
FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

COMPILED FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION (MAY 4, 2024) TO DECEMBER 31, 2024

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

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BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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JILL A. HENZE, CPA
President

NICOLE BREEDLOVE HUNT, CPA
CEO

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

March 19, 2025

Board of Commissioners
Fort Bend County Emergency Services District No. 10
Fairchilds, Texas

Management is responsible for the accompanying financial statements of Fort Bend County Emergency Services District No. 10, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2024, and the related statement of activities and governmental revenues, expenditures and changes in fund balance for the for the period from inception (May 4, 2024) to December 31, 2024 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Breedlove & Co., P.C.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

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

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 236 857	\$ -	\$ 236 857
Taxes Receivable	<u>277 183</u>	<u>-</u>	<u>277 183</u>
Total Assets	<u>514 040</u>	<u>-</u>	<u>514 040</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 514 040</u>	<u>\$ -</u>	<u>\$ 514 040</u>
<u>LIABILITIES</u>			
Liabilities			
Accounts Payable	\$ 7 789	\$ -	\$ 7 789
Note Payable - Due within One Year	<u>-</u>	<u>60 000</u>	<u>60 000</u>
Total Liabilities	<u>7 789</u>	<u>60 000</u>	<u>67 789</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Tax Revenue	<u>277 183</u>	<u>(277 183)</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>277 183</u>	<u>(277 183)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balances			
Unassigned	<u>229 068</u>	<u>(229 068)</u>	<u>-</u>
Total Fund Balance	<u>229 068</u>	<u>(229 068)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 514 040</u>		
Net Position			
Unrestricted		<u>446 251</u>	<u>446 251</u>
Total Net Position		<u>446 251</u>	<u>446 251</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position		<u>\$ -</u>	<u>\$ 514 040</u>

Unaudited - See Independent Accountants' Compilation Report

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

STATEMENT OF ACTIVITIES AND GOVERNMENTAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE PERIOD FROM INCEPTION (MAY 4, 2024) TO DECEMBER 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Property Taxes	\$ 234 694	\$ 277 183	\$ 511 877
Total Revenues	<u>234 694</u>	<u>277 183</u>	<u>511 877</u>
Expenditures/Expenses			
Fire Department Operating Funds	50 957	-	50 957
Administration	1 319	-	1 319
Bank Charges	427	-	427
Contracted Services	2 000	-	2 000
Insurance	400	-	400
Professional Fees	10 523	-	10 523
Total Expenditures/Expenses	<u>65 626</u>	<u>-</u>	<u>65 626</u>
Excess Revenues Over Expenditures	169 068	277 183	446 251
Other Financing Sources / Uses			
Notes Payable Proceeds	60 000	(60 000)	-
Changes in Fund Balance/Net Position	229 068	217 183	446 251
Fund Balance/Net Position			
Beginning of Year	-	-	-
End of Year	<u>\$ 229 068</u>	<u>\$ 217 183</u>	<u>\$ 446 251</u>

Unaudited - See Independent Accountants' Compilation Report

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

NOTE (1) CREATION OF DISTRICT

Fort Bend County Emergency Services District No. 10 ("District") is a political subdivision of the State of Texas created by election on May 4, 2024. The District operates under the direction of five commissioners and will provide emergency services to the District as defined in Health & Safety Code of Texas Statutes Chapter 775, Emergency Services District, Subchapter C, Organization, Powers and Duties Sec. 775.031 District Powers.

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION

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

a. Fund Types:

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 (Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

b. Fund Balances

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

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

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

The District uses the following classifications for net position:

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

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

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING

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

The District has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In compliance with GASB Statement No. 34, the District has presented a Statement of Net Position and Statement of Activities for the period from inception (May 4, 2024) to December 31, 2024. These statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded in the period they are earned, and expenses are recorded in the period they are incurred. The "Adjustments" column on these statements represents accounts adjusted to reflect an accrual basis rather than a modified accrual basis of accounting. All fund balances are adjusted to reflect net position. As this is the inception year of the District, no Management's Discussion and Analysis is presented.

D. BUDGET

The District annually adopts a budget for the General Fund beginning in 2025 in accordance with the accounting principles applicable to this fund. The Board of Commissioners' approval is required for revisions that alter the total expenditures. Reported budgeted amounts are as originally adopted. Budgeted amounts lapse annually.

E. CASH EQUIVALENTS

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

F. USE OF ESTIMATES

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

H. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 (Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Total Fund Balance at December 31, 2024	<u>\$ 229 068</u>
Conversion of property tax assessments to full accrual basis	277 183
Short-term debt obligations not reported in the funds	<u>(60 000)</u>
Adjustment to fund balance to arrive at net position	<u>217 183</u>
Total Net Position at December 31, 2024	<u><u>\$ 446 251</u></u>

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

Change in fund balance	\$ 229 068
Conversion of property tax assessments to full accrual basis	277 183
Governmental funds report proceeds from debt because they provide current financial resources to governmental funds.	<u>(60 000)</u>
Change in net position of governmental activities	<u><u>\$ 446 251</u></u>

NOTE (3) AD VALOREM TAX

During the period from inception (May 4, 2024) to December 31, 2024, the District levied an ad valorem tax at the rate of \$.10 per \$100 of assessed valuation, which resulted in a tax levy of \$511,768 for 2024, on the taxable valuation of \$511,768,340 for the 2024 tax year. The ad valorem tax was due upon receipt and will be considered delinquent if not paid by February 1, at which time penalties and interest will be assessed. The levy date of the tax was September 1 prior to the delinquent date, or as soon after September 1 as it took to set the tax rate. The lien date is January 1 subsequent to the delinquent date.

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

The tax rate of \$.10 per \$100 assessed valuation was adopted on August 12, 2024.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

(Continued)

NOTE (4) DEPOSITS AND INVESTMENTS

During the year ended December 31, 2024, the contracted depository bank used by the District was Amegy Bank.

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

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

NOTE (5) NOTE PAYABLE

On October 30, 2024, the District entered into loan agreement with Zions Bancorporation, N.A., (the "Lender") for \$60,000. Interest is calculated on the outstanding principal at 5.604% calculated on the per annum basis of a 360 day-year. The proceeds were used to fund the initial operations of the District and were secured by ad valorem taxes. The entire balance was due February 15, 2025.

NOTE (6) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 19, 2025 (the date the financial statements were available to be issued) and noted no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.


**AFFIDAVIT ATTESTING TO THE ACCURACY
AND AUTHENTICITY OF THE FINANCIAL STATEMENTS**

STATE OF TEXAS)(

COUNTY OF FORT BEND)(

BEFORE ME, the undersigned authority, on this day personally appeared **MATTHEW CYRUS**, who after being duly sworn, did depose and state:

1. My name is **MATTHEW CYRUS**. I am the Treasurer of the Board of Emergency Services Commissioners of **FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10**.
2. I have reviewed the attached Compiled Financial Statements of Fort Bend County Emergency Services No. 10 ("ESD 10"), for the period covering June 17, 2024 to December 31, 2024.
3. This Compiled Financial Statements covers the first year of operation of ESD 10, with an inception date of June 17, 2024 through to December 31, 2024.
4. The attached Compiled Financial Statements were prepared for such purpose by the auditing firm engaged by ESD 10, Breedlove & Co., P.C. Certified Public Accountants.
5. I have reviewed the Compiled Financial Statements, and the information contained therein is within my personal knowledge.
6. As treasurer of the Board of Emergency Services Commissioners of ESD 10, and as an authorized representative of ESD 10, I hereby attest to the accuracy and authenticity of the Compiled Financial Statements being presented to Fort Bend County Commissioner's Court.


MATTHEW CYRUS,
Treasurer of the Board of Emergency
Services Commissioners of Fort Bend
County Emergency Services No. 10

SUBSCRIBED AND SWORN TO BEFORE ME by **MATTHEW CYRUS**, Treasurer of the Board of Emergency Services Commissioners of Fort Bend County Emergency Services No. 10, on this 19 day of May, 2025.



NOTARY PUBLIC, STATE OF TEXAS
My Commission Expires: 8-19-28


**AFFIDAVIT ATTESTING TO THE ACCURACY
AND AUTHENTICITY OF THE FINANCIAL STATEMENTS**

STATE OF TEXAS)(

COUNTY OF FORT BEND)(

**BEFORE ME, the undersigned authority, on this day personally appeared
MATTHEW CYRUS, who after being duly sworn, did depose and state:**

- 1. My name is MATTHEW CYRUS. I am the Treasurer of the Board of Emergency Services Commissioners of FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 10.**
- 2. I have reviewed the attached Compiled Financial Statements of Fort Bend County Emergency Services No. 10 ("ESD 10"), for the period covering June 17, 2024 to December 31, 2024.**
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- 5. I have reviewed the Compiled Financial Statements, and the information contained therein is within my personal knowledge.**
- 6. As treasurer of the Board of Emergency Services Commissioners of ESD 10, and as an authorized representative of ESD 10, I hereby attest to the accuracy and authenticity of the Compiled Financial Statements being presented to Fort Bend County Commissioner's Court.**



MATTHEW CYRUS,
Treasurer of the Board of Emergency
Services Commissioners of Fort Bend
County Emergency Services No. 10

**SUBSCRIBED AND SWORN TO BEFORE ME by MATTHEW CYRUS, Treasurer
of the Board of Emergency Services Commissioners of Fort Bend County Emergency
Services No. 10, on this 19 day of May, 2025.**



NOTARY PUBLIC, STATE OF TEXAS
My Commission Expires: 8-19-28