

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2013

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, 2013

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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 major fund of Fort Bend County Emergency Services District No. 5 (the "District"), as of and for the year ended December 31, 2013, 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 major fund of the District as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 6 and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on page 21 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 on pages 23 through 26 and the other supplementary information on pages 28 through 33 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 financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

March 11, 2014

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013. Please read it in conjunction with the District's financial statements, which begin on page 7.

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 other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The first of the government-wide statements is the Statement of Net Position. This information is found in the Statement of Net Position column on page 7. The Statement of Net Position is the District-wide statement of its financial position presenting information that includes all of the District's assets, liabilities, and deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The government-wide portion of Statement of Activities on page 9 reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

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

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 on page 8 and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities on page 10 explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on page 11 through 19 in this report.

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$83,853 as of December 31, 2013.

A portion of the District's net position reflects its net investment in capital assets (capital assets less any debt used to acquire the assets that is 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, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position			
	2013	2012	Change Positive (Negative)
Current and Other Assets	\$ 3,948,934	\$ 1,937,928	\$ 2,011,006
Capital Assets (Net of Accumulated Depreciation)	13,829		13,829
Total Assets	\$ 3,962,763	\$ 1,937,928	\$ 2,024,835
Long-Term Liabilities	\$ 1,900,370	\$	\$ (1,900,370)
Other Liabilities	286,869	109,868	(177,001)
Total Liabilities	\$ 2,187,239	\$ 109,868	\$ (2,077,371)
Deferred Inflows of Resources	\$ 1,691,671	\$ 1,677,550	\$ (14,121)
Net Position:			
Net Investment in Capital Assets	\$ (1,986,171)	\$	\$ (1,986,171)
Unrestricted	2,070,024	150,510	1,919,514
Total Net Position	\$ 83,853	\$ 150,510	\$ (66,657)

The following table provides a summary of the District's operations for the year ended December 31, 2013 and the year ended December 31, 2012. The District's net position was decreased by \$66,657 during the current fiscal year, accounting for a 44.3% decrease in net position. Comparative data is presented below.

Summary of Changes in the Statement of Activities			
	2013	2012	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,674,913	\$ 1,509,573	\$ 165,340
Other Revenues	18,076	15,598	2,478
Total Revenues	\$ 1,692,989	\$ 1,525,171	\$ 167,818
Expenses for Services	(1,759,646)	(1,576,062)	(183,584)
Change in Net Position	\$ (66,657)	\$ (50,891)	\$ (15,766)
Net Position, Beginning of Year	150,510	201,401	(50,891)
Net Position, End of Year	\$ 83,853	\$ 150,510	\$ (66,657)

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2013, was \$2,079,202, an increase of \$1,951,481 from the prior year. This increase was primarily due to note proceeds.

BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$66,368 more than budgeted revenues. Actual expenditures were \$204,411 more than budgeted. See the budget to actual comparison on page 21.

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had debt payable of \$2,000,000. The changes in the debt position of the District during the current year ended December 31, 2013, are summarized as follows:

Long-Term Debt Payable, January 1, 2013	\$ - 0 -
Add: Note Proceeds	<u>2,000,000</u>
Long-Term Debt Payable, December 31, 2013	<u>\$ 2,000,000</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 Smith, Murdaugh, Little & Bonham, L.L.P., 2727 Allen Parkway, Suite 1100, Houston, Texas 77019.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash, Note 4	\$ 2,855,550	\$	\$ 2,855,550
Cash with Fort Bend County	352,570		352,570
Receivables:			
Property Taxes	733,719		733,719
Taxes	7,095		7,095
Construction in Progress, Note 5	<u> </u>	<u>13,829</u>	<u>13,829</u>
TOTAL ASSETS	<u>\$ 3,948,934</u>	<u>\$ 13,829</u>	<u>\$ 3,962,763</u>
LIABILITIES			
Accounts Payable	\$ 150,605	\$	\$ 150,605
Accrued Interest Payable		36,634	36,634
Long-Term Liabilities:			
Due Within One Year, Note 9		99,630	99,630
Due After One Year, Note 9	<u> </u>	<u>1,900,370</u>	<u>1,900,370</u>
TOTAL LIABILITIES	<u>\$ 150,605</u>	<u>\$ 2,036,634</u>	<u>\$ 2,187,239</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 1,712,032	\$ (20,361)	\$ 1,691,671
Penalty and Interest on Delinquent Taxes	<u>7,095</u>	<u>(7,095)</u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 1,719,127</u>	<u>\$ (27,456)</u>	<u>\$ 1,691,671</u>
FUND BALANCE/NET POSITION			
FUND BALANCE			
Restricted for Fire Station Construction, Note 2	\$ 1,486,171	\$ (1,486,171)	\$
Restricted for Purchase of Pumper Truck, Note 2	500,000	(500,000)	
Unassigned	<u>93,031</u>	<u>(93,031)</u>	<u> </u>
TOTAL FUND BALANCE	<u>\$ 2,079,202</u>	<u>\$ (2,079,202)</u>	<u>\$ - 0 -</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 3,948,934</u>		
NET POSITION			
Net Investment in Capital Assets		\$ (1,986,171)	\$ (1,986,171)
Unrestricted		<u>2,070,024</u>	<u>2,070,024</u>
TOTAL NET POSITION		<u>\$ 83,853</u>	<u>\$ 83,853</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, 2013

Total Fund Balance - Governmental Fund	\$	2,079,202
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Construction in progress used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		13,829
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Deferred tax revenues and deferred penalty and interest revenues on delinquent taxes for the 2012 and prior tax levies became part of recognized revenue in the governmental activities of the District.		27,456
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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	\$	(36,634)	
Notes Payable Within One Year		(99,630)	
Notes Payable After One Year		<u>(1,900,370)</u>	<u>(2,036,634)</u>
Total Net Position - Governmental Activities	\$		<u>83,853</u>

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, 2013

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 1,671,784	\$ 3,129	\$ 1,674,913
Penalty and Interest	15,454	1,538	16,992
Investment Revenues	<u>1,084</u>		<u>1,084</u>
TOTAL REVENUES	<u>\$ 1,688,322</u>	<u>\$ 4,667</u>	<u>\$ 1,692,989</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department, Note 5			
Monthly Fees	\$ 1,315,727	\$	\$ 1,315,727
Capital Costs	344,757		344,757
Accounting and Auditing	16,450		16,450
Appraisal District Fees	9,752		9,752
Commissioner Fees	6,450		6,450
Legal Fees - General	12,786		12,786
Legal Fees - Delinquent Tax Collections	3,959		3,959
Tax Assessor Collector Fees	5,571		5,571
Other	7,560		7,560
Capital Outlay	13,829	(13,829)	
Debt Service:			
Interest		<u>36,634</u>	<u>36,634</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 1,736,841</u>	<u>\$ 22,805</u>	<u>\$ 1,759,646</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>\$ (48,519)</u>	<u>\$ (18,138)</u>	<u>\$ (66,657)</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds, Note 9	<u>\$ 2,000,000</u>	<u>\$ (2,000,000)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ 1,951,481	\$ (1,951,481)	\$
CHANGE IN NET POSITION		(66,657)	(66,657)
FUND BALANCE/NET POSITION - JANUARY 1, 2013	<u>127,721</u>	<u>22,789</u>	<u>150,510</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2013	<u>\$ 2,079,202</u>	<u>\$ (1,995,349)</u>	<u>\$ 83,853</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, 2013

Net Change in Fund Balance - Governmental Fund	\$ 1,951,481
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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.	3,129
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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.	1,538
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	13,829
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Governmental funds report note proceeds as other financing sources. However, issued debt is recorded as a liability in the Statement of Net Position.	(2,000,000)
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(36,634)
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Change in Net Position - Governmental Activities	\$ <u>(66,657)</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
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

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. The 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.

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- 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, 2013

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 statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

The District has one governmental fund which is considered to be a major fund.

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 2012 tax levy collections during the period October 1, 2012, to December 31, 2013, and taxes collected from January 1, 2013, to December 31, 2013, for the 2011 and prior tax levies. The 2013 tax levy has been fully deferred to meet the District’s planned expenditures in the 2014 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.

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.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. During the current fiscal year, the District received loan proceeds which will be used for the construction of a fire station and purchase of a pumper truck. As of December 31, 2013, \$1,486,171 and \$500,000 are reported as restricted.

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.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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 and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

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, 2013, the District levied an ad valorem tax at the rate of \$0.083411 per \$100 of assessed valuation for the 2013 tax year. This resulted in a tax levy of \$1,691,671 on the adjusted taxable valuation of \$2,027,942,748 for the 2013 tax year. The 2013 levy has been fully deferred to meet the operating expenditures for the 2014 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.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$2,855,550 and the bank balance was \$2,855,004. 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, 2013, as listed below:

	<u>Cash</u>
TOTAL DEPOSITS	<u>\$ 2,855,550</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,

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

As of December 31, 2013, the District did not have any investments.

NOTE 5. CAPITAL ASSETS

	January 1, 2013	Increases	Decreases	December 31, 2013
Capital Assets Not Being Depreciated				
Construction in Progress	\$ - 0 -	\$ 13,829	\$ - 0 -	\$ 13,829

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, 2013

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

For the year ended December 31, 2013, the District paid the Department \$1,315,727 for operations and maintenance, and \$344,757 for capital costs, subject to the limitations set forth in the contract, for a total of \$1,660,484.

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, which was paid in a prior 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. 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%. As of December 31, 2013, the District has drawn \$13,829 on the note, leaving \$1,486,171 to be used in 2014.

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. 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, 2013:

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 9. NOTES PAYABLE (Continued)

	January 1, 2013	Additions	Retirements	December 31, 2013
Notes Payable	<u>\$ - 0 -</u>	<u>\$ 2,000,000</u>	<u>\$ - 0 -</u>	<u>\$ 2,000,000</u>
		Amount Due Within One Year		\$ 99,630
		Amount Due After One Year		<u>1,900,370</u>
		Notes Payable		<u>\$ 2,000,000</u>

As of December 31, 2013, the debt service requirements on the notes payable were as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 99,630	\$ 67,061	\$ 166,691
2015	98,056	68,636	166,692
2016	101,424	65,267	166,691
2017	104,911	61,782	166,693
2018	108,518	58,175	166,693
2019-2023	601,259	232,198	833,457
2024-2028	401,844	139,194	541,038
2029-2033	484,358	56,678	541,036
	<u>\$ 2,000,000</u>	<u>\$ 748,991</u>	<u>\$ 2,748,991</u>

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2013

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, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 1,621,454	\$ 1,671,784	\$ 50,330
Penalty and Interest		15,454	15,454
Investment Revenues	<u>500</u>	<u>1,084</u>	<u>584</u>
TOTAL REVENUES	<u>\$ 1,621,954</u>	<u>\$ 1,688,322</u>	<u>\$ 66,368</u>
EXPENDITURES			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department	\$ 1,350,000	\$ 1,660,484	\$ (310,484)
Accounting and Auditing	16,300	16,450	(150)
Appraisal District Fees	12,300	9,752	2,548
Commissioner Fees	10,000	6,450	3,550
Legal Fees - General	12,000	12,786	(786)
Legal Fees - Delinquent Tax Collections		3,959	(3,959)
Tax Assessor Collector Fees		5,571	(5,571)
Other	6,830	7,560	(730)
Capital Outlay	<u>125,000</u>	<u>13,829</u>	<u>111,171</u>
TOTAL EXPENDITURES	<u>\$ 1,532,430</u>	<u>\$ 1,736,841</u>	<u>\$ (204,411)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 89,524</u>	<u>\$ (48,519)</u>	<u>\$ (138,043)</u>
OTHER FINANCING SOURCES(USES)			
Note Proceeds	<u>\$ -0-</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
NET CHANGE IN FUND BALANCE	\$ 89,524	\$ 1,951,481	\$ 1,861,957
FUND BALANCE - JANUARY 1, 2013	<u>127,721</u>	<u>127,721</u>	<u></u>
FUND BALANCE - DECEMBER 31, 2013	<u>\$ 217,245</u>	<u>\$ 2,079,202</u>	<u>\$ 1,861,957</u>

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

SUPPLEMENTARY INFORMATION

REQUIRED BY FORT BEND COUNTY

DECEMBER 31, 2013

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA
DECEMBER 31, 2013
(UNAUDITED)

Long-Term Debt at December 31, 2013	\$ 2,000,000
Less: Amount in Debt Service Fund	<u>-0-</u>
Net Long-Term Debt at December 31, 2013	<u>\$ 2,000,000</u>
Estimated District Population	<u>*</u>
Net Long-Term Debt Per Capita at December 31, 2013	<u>\$ **</u>

* Not available at time of audit.

** Unable to calculate without estimated District population.

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, 2013
(UNAUDITED)

Number of Emergency Responses made Within the District	1,957
Number of Emergency Responses made Outside of the District	<u>-0-</u>
Total Emergency Responses	<u><u>1,957</u></u>

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2013

Type of Coverage	From To	Amount of Coverage	Insurer/Name
FIDELITY BONDS			
Treasurer's Bond	12/15/13 12/15/14	\$ 100,000	Hartford Casualty Insurance Company
Position Schedule Bond	12/15/13		Merchants Bonding Company
Per Commissioner	12/15/14	10,000	
Aggregate		50,000	
Public Employee Blanket	12/15/13		Hartford Fire Insurance Company
Crime Bond	12/15/14	10,000	
COMMERCIAL GENERAL LIABILITY	12/15/13 12/15/14	\$ 3,000,000	Mid-Continent Casualty Company
General Aggregate		1,000,000	
Each Occurrence		1,000,000	
Personal/Advertising Injury		3,000,000	
Product Liability		100,000	
Fire Legal Liability		1,000,000	
Hired Car and Non-Ownership Auto Liability			
DIRECTORS AND OFFICERS LIABILITY	12/15/13 12/15/14	\$ 1,000,000	Mid-Continent Casualty Company
Per Claim			

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, 2013
(UNAUDITED)

REVENUES

Fort Bend County Emergency Services District No. 5	\$ 1,627,585
Miscellaneous	<u>5</u>
TOTAL REVENUES	<u>\$ 1,627,590</u>

EXPENSES

Dues and Subscriptions	\$ 3,552
Education and Training	119,804
EMS Supplies	4,735
Fire Equipment	28,007
Fuel	28,687
Insurance	90,416
Interest	23,600
Legal and Professional Fees	1,150
Late Fees	35
Miscellaneous	5,447
Payroll Expense	888,762
Rescue Equipment	6,156
Service Fees	30
Station 1 Costs	58,491
Truck Maintenance	48,553
Utilities	<u>31,830</u>
TOTAL EXPENSES	<u>\$ 1,339,255</u>

CHANGE IN NET POSITION	\$ 288,335
NET POSITION - January 1, 2013	<u>1,085,652</u>
NET POSITION - December 31, 2013	<u>\$ 1,373,987</u>

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2013

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Maintenance Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2013	\$ 978,280	
Adjustments to Beginning Balance	<u>(2,637)</u>	\$ 975,643
Original 2013 Tax Levy	\$ 1,567,594	
Adjustment to 2013 Tax Levy	<u>124,077</u>	<u>1,691,671</u>
TOTAL TO BE ACCOUNTED FOR		\$ 2,667,314
TAX COLLECTIONS:		
Prior Years	\$ 955,281	
Current Year	<u>978,314</u>	<u>1,933,595</u>
TAXES RECEIVABLE - DECEMBER 31, 2013		<u>\$ 733,719</u>
TAXES RECEIVABLE BY YEAR:		
2013		\$ 713,357
2012		10,174
2011		4,580
2010		2,622
2009		1,670
2008		<u>1,316</u>
TOTAL		<u>\$ 733,719</u>

See accompanying independent auditor's reports.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 2,027,942,748</u>	<u>\$ 1,961,144,610</u>	<u>\$ 1,825,533,913</u>	<u>\$ 1,885,838,836</u>
TOTAL TAX RATE PER \$100 VALUATION	<u>\$ 0.083411</u>	<u>\$ 0.085534</u>	<u>\$ 0.082977</u>	<u>\$ 0.079970</u>
ADJUSTED TAX LEVY*	<u>\$ 1,691,671</u>	<u>\$ 1,677,550</u>	<u>\$ 1,514,858</u>	<u>\$ 1,508,311</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>57.83 %</u>	<u>99.39 %</u>	<u>99.70 %</u>	<u>99.83 %</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		
	2013	2012	2011
REVENUES			
Property Taxes	\$ 1,671,784	\$ 1,511,310	\$ 1,493,330
Penalty and Interest	15,454	15,060	20,464
Investment Revenues	1,084	718	655
TOTAL REVENUES	<u>\$ 1,688,322</u>	<u>\$ 1,527,088</u>	<u>\$ 1,514,449</u>
EXPENDITURES			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department	\$ 1,660,484	\$ 1,515,188	\$ 1,536,343
Accounting and Auditing	16,450	16,300	16,500
Appraisal District Fees	9,752	9,052	8,529
Commissioner Fees	6,450	6,500	7,150
Legal Fees - General	12,786	12,344	10,836
Legal Fees - Delinquent Tax Collections	3,959	3,910	5,565
Tax Assessor Collector Fees	5,571	5,584	5,536
Other	7,560	7,184	7,020
Capital Outlay	13,829		
Debt Service:			
Line of Credit Principal			
Line of Credit Interest			
TOTAL EXPENDITURES	<u>\$ 1,736,841</u>	<u>\$ 1,576,062</u>	<u>\$ 1,597,479</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (48,519)</u>	<u>\$ (48,974)</u>	<u>\$ (83,030)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Line of Credit	\$ - 0 -	\$ - 0 -	\$ - 0 -
Note Proceeds	2,000,000		
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,000,000</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 1,951,481	\$ (48,974)	\$ (83,030)
BEGINNING FUND BALANCE	<u>127,721</u>	<u>176,695</u>	<u>259,725</u>
ENDING FUND BALANCE	<u>\$ 2,079,202</u>	<u>\$ 127,721</u>	<u>\$ 176,695</u>

* First audit for inception period ended December 31, 2009.

See accompanying independent auditor's reports.

		Percentage of Total Revenue				
2010	2009*	2013	2012	2011	2010	2009*
\$ 1,490,936	\$ 1,472,987	99.0 %	99.0 %	98.6 %	98.5 %	98.8 %
20,139	15,187	0.9	1.0	1.4	1.3	1.0
2,213	2,134	0.1			0.2	0.2
<u>\$ 1,513,288</u>	<u>\$ 1,490,308</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,544,911	\$ 1,054,311	98.4 %	99.2 %	101.4 %	102.0 %	70.7
16,775	12,400	1.0	1.1	1.1	1.1	0.8
7,683	10,503	0.6	0.6	0.5	0.6	0.7
5,810	9,150	0.4	0.4	0.5	0.4	0.6
10,728	21,105	0.8	0.8	0.7	0.7	1.4
6,650	3,792	0.2	0.2	0.4	0.4	0.3
5,413	10,942	0.3	0.4	0.4	0.4	0.7
5,984	16,903	0.4	0.5	0.5	0.4	1.1
		0.8				
	50,000					3.4
	811					0.1
<u>\$ 1,603,954</u>	<u>\$ 1,189,917</u>	<u>102.9 %</u>	<u>103.2 %</u>	<u>105.5 %</u>	<u>106.0 %</u>	<u>79.8 %</u>
\$ (90,666)	\$ 300,391	(2.9) %	(3.2) %	(5.5) %	(6.0) %	20.2 %
\$ - 0 -	\$ 50,000					
<u>\$ - 0 -</u>	<u>\$ 50,000</u>					
\$ (90,666)	\$ 350,391					
350,391						
<u>\$ 259,725</u>	<u>\$ 350,391</u>					

See accompanying independent auditor's reports.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2013

District Mailing Address - Fort Bend County Emergency Services District No. 5
c/o Smith, Murdaugh, Little & Bonham LLP
2727 Allen Parkway, Suite 1100
Houston, Texas 77019

District Telephone Number - (713) 652-6500

<u>Commissioners</u>	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended December 31, 2013</u>	<u>Expense Reimbursement for the year ended December 31, 2013</u>	<u>Title</u>
Ernie Carter	01/01/12 12/31/13 (Appointed)	\$ 2,200	\$ 55	President
James H. White	01/01/12 12/31/13 (Appointed)	\$ 2,650	\$ 27	Vice President
John Mukoro	01/01/13 12/31/14 (Appointed)	\$ 650	\$ -0-	Secretary/ Assistant Treasurer
John Godbee	01/01/13 12/31/14 (Appointed)	\$ 700	\$ 55	Treasurer/ Investment Officer
Ben Bono	01/01/12 12/31/13 (Appointed)	\$ 500	\$ -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.

See accompanying independent auditor's report.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2013

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2013</u>	<u>Title</u>
Smith, Murdaugh, Little & Bonham, L.L.P. 2727 Allen Parkway, Suite 1100 Houston, TX 77019	03/11/08	\$ 12,786	Attorney
McCall Gibson Swedlund Barfoot PLLC 13100 Wortham Center Drive, Suite 235 Houston, TX 77065-5610	01/12/10	\$ 7,350	Auditor
Myrtle Cruz, Inc. 1621 Milam, 3rd Floor Houston, TX 77002	07/08/08	\$ 9,961	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP 1301 Travis Street, Suite 300 Houston, TX 77002	01/13/09	\$ 3,959	Delinquent Tax Attorney
Fort Bend County Tax Assessor/Collector 500 Liberty Street, Suite 101 Richmond, TX 77469	Legislative Action	\$ 5,571	Tax Assessor/ Collector

See accompanying independent auditor's report.