

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100

HARRIS AND FORT BEND COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and major fund of Harris-Fort Bend Emergency Services District No. 100 (the "District"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Management's discussion and analysis of Harris-Fort Bend Emergency Services District No. 100's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all the District's assets, liabilities, and, if applicable, 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 Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found 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 \$66,961,080 as of December 31, 2018.

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Summary of Changes in the Statement of Net Position		
	2018	2017	Change Positive (Negative)
Current and Other Assets	\$ 46,197,600	\$ 43,814,096	\$ 2,383,504
Capital Assets (Net of Accumulated Depreciation)	26,528,824	21,987,715	4,541,109
Total Assets	\$ 72,726,424	\$ 65,801,811	\$ 6,924,613
Other Liabilities	\$ 1,345,295	\$ 660,469	\$ (684,826)
Total Liabilities	\$ 1,345,295	\$ 660,469	\$ (684,826)
Deferred Inflows of Resources	\$ 4,420,049	\$ 4,595,046	\$ 174,997
Net Position:			
Net Investment in Capital Assets	\$ 26,528,824	\$ 21,987,715	\$ 4,541,109
Unrestricted	40,432,256	38,558,581	1,873,675
Total Net Position	\$ 66,961,080	\$ 60,546,296	\$ 6,414,784

The following table provides comparative analysis of the District's operations for the years ended December 31, 2018, and December 31, 2017.

	Summary of Changes in the Statement of Activities		
	2018	2017	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 4,549,112	\$ 4,467,177	\$ 81,935
Sales Tax Receipts	10,332,074	9,236,701	1,095,373
Other Revenues	1,448,527	1,165,602	282,925
Total Revenues	\$ 16,329,713	\$ 14,869,480	\$ 1,460,233
Expenses for Services	(9,914,929)	(7,832,194)	(2,082,735)
Change in Net Position	\$ 6,414,784	\$ 7,037,286	\$ (622,502)
Net Position, Beginning of Year	60,546,296	53,509,010	7,037,286
Net Position, End of Year	\$ 66,961,080	\$ 60,546,296	\$ 6,414,784

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance as of December 31, 2018, was \$40,315,849, an increase of \$1,868,263 from the prior year. The increase was primarily due to the collection of sales tax receipts.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners amended the budget during the fiscal year to increase estimated capital outlay. Actual revenues were \$3,041,867 more than budgeted revenues. Actual expenditures were \$5,263,818 less than budgeted expenditures.

CAPITAL ASSETS

Capital assets as of December 31, 2018, total \$26,528,824 (net of accumulated depreciation) and include land, buildings, vehicles and equipment.

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

- Delivery of 2016 Ford F550 Ballistic Armored Tactical Transport - \$231,760
- Delivery of two 2017 Ford F550 Skeeter Type 5 Stepside - \$163,311
- Station No. 1 Administration Addition and Renovations - \$105,907
- Community Training Field - \$5,345,267
- 5-Ton High Water Vehicle - \$37,841
- 2015 Marine Boat and Trailer - \$24,000

Capital Assets At Year-End, Net of Accumulated Depreciation

	<u>2018</u>	<u>2017</u>	<u>Change Positive (Negative)</u>
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 3,715,021	\$ 3,715,021	\$
Construction in Progress	7,372,662	1,929,307	5,443,355
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	10,078,269	10,405,158	(326,889)
Vehicles	5,204,577	5,748,229	(543,652)
Equipment	158,295	190,000	(31,705)
Total Net Capital Assets	<u>\$ 26,528,824</u>	<u>\$ 21,987,715</u>	<u>\$ 4,541,109</u>

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2018

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 18,078,533	\$	\$ 18,078,533
Investments	23,576,561		23,576,561
Cash with Other Governments	365,804		365,804
Receivables:			
Property Taxes	2,190,724		2,190,724
Penalty and Interest on Delinquent Taxes		41,094	41,094
Sales Tax Receipts	1,885,379		1,885,379
Accrued Interest	59,355		59,355
Other	150		150
Land		3,715,021	3,715,021
Construction in Progress		7,372,662	7,372,662
Capital Assets (Net of Accumulated Depreciation)		15,441,141	15,441,141
TOTAL ASSETS	\$ 46,156,506	\$ 26,569,918	\$ 72,726,424
LIABILITIES			
Accounts Payable	\$ 472,365	\$	\$ 472,365
Due to Other Governmental Units	179,205		179,205
Retainage Payable	248,904		248,904
Due to Fort Bend County Road District	444,821		444,821
TOTAL LIABILITIES	\$ 1,345,295	\$ -0-	\$ 1,345,295
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 4,495,362	\$ (75,313)	\$ 4,420,049
FUND BALANCE			
Unassigned	\$ 40,315,849	\$ (40,315,849)	\$ - 0 -
TOTAL FUND BALANCE	\$ 40,315,849	\$ (40,315,849)	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 46,156,506		
NET POSITION			
Net Investment in Capital Assets Unrestricted		\$ 26,528,824 40,432,256	\$ 26,528,824 40,432,256
TOTAL NET POSITION		\$ 66,961,080	\$ 66,961,080

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total Fund Balance - Governmental Funds \$ 40,315,849

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

Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 26,528,824

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2017 and prior tax levies became part of recognized revenues in the governmental activities of the District. 116,407

Total Net Position - Governmental Activities \$ 66,961,080

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 4,542,755	\$ 6,357	\$ 4,549,112
Sales Tax Receipts	10,332,074		10,332,074
EMS Collections	807,000		807,000
Lease Revenues	41,580		41,580
Penalty and Interest	41,119	(945)	40,174
Investment Revenues	551,456		551,456
Insurance Reimbursement	44,979	(42,166)	2,813
Miscellaneous Revenues	5,504		5,504
TOTAL REVENUES	<u>\$ 16,366,467</u>	<u>\$ (36,754)</u>	<u>\$ 16,329,713</u>
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Community Protection Agency, Inc.	\$ 5,236,801	\$ (61,841)	\$ 5,174,960
Accounting and Auditing	28,250		28,250
Appraisal District Fees	32,135		32,135
Commissioner Fees	15,900		15,900
Legal Fees - General	74,752		74,752
Legal Fees - Delinquent Tax Collections	11,371		11,371
Sales Tax Consultant	58,143		58,143
Tax Assessor/Collector Fees	28,313		28,313
Repairs and Maintenance	69,816		69,816
Depreciation		1,358,666	1,358,666
Other	209,038		209,038
Fort Bend County	2,323,098		2,323,098
Capital Outlay	6,410,587	(5,880,100)	530,487
TOTAL EXPENDITURES/EXPENSES	<u>\$ 14,498,204</u>	<u>\$ (4,583,275)</u>	<u>\$ 9,914,929</u>
NET CHANGE IN FUND BALANCE	\$ 1,868,263	\$ (1,868,263)	\$
CHANGE IN NET POSITION		6,414,784	6,414,784
FUND BALANCE/NET POSITION - JANUARY 1, 2018	<u>38,447,586</u>	<u>22,098,710</u>	<u>60,546,296</u>
FUND BALANCE/NET POSITION - DECEMBER 31, 2018	<u>\$ 40,315,849</u>	<u>\$ 26,645,231</u>	<u>\$ 66,961,080</u>

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

**HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balance - Governmental Funds	\$	1,868,263
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.</p>		6,357
<p>Governmental funds report penalty and interest revenues on property taxes when collected. However, in the government-wide financial statements, revenues are recorded when the penalty and interest are assessed.</p>		(945)
<p>Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.</p>		(1,358,666)
<p>Governmental funds record capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.</p>		<u>5,899,775</u>
Change in Net Position - Governmental Activities	\$	<u><u>6,414,784</u></u>

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1. CREATION OF DISTRICT

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has one governmental fund; therefore, it is a major fund.

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

Basis of Accounting

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

Property taxes considered available by the District and recorded as revenue include the 2017 tax levy collections during the period October 1, 2017, to December 31, 2018, and taxes collected from January 1, 2018, to December 31, 2018, for all prior tax levies. The 2018 tax levy has been fully deferred to meet the District’s planned expenditures in the 2019 fiscal year.

Capital Assets

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

	Years
Buildings	40
All Other Equipment	2-30

Budgeting

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

Pensions

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

Measurement Focus

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

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances 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.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3. TAX LEVY

Voters of the District have approved the levy and collection of an ad valorem tax not to exceed \$0.10 per \$100 of assessed valuation on taxable property within the District. During the year ended December 31, 2018, the District levied an ad valorem tax at the rate of \$0.068 per \$100 of assessed valuation, which resulted in a tax levy of \$4,420,049 on the adjusted taxable valuation of \$6,499,040,291 for the 2018 tax year.

The District's tax calendar is as follows:

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

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's bank deposits was \$26,266,460 and the bank balance was \$26,390,222. Of the bank balance, \$8,181,501 was covered by federal depository insurance and the balance was covered by collateral pledged in the name of the District and held in a third-party depository.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2018, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 18,078,533	\$ 8,187,927	\$ 26,266,460

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. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in the Texas Short Term Asset Reserve Program (“TexSTAR”), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and FirstSouthwest, a Division of Hilltop Securities Inc., provides participant services and marketing under an agreement with the TexSTAR Board of Directors. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. Wells Fargo Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexasCLASS.

As of December 31, 2018, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexSTAR	\$ 11,162,911	\$ 11,162,911	\$	\$	\$
Texas CLASS	4,225,723	4,225,723			
Certificates of Deposit	<u>8,187,927</u>	<u>8,187,927</u>			
TOTAL INVESTMENTS	<u>\$ 23,576,561</u>	<u>\$ 23,576,561</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2018, the District’s investments in TexSTAR and Texas CLASS were rated “AAAm” by Standard and Poor’s. The District also manages credit risk by investing in certificates of deposit with balances covered in accordance with Texas statutes.

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

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5. FIRE PROTECTION SERVICES

The District has contracted with the Community Protection Agency, Inc. (the “Department”) to provide fire fighting and suppression services and emergency medical and rescue services to the residents of the District. The term of the current contract is for a period of one-year effective January 1, 2018 and will renew automatically for consecutive one-year terms commencing on January 1st of each successive year. The automatic renewal can be canceled by sending a written notice on or before August 1st of the then current calendar year to either party. Under the terms of the contract, the Department agrees to provide fire fighting and suppression services and emergency medical and rescue services to all the residents and commercial interests within the geographic area of the District and those requesting mutual aid. The contract may be terminated by either party due to the other party committing a material breach of contract. Once notice has been given of a contract breach, the breaching party will have 90 days from the date of the notice to cure the breach or show to the satisfaction of the non-breaching party that no breach has occurred.

The Department agrees to submit annually, due each September, both an operating budget and a capital budget for approval by the District. The District agrees to pay to the Department monthly amounts as invoiced, which agree to the Department’s approved budget. At each regular board meeting, the Department shall provide a financial report setting forth the Department’s revenue and expenditures for the prior month. Expenditures which are made within the approved budget, shall be fully reimbursed to the Department in an amount expended by the Department in the previous month.

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

The Department transfers emergency service billing revenues to the District on a monthly basis as they are received less the amount that the Department needs to maintain a \$10,000 reserve to cover refunds and adjustments. During the current fiscal year, the District received \$807,000 from current year collections.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	January 1, 2018	Increases	Decreases	December 31, 2018
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 3,715,021	\$	\$	\$ 3,715,021
Construction in Progress	<u>1,929,307</u>	<u>5,941,941</u>	<u>498,586</u>	<u>7,372,662</u>
Total Capital Assets Not Being Depreciated	<u>\$ 5,644,328</u>	<u>\$ 5,941,941</u>	<u>\$ 498,586</u>	<u>\$ 11,087,683</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 12,548,252	\$	\$	\$ 12,548,252
Vehicles	12,438,651	440,732	110,089	12,769,294
Equipment	<u>1,113,071</u>	<u>57,854</u>		<u>1,170,925</u>
Total Capital Assets Subject to Depreciation	<u>\$ 26,099,974</u>	<u>\$ 498,586</u>	<u>\$ 110,089</u>	<u>\$ 26,488,471</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ 2,143,094	\$ 326,889	\$	\$ 2,469,983
Vehicles	6,690,422	942,218	67,923	7,564,717
Equipment	<u>923,071</u>	<u>89,559</u>		<u>1,012,630</u>
Total Accumulated Depreciation	<u>\$ 9,756,587</u>	<u>\$ 1,358,666</u>	<u>\$ 67,923</u>	<u>\$ 11,047,330</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 16,343,387</u>	<u>\$ (860,080)</u>	<u>\$ 42,166</u>	<u>\$ 15,441,141</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,987,715</u>	<u>\$ 5,081,861</u>	<u>\$ 540,752</u>	<u>\$ 26,528,824</u>

NOTE 7. TOWER LEASE AGREEMENTS

On August 30, 2005, as amended on September 27, 2017, the District entered into an agreement with Voicestream Houston, Inc. and its successor T-Mobile West LLC. for the lease of one of the District’s telecommunication towers. The rent payable to the District is \$1,815 per month. The initial term of the lease is 12 months with the option of seven years upon written notice to the District and payment of \$1,000. During the current fiscal year, the District recorded revenue of \$21,780 from this lease.

On February 8, 2010, the District entered into an agreement with Clear Wire, LLC (“Clearwire”) for the lease of one of the District’s telecommunication towers at a rental rate of \$1,500 per month. The initial term of the lease is 18 months with the option to extend the term for five successive five-year periods unless Clearwire notifies the District of its intention not to renew at least 30 days prior to commencement of any renewal term. The rent for each renewal term shall

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7. TOWER LEASE AGREEMENTS (Continued)

be increased by 10% of the rent paid over the preceding term. In February 2015, the rental rate increased to \$1,650 per month. During the current fiscal year, the District recorded revenue of \$19,800 from this lease.

NOTE 8. RISK MANAGEMENT

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

NOTE 9. SALES AND USE TAX

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

On November 6, 2007, the voters of the District approved the establishment and adoption of a sales and use tax of up to a maximum of one percent. On November 19, 2007, the Board set a local sales and use tax of one percent on all applicable sales and uses within the boundaries of the District, excluding any territory in the District where sales and use tax is currently two percent, effective April 1, 2008. During the current fiscal year, the District recorded \$10,332,074 in sales tax receipts, of which \$1,885,379 was due from the State Comptroller at December 31, 2018.

NOTE 10. INTERLOCAL AGREEMENT FOR FORT BEND COUNTY MOBILITY ENHANCEMENT

On December 13, 2011, the District executed the Interlocal Agreement for Fort Bend County Mobility Enhancement with Fort Bend County, Texas. The District agrees to allocate 25% of the District's local sales and use tax revenue generated in the area described as the portion of the District located in Fort Bend County and west of FM 1464. The District agrees to make quarterly payments to Fort Bend County. During the current fiscal year, the District recorded total payments of \$2,323,098 to Fort Bend County in relation to this agreement, of which \$444,821 was recorded as a payable as of December 31, 2018. The term of this agreement is 15 years.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 4,000,000	\$ 4,000,000	\$ 4,542,755	\$ 542,755
Sales Tax Receipts	8,500,000	8,500,000	10,332,074	1,832,074
EMS Collections	700,000	700,000	807,000	107,000
Lease Revenues	39,600	39,600	41,580	1,980
Penalty and Interest			41,119	41,119
Investment Revenues	85,000	85,000	551,456	466,456
Insurance Reimbursement			44,979	44,979
Miscellaneous Revenues			5,504	5,504
TOTAL REVENUES	<u>\$ 13,324,600</u>	<u>\$ 13,324,600</u>	<u>\$ 16,366,467</u>	<u>\$ 3,041,867</u>
EXPENDITURES				
Service Operations:				
District Services - Community Protection				
Agency, Inc.	\$ 5,340,222	\$ 5,340,222	\$ 5,236,801	\$ 103,421
Accounting and Auditing	30,000	30,000	28,250	1,750
Appraisal District Fees	35,000	35,000	32,135	2,865
Commissioner Fees	36,000	36,000	15,900	20,100
Legal Fees - General	70,000	70,000	74,752	(4,752)
Legal Fees - Delinquent Tax Collections			11,371	(11,371)
Sales Tax Consultant	70,000	70,000	58,143	11,857
Tax Assessor/Collector Fees	25,000	25,000	28,313	(3,313)
Repairs and Maintenance			69,816	(69,816)
Other	275,800	275,800	209,038	66,762
Fort Bend County	1,800,000	1,800,000	2,323,098	(523,098)
Capital Outlay	8,080,000	12,080,000	6,410,587	5,669,413
TOTAL EXPENDITURES	<u>\$ 15,762,022</u>	<u>\$ 19,762,022</u>	<u>\$ 14,498,204</u>	<u>\$ 5,263,818</u>
NET CHANGE IN FUND BALANCE	\$ (2,437,422)	\$ (6,437,422)	\$ 1,868,263	\$ 8,305,685
FUND BALANCE - JANUARY 1, 2018	<u>38,447,586</u>	<u>38,447,586</u>	<u>38,447,586</u>	
FUND BALANCE - DECEMBER 31, 2018	<u>\$ 36,010,164</u>	<u>\$ 32,010,164</u>	<u>\$ 40,315,849</u>	<u>\$ 8,305,685</u>

See accompanying independent auditor's report.

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HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100

SUPPLEMENTARY INFORMATION

REQUIRED BY HARRIS COUNTY

DECEMBER 31, 2018

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
LISTING OF THE NUMBER OF EMERGENCY
RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Number of emergency responses made within the District	8,813
Number of emergency responses made outside of the District	<u>40</u>
Total emergency responses	<u>8,853</u>

See accompanying independent auditor's report.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2018

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC OFFICIAL BOND Robert L. Perez (Treasurer)	01/01/18 01/01/19	\$ 100,000	Hartford Casualty Insurance Company
PUBLIC EMPLOYEE DISHONESTY BLANKET BOND	12/01/18 12/01/19	\$ 100,000	American Alternative Insurance Corporation
POSITION SCHEDULE BOND Treasurer	12/01/18 12/01/19	\$ 100,000	American Alternative Insurance Corporation
GENERAL LIABILITY General Aggregate Per Occurrence	12/01/18 12/01/19	\$ 3,000,000 1,000,000	American Alternative Insurance Corporation
MANAGEMENT LIABILITY Aggregate Each Occurrence	12/01/18 12/01/19	\$ 3,000,000 1,000,000	American Alternative Insurance Corporation
EXCESS LIABILITY General Aggregate Each Occurrence	12/01/18 12/01/19	\$ 6,000,000 3,000,000	American Alternative Insurance Corporation
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	12/01/18 12/01/19	\$ 1,000,000	American Alternative Insurance Corporation
PROPERTY LIABILITY Buildings Contents	12/01/18 12/01/19	\$ 14,078,790 335,385	American Alternative Insurance Corporation
WORKERS COMPENSATION Bodily Injury by Accident Disease Policy Limit Bodily Injury by Disease	11/17/18 11/17/19	\$ 1,000,000 1,000,000 1,000,000	Texas Mutual Insurance Company

See accompanying independent auditor's report.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
STATEMENT OF ACTIVITIES
COMMUNITY PROTECTION AGENCY, INC.
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

REVENUES AND OTHER SUPPORT	
Harris-Fort Bend ESD No. 100	\$ 5,072,807
EMS Billing Revenue	932,648
Miscellaneous Receipts	<u>24,027</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>\$ 6,029,482</u>
EXPENSES	
OPERATING EXPENSES:	
Administrative	\$ 1,188,245
Communications	320,280
Emergency Medical Service Operations	298,313
Fuel	111,983
Insurance Expense	202,662
Repairs and Maintenance	703,118
Salaries and Payroll Taxes	2,606,128
Station Expenses	221,329
Suppression and Rescue Equipment	89,304
Training	68,136
Personnel Support Expense	<u>158,786</u>
TOTAL OPERATING EXPENSES	<u>\$ 5,968,284</u>
INCREASE IN NET ASSETS	\$ 61,198
NET ASSETS - JANUARY 1, 2018	<u>596,383</u>
NET ASSETS - DECEMBER 31, 2018	<u>\$ 657,581</u>

See accompanying independent auditor's report.

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HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Property Taxes	
TAXES RECEIVABLE - JANUARY 1, 2018	\$ 2,199,844	
Adjustments to Beginning Balance	(45,934)	\$ 2,153,910
Original 2018 Tax Levy	\$ 4,349,329	
Adjustment to 2018 Tax Levy	70,720	4,420,049
TOTAL TO BE ACCOUNTED FOR		\$ 6,573,959
TAX COLLECTIONS:		
Prior Years	\$ 2,078,598	
Current Year	2,304,637	4,383,235
TAXES RECEIVABLE - DECEMBER 31, 2018		\$ 2,190,724
TAXES RECEIVABLE BY YEAR:		
2018		\$ 2,115,412
2017		24,652
2016		11,465
2015		6,973
2014		6,159
2013		5,916
2012		3,199
2011		3,461
2010		3,177
2009		3,620
2008		3,234
2007		1,020
2006		350
2005		923
2004		469
2003		161
2002		99
2001 and prior		434
TOTAL		\$ 2,190,724

See accompanying independent auditor's report.

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HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
HARRIS COUNTY				
TOTAL PROPERTY VALUATIONS**	\$ <u>2,608,732,258</u>	\$ <u>2,517,190,475</u>	\$ <u>2,345,197,167</u>	\$ <u>2,151,266,470</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.06800</u>	\$ <u>0.07058</u>	\$ <u>0.07321</u>	\$ <u>0.07951</u>
ADJUSTED TAX LEVY*	\$ <u>1,773,938</u>	\$ <u>1,776,632</u>	\$ <u>1,716,919</u>	\$ <u>1,710,472</u>
FORT BEND COUNTY				
TOTAL PROPERTY VALUATIONS**	\$ <u>3,890,308,033</u>	\$ <u>3,987,632,761</u>	\$ <u>3,829,182,461</u>	\$ <u>3,554,540,151</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.06800</u>	\$ <u>0.07058</u>	\$ <u>0.07321</u>	\$ <u>0.07951</u>
ADJUSTED TAX LEVY*	\$ <u>2,646,111</u>	\$ <u>2,818,414</u>	\$ <u>2,803,523</u>	\$ <u>2,826,682</u>
TOTAL TAX LEVY*	\$ <u>4,420,049</u>	\$ <u>4,595,046</u>	\$ <u>4,520,442</u>	\$ <u>4,537,154</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>52.14 %</u>	<u>99.46 %</u>	<u>99.75 %</u>	<u>99.85 %</u>

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

** Includes Exemptions

See accompanying independent auditor's report.

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

	Amount		
	2018	2017	2016
REVENUES			
Property Taxes	\$ 4,542,755	\$ 4,464,920	\$ 4,506,886
Sales Tax Receipts	10,332,074	9,236,701	8,459,678
EMS Collections	807,000	880,000	752,800
Lease Revenues	41,580	40,313	39,600
Penalty and Interest	41,119	33,267	50,993
Investment Revenues	551,456	173,701	96,640
Insurance Reimbursement	44,979		
Miscellaneous Revenues	5,504	33,687	54,750
TOTAL REVENUES	\$ 16,366,467	\$ 14,862,589	\$ 13,961,347
EXPENDITURES			
District Services - Community Protection Agency, Inc.	\$ 5,236,801	\$ 4,010,931	\$ 3,876,175
Accounting and Auditing	28,250	28,250	27,000
Appraisal District Fees	32,135	30,789	30,499
Commissioner Fees	15,900	10,400	6,050
Legal Fees - General	74,752	70,082	110,014
Legal Fees - Delinquent Tax Collections	11,371	10,169	10,557
Sales Tax Consultant	58,143	41,112	51,336
Tax Assessor/Collector Fees	28,313	30,605	32,559
Repairs and Maintenance	69,816	183,354	44,151
Other	209,038	81,020	73,168
Fort Bend County	2,323,098	1,499,428	1,401,039
Capital Outlay	6,410,587	3,093,077	5,474,136
TOTAL EXPENDITURES	\$ 14,498,204	\$ 9,089,217	\$ 11,136,684
NET CHANGE IN FUND BALANCE	\$ 1,868,263	\$ 5,773,372	\$ 2,824,663
BEGINNING FUND BALANCE	38,447,586	32,674,214	29,849,551
ENDING FUND BALANCE	\$ 40,315,849	\$ 38,447,586	\$ 32,674,214

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2015	2014	2018	2017	2016	2015	2014
\$ 4,467,354	\$ 4,602,397	27.7 %	30.1 %	32.2 %	34.8 %	37.2 %
7,519,988	6,905,252	63.1	62.1	60.6	58.5	55.8
734,000	653,000	4.9	5.9	5.4	5.7	5.3
37,766	39,300	0.3	0.3	0.3	0.3	0.3
44,277	48,107	0.3	0.2	0.4	0.3	0.4
56,321	46,369	3.4	1.2	0.7	0.4	0.4
	72,000	0.3				0.6
			0.2	0.4		
<u>\$ 12,859,706</u>	<u>\$ 12,366,425</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 3,918,733	\$ 3,725,027	32.0 %	27.0 %	27.8 %	30.5 %	30.1 %
23,000	22,350	0.2	0.2	0.2	0.2	0.2
31,597	33,009	0.2	0.2	0.2	0.2	0.3
7,850	8,600	0.1	0.1		0.1	0.1
62,052	47,278	0.5	0.5	0.8	0.5	0.4
13,066	8,778	0.1	0.1	0.1	0.1	0.1
37,591	44,962	0.4	0.3	0.4	0.3	0.4
24,742	30,162	0.2	0.2	0.2	0.2	0.2
111,450	1,879	0.4	1.2	0.3	0.9	
60,807	123,550	1.3	0.5	0.5	0.5	1.0
1,286,479	1,100,255	14.2	10.1	10.0	10.0	8.9
<u>2,188,521</u>	<u>4,682,056</u>	<u>39.2</u>	<u>20.8</u>	<u>39.2</u>	<u>17.0</u>	<u>37.9</u>
<u>\$ 7,765,888</u>	<u>\$ 9,827,906</u>	<u>88.8 %</u>	<u>61.2 %</u>	<u>79.7 %</u>	<u>60.5 %</u>	<u>79.6 %</u>
\$ 5,093,818	\$ 2,538,519	<u>11.2 %</u>	<u>38.8 %</u>	<u>20.3 %</u>	<u>39.5 %</u>	<u>20.4 %</u>
<u>24,755,733</u>	<u>22,217,214</u>					
<u>\$ 29,849,551</u>	<u>\$ 24,755,733</u>					

See accompanying independent auditor's report.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2018

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

District Telephone Number - (713) 984-8222

<u>Board Members</u>	<u>Term of Office (Appointed or Elected)</u>	<u>Fees of Office for the year ended December 31, 2018</u>	<u>Expense Reimbursements for the year ended December 31, 2018</u>	<u>Title</u>
Leland D. Terry	06/01/18 05/31/22 (Elected)	\$ 4,650	\$ 2,299	President
Jeff Jernberg	06/01/16 05/31/20 (Elected)	\$ 1,200	\$ -0-	Vice President
Robert L. Perez	06/01/18 05/31/22 (Elected)	\$ 7,200	\$ 1,784	Treasurer/ Investment Officer
Mary Blondell	06/01/18 05/31/22 (Elected)	\$ 2,850	\$ 1,070	Secretary
Steve Fowler	01/08/19 05/31/20 (Appointed)	\$ -0-	\$ -0-	Assistant Treasurer/ Assistant Secretary
Janie Bickford	06/01/16 11/30/18 (Elected)	\$ -0-	\$ -0-	Resigned

The limit on fees of office that a Commissioner may receive during a year is set by the Health and Safety Code-Chapter 775. Effective September 1, 2017, a Commissioner is entitled to receive compensation in the same manner and amount as are provided by Section 49.060 of the Texas Water Code, currently \$7,200 per fiscal year. The above fees of office and expense reimbursements are the amounts paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

HARRIS-FORT BEND EMERGENCY SERVICES DISTRICT NO. 100
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2018

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2018*</u>	<u>Title</u>
Coveler & Peeler, P.C.		\$ 142,334	Attorney
McCall Gibson Swedlund Barfoot PLLC	04/06/04	\$ 14,750	Auditor
Myrtle Cruz, Inc.		\$ 14,962	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP		\$ 11,371	Delinquent Tax Attorney
Harris County Tax Assessor/Collector	Legislative Action	\$ 19,590	Tax Assessor/ Collector
Fort Bend County Tax Assessor/Collector	Legislative Action	\$ 8,723	Tax Assessor/ Collector
Sales Tax Assurance, LLC	11/06/12	\$ 58,143	Sales Tax Consultant

* Accrual basis

See accompanying independent auditor's report.