as collateral to secure both the amount of the deposits with TexPool plus any accrued interest. A separate financial report for TexPool is prepared in accordance with GASB Statement No. 31, *Accounting and financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from TexPool Participant Services, c/o Federated Investors, 1001 Texas Ave., 14th Floor, Houston, Texas 77002. The District held investments in TexPool at December 31, 2024 with a total carrying value and market value of \$516,244.

Statutes authorize the District to invest in direct or indirect obligations of the United States, the state, or any county, school district, or other political subdivision of the state. Funds of the District may also be placed in certificates of deposit of state or national banks or savings associations within the state.

Local governments are subject to the Public Funds Investment Act as amended during the 1995 legislative session. The Act directs local governments to adopt a written investment policy that primarily emphasizes safety of principal and liquidity. Also addressed under the Act are the areas of investment diversification, yield, maturity, and quality of investment management. The District has complied with the Act's provisions during its fiscal year ended December 31, 2024.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

NOTE (5) CAPITAL ASSETS

The Changes in capital assets for the year are as follows:

	Balances at 12/31/23	Additions (Dispositions)	Depreciation	Balances at 12/31/24
Vehicles	\$ -	\$ 255 000	\$ -	\$ 255 000
Accumulated Depreciation	-	-	(2 125)	(2 125)
Tota Capital Assets, net	<u>\$ -</u>	<u>\$ 255 000</u>	<u>\$ (2 125)</u>	<u>\$ 252 875</u>

NOTE (6) CONTRACTUAL AGREEMENTS

The District entered into a contract with the Needville Fire Department (“NFD”) on February 19, 2024, to provide fire protection services to the residents and commercial interests within the geographic boundaries of the district. The NFD is required to prepare an annual operating and capital budget for all revenues and expenses of the NFD for the District to review and approve. The District has the right to approve the monthly or quarterly monetary amounts to be paid to the NFD in accordance with the approved operating and capital budgets. For the year end December 31, 2024, the District paid the department \$695,421. The current contract is for a period of two (2) years commencing effective January 1, 2024. The contract can be cancelled by the District without cause upon 90 days’ written notice to the NFD.

NOTE (7) SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 21, 2025 (the date the financial statements were available to be issued) and noted no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Actual	Original Budget	Final Budget	Variance Positive (Negative)
Revenues:				
Property Taxes	\$ 2 002 371	\$ 1 308 580	\$ 1 308 580	\$ 693 791
Penalty and Interest on Property Taxes	20 678	15 000	15 000	5 678
Interest Earned on Temporary Investments	55 392	10 000	10 000	45 392
Total Revenues	<u>2 078 441</u>	<u>1 333 580</u>	<u>1 333 580</u>	<u>744 861</u>
Expenditures/Expenses				
Service Operations				
Accounting	19 825	18 000	18 000	(1 825)
Administration	3 837	1 700	1 700	(2 137)
Appraisal District Fees	10 020	9 000	9 000	(1 020)
Auditing Fees	10 375	8 000	8 000	(2 375)
Consulting Fees	6 445	-	-	(6 445)
Collection Fees	3 209	6 000	6 000	2 791
Dues and Subscriptions	2 772	2 000	2 000	(772)
Election Fees	5 976	2 000	2 000	(3 976)
Emergency Services	695 421	415 000	899 774	204 353
Fuel	7 789	-	2 619	(5 170)
Information Technology	2 400	2 400	2 400	-
Insurance	1 749	3 000	3 000	1 251
Office	3 139	1 700	1 700	(1 439)
Payroll and Related Expense	15 897	11 000	11 000	(4 897)
Professional Services	89 024	50 000	50 000	(39 024)
Travel	10 452	10 000	10 000	(452)
Capital Outlay	255 000	-	-	(255 000)
Total Expenditures/Expenses	<u>1 143 330</u>	<u>539 800</u>	<u>1 027 193</u>	<u>(116 137)</u>
Changes in Fund Balance	935 111	793 780	306 387	628 724
Fund Balance				
Beginning of the Year	663 674	663 674	663 674	-
End of the Year	<u>\$ 1 598 785</u>	<u>\$ 1 457 454</u>	<u>\$ 970 061</u>	<u>\$ 628 724</u>

See the Accompanying Independent Auditors' Report

SUPPLEMENTARY INFORMATION

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

SUPPLEMENTARY INFORMATION
ANALYSIS OF TAXES RECEIVABLE
DECEMBER 31, 2024

	<u>Maintenance Taxes</u>
Taxes Receivable - Beginning of Year	\$ 1 441 464
2024 Tax Roll	1 625 086
Adjustment to prior year taxes	<u>27 854</u>
Total to be Accounted for	3 094 404
Tax Collections Received from Tax Collector	<u>(2 002 371)</u>
Taxes Receivable - End of Year	<u><u>\$ 1 092 033</u></u>
Taxes Receivable - By Years	
2024	\$ 1 056 957
2023	17 925
2022	<u>17 151</u>
Taxes Receivable - End of Year	<u><u>\$ 1 092 033</u></u>

	<u>Assessed Valuation Summary</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Property Valuations			
Real Property	\$ 1 286 747 727	\$ 1 148 762 050	\$ 1 028 159 931
Personal Property	<u>431 737 826</u>	<u>489 543 988</u>	<u>-</u>
Total Property			
Valuations	<u><u>\$ 1 718 485 553</u></u>	<u><u>\$ 1 638 306 038</u></u>	<u><u>\$ 1 028 159 931</u></u>
Total Tax Rater per \$100 Valuation	<u><u>\$ 0.094565</u></u>	<u><u>\$ 0.094000</u></u>	<u><u>\$ 0.100000</u></u>
Tax Rolls	<u><u>\$ 1 625 086</u></u>	<u><u>\$ 1 540 008</u></u>	<u><u>\$ 1 028 160</u></u>
Percent of Taxes Collected to Taxes Levied	<u><u>35.0%</u></u>	<u><u>98.8%</u></u>	<u><u>98.3%</u></u>

See the Accompanying Independent Auditors' Report

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

SUPPLEMENTARY INFORMATION BOARD MEMBERS AND CONSULTANTS DECEMBER 31, 2024

District Mailing Address: Fort Bend County Emergency Services District No. 9
PO Box 1329
Needville Texas, 77461

District Telephone Number: 346-440-1319

<u>Names</u>	<u>Term of office (Appointed) or Date Hired</u>	<u>Fees of Office Paid* FYE 12/31/24</u>	<u>Expense Reimburse- ments FYE 12/31/24</u>	<u>Title at Year End</u>
Board Members:				
RJ Reiser	(Appointed) 01/01/23 - 12/31/24	\$ 2 550	\$ 2 625	President
K Thumann	(Appointed) 01/01/24 - 12/31/25	\$ 2 400	\$ 1 998	Vice President
J Norwood	(Appointed) 01/01/23 - 12/31/24	\$ 2 700	\$ 1 563	Treasurer
B Smolik	(Appointed) 01/01/23 - 12/31/24	\$ 2 850	\$ 2 220	Secretary
R Havron	(Appointed) 01/01/24 - 12/31/25	\$ 2 550	\$ 1 462	Assistant Treasurer / Secretary

* Fees of Office are the amounts actually paid to a commissioner during the District's fiscal year.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 9

**SUPPLEMENTARY INFORMATION
BOARD MEMBERS AND CONSULTANTS
DECEMBER 31, 2024**

<u>Names</u>	<u>Term of office (Appointed) or Date Hired</u>	<u>Fees* FYE 12/31/24</u>	<u>Title at Year End</u>
Consultants:			
Breedlove & Co., P.C.	2022	\$ 10 375	Auditor
Howard L. Katz	2022	\$ 23 162	Attorney
Polley Garza	2024	\$ 57 420	Attorney
Carmen P. Turner, MPA	2022	\$ 3 209	Tax Assessor Collector
Fort Bend Central Appraisal District	2022	\$ 10 020	Appraisal District
Artesian Financial Services, LLC	2022	\$ 24 435	Bookkeeper
Michael S. Montgomery, LLC	2023	\$ 6 445	Strategic Planning

* Fees are the amounts actually paid to a consultant during the District's fiscal year.