
FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

REPORT ON FINANCIAL STATEMENTS
(With Supplemental Material)

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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CEO

INDEPENDENT AUDITORS' REPORT

April 19, 2022

Board of Commissioners
Fort Bend County Emergency Services District No. 4
Fort Bend County, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fort Bend County Emergency Services District No. 4, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fort Bend County Emergency Services District No. 4, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fort Bend County Emergency Services District No. 4, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fort Bend County Emergency Services District No. 4's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fort Bend County Emergency Services District No. 4's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fort Bend County Emergency Services District No. 4's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and change in net pension liability (asset) and related ratios, and employer contributions information on pages 5 through 8 and 27 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fort Bend County Emergency Services District No. 4's basic financial statements. The combining and individual nonmajor fund financial statements 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Breallone & Co., P.C.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2021

Our discussion and analysis of the financial performance of Fort Bend County Emergency Services District No. 4 (the "District") provides an overview of the District's financial activities for the year ended December 31, 2021. Please read it in conjunction with the District's financial statements, included in this annual report.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$41,679,047 as of December 31, 2021.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2021

(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Net Position

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 18 346 295	\$ 21 971 069
Capital assets	<u>29 761 375</u>	<u>15 753 135</u>
Total assets	<u>\$ 48 107 670</u>	<u>\$ 37 724 204</u>
Deferred outflows of resources	<u>\$ 229 223</u>	<u>\$ 135 512</u>
Current liabilities	\$ 2 036 069	\$ 986 353
Long term liabilities	<u>4 586 644</u>	<u>-</u>
Total liabilities	<u>\$ 6 622 713</u>	<u>\$ 986 353</u>
Deferred inflows of resources	<u>\$ 35 133</u>	<u>\$ 39 525</u>
Net position:		
Net investment in capital assets	\$ 24 543 012	\$ 15 753 135
Restricted	1 771 688	1 961 688
Unrestricted	<u>15 364 347</u>	<u>19 119 015</u>
Total net position	<u>\$ 41 679 047</u>	<u>\$ 36 833 838</u>

The following table provides a summary of the District's operations for the year ended December 31, 2021. The District increased its net position by \$4,845,209.

Summary of Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues:		
Property taxes	\$ 10 312 880	\$ 9 258 716
Other revenues	<u>172 404</u>	<u>291 756</u>
Total revenues	<u>10 485 284</u>	<u>9 550 472</u>
Interest expense	259 334	8 011
Depreciation	858 280	627 516
Operating expenses	<u>4 522 461</u>	<u>3 290 368</u>
Total expenses	<u>5 640 075</u>	<u>3 925 895</u>
Change in net position	4 845 209	5 624 577
Net position, beginning of period	<u>36 833 838</u>	<u>31 209 261</u>
Net position, end of period	<u>\$ 41 679 047</u>	<u>\$ 36 833 838</u>

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2021

(Continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's fund balance as of December 31, 2021 was \$9,606,276.

The General Fund balance decreased by \$7,737,322.

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the fiscal year. Actual excess revenues over expenditures were \$7,737,322 less than the budgeted amount.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2021

(Continued)

CAPITAL ASSETS AND RELATED DEBT

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	<u>2021</u>	<u>2020</u>
Land	\$ 7 021 514	\$ 6 130 341
Buildings, net of depreciation	2 083 249	2 159 648
Machinery and Equipment, net of depreciation	706 262	614 579
Vehicles, net of depreciation	3 577 443	1 667 686
Construction in progress	<u>16 372 907</u>	<u>5 180 881</u>
Total Capital Assets	<u>\$ 29 761 375</u>	<u>\$ 15 753 135</u>

Debt

The changes in the debt position of the District during the fiscal year ended December 31, 2021 are summarized as follows:

Long term debt, beginning of year	\$ -
Proceeds from long term debt	5 814 697
Retirements of principal	<u>(596 334)</u>
Long term debt, end of year	<u>\$ 5 218 363</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the President of the Board and or the Business Manager, P. O. Box 494, Fulshear, Texas 77441.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2021

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 7 285 427	\$ -	\$ 7 285 427
Cash and Cash Equivalents - Restricted	1 771 688	-	1 771 688
Taxes Receivable	7 627 710	-	7 627 710
Due from Tax Assessor	1 435 393	-	1 435 393
Deposits	10 000	-	10 000
Prepaid Expenses	19 567	-	19 567
Net Pension Asset	196 510	-	196 510
Capital Assets			
Land	-	7 021 514	7 021 514
Capital Assets Net of Accumulated Depreciation of \$6,818,983	-	6 366 954	6 366 954
Construction in Progress	-	16 372 907	16 372 907
Total Assets	<u>\$ 18 346 295</u>	<u>\$ 29 761 375</u>	<u>\$ 48 107 670</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources	229 223	-	229 223
Total Deferred Outflows of Resources	229 223	-	229 223
Total Assets and Deferred Outflows of Resources	<u>\$ 18 575 518</u>	<u>\$ 29 761 375</u>	<u>\$ 48 336 893</u>
<u>LIABILITIES</u>			
Liabilities			
Accounts Payable	\$ 421 140	\$ -	\$ 421 140
Accrued Interest Payable	-	97 951	97 951
Retirement Plan Payable	57 453	-	57 453
Retainage Payable	693 301	-	693 301
Payroll Liabilities	134 505	-	134 505
Long Term Liabilities			
Due within One Year	-	631 719	631 719
Due after One Year	-	4 586 644	4 586 644
Total Liabilities	<u>1 306 399</u>	<u>5 316 314</u>	<u>6 622 713</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources	35 133	-	35 133
Unavailable Tax Revenue	7 627 710	(7 627 710)	-
Total Deferred Inflows of Resources	<u>7 662 843</u>	<u>(7 627 710)</u>	<u>35 133</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balances			
Committed	1 771 688	(1 771 688)	-
Unassigned	7 834 588	(7 834 588)	-
Total Fund Balance	<u>9 606 276</u>	<u>(9 606 276)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 18 575 518</u>		
Net Position			
Net Investment in Capital Assets		24 543 012	24 543 012
Restricted		1 771 688	1 771 688
Unrestricted		15 364 347	15 364 347
Total Net Position		<u>41 679 047</u>	<u>41 679 047</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position		<u>\$ 29 761 375</u>	<u>\$ 48 336 893</u>

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

STATEMENT OF ACTIVITIES AND GOVERNMENTAL REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Property Taxes	\$ 6 422 275	\$ 3 890 605	\$ 10 312 880
Other Income	67 159	-	67 159
Penalty and Interest on Property Taxes	40 470	-	40 470
Interest Earned on Temporary Investments	4 775	-	4 775
Contributions	60 000	-	60 000
Total Revenues	<u>6 594 679</u>	<u>3 890 605</u>	<u>10 485 284</u>
Expenditures/Expenses			
Accounting	44 608	-	44 608
Appraisal District Fees	68 202	-	68 202
Auditing Fees	15 255	-	15 255
Contract Labor	18 000	-	18 000
Collection Fees	13 470	-	13 470
Communication	16 529	-	16 529
Dues and Subscriptions	5 665	-	5 665
Emergency Management	5 837	-	5 837
Equipment Testing, Repairs and Maintenance	163 024	-	163 024
Foam	3 960	-	3 960
Fuel	44 683	-	44 683
Information Technology	125 442	-	125 442
Insurance	151 932	-	151 932
Medical Supplies	9 342	-	9 342
Office	10 018	-	10 018
Payroll and Related Expense	3 297 889	-	3 297 889
Physicals	30 962	-	30 962
Professional Services	180 948	-	180 948
Protective Gear	99 838	-	99 838
Station and Facility Expense	59 474	-	59 474
Staff Training	36 665	-	36 665
Travel	15 445	-	15 445
Uniforms	30 580	-	30 580
Utilities	74 693	-	74 693
Capital Outlay	14 866 520	(14 866 520)	-
Depreciation	-	858 280	858 280
Debt Service			
Note Principal	596 334	(596 334)	-
Note Interest	161 383	97 951	259 334
Total Expenditures/Expenses	<u>20 146 698</u>	<u>(14 506 623)</u>	<u>5 640 075</u>
Excess Revenues Over Expenditures	(13 552 019)	18 397 228	4 845 209
Other Financing Sources / Uses			
Notes Payable Proceeds	<u>5 814 697</u>	<u>(5 814 697)</u>	<u>-</u>
Changes in Fund Balance/Net Position	(7 737 322)	12 582 531	4 845 209
Fund Balance/Net Position			
Beginning of Year	<u>17 343 598</u>	<u>19 490 240</u>	<u>36 833 838</u>
End of Year	<u>\$ 9 606 276</u>	<u>\$ 32 072 771</u>	<u>\$ 41 679 047</u>

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

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE (1) CREATION OF DISTRICT

Fort Bend County Emergency Services District No. 4 (“District”) is a conversion of Rural Fire Prevention District No. 1 created August 10, 1985, under the provisions of Article 2351a-6 of Vernon’s Annotated Civil Statutes. In September 2003, Texas senate Bill 1021 converted all Rural Fire Prevention Districts to Emergency Service Districts. The Board agreed to call the new district Fort Bend County Emergency Services District No. 4. The name change was effective January 1, 2004.

The District is a political subdivision of the State of Texas. The District operates under the direction of five commissioners and provides 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. 4

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

b. Fund Balances

Beginning with fiscal year 2011, 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. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(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 34, the District has presented a Statement of Net Position and Statement of Activities for the year ended December 31, 2021. 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 tax revenues adjusted to reflect an accrual basis rather than a modified accrual basis of accounting. All fund balances are adjusted to reflect net position.

D. BUDGET

The District annually adopts a budget for the General Fund 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. CAPITAL ASSETS

Capital assets, which include land, furniture and fixtures, vehicles and construction in progress, 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 expenditure in the governmental fund as incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CAPITAL ASSETS (Continued)

Assets are capitalized if they have an original cost of \$1,000 or more 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:

	<u>Years</u>
Buildings	39
Vehicles	10
Furniture and equipment	5

G. USE OF ESTIMATES

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

H. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

I. COMPENSATED ABSENCES

Employees are granted paid time off benefits depending on tenure with the District. Generally, annual leave must be taken by December 31 of each year. Annual leave is accumulated 9 hours per pay period worked. Employees are allowed to carry over up to a maximum of 96 hours per year. Employees are entitled to their accrued leave upon termination. This amount is charged to expense and a corresponding liability is established when earned. For the year end December 31, 2021, the District recognized a liability of \$80,863 for accrued leave, which has been reported on the Statement of Net Position under payroll liabilities.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Total Fund Balance at December 31, 2021	\$ <u>9 606 276</u>
Conversion of property tax assessments to full accrual basis	7 627 710
Interest paid on long term debt is adjusted to accrual basis	(97 951)
Long-term debt obligations not reported in the funds	(5 218 363)
Capital assets used in governmental activities are not financial and are not reported in the funds.	<u>29 761 375</u>
Adjustment to fund balance to arrive at net position	<u>32 072 771</u>
Total Net Position at December 31, 2021	\$ <u><u>41 679 047</u></u>

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

Change in fund balance	\$ (7 737 322)
Conversion of property tax assessments to full accrual basis	3 890 605
Interest paid on long term debt is adjusted to accrual basis	(97 951)
Governmental funds report proceeds from debt because they provide current financial resources to governmental funds.	(5 814 697)
Principal payments on debt are reported as expenditures. None of the transactions, however, have any effect on net position.	596 334
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and conveyance of capital assets exceeded depreciation in the current period.	<u>14 008 240</u>
Change in net position of governmental activities	\$ <u><u>4 845 209</u></u>

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 (Continued)

NOTE (3) AD VALOREM TAX

During the year ended December 31, 2021, the District levied an ad valorem tax at the rate of \$.10 per \$100 of assessed valuation, which resulted in a tax levy of \$10,159,013 for 2021, on the taxable valuation of \$10,159,013,185 for the 2021 tax year. The ad valorem tax was due upon receipt and was considered delinquent if not paid by February 1, at which time penalties and interest were 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 was 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, 2021 include collections during the current period or within 60 days of year-end related to the 2021 and prior years' tax levies.

NOTE (4) DEPOSITS AND INVESTMENTS

During the year ended December 31, 2021, the contracted depository bank used by the District was NewFirst Bank. The largest cash, savings, and time deposit combined balance during the year ended December 31, 2021 was \$13,300,949 and occurred in January 2021. During the year all funds were adequately secured.

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. The District holds investments at December 31, 2021, in accordance with the Board approved investment policy in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"). Texas CLASS is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the "Act"). Texas CLASS is created under an Amended and Restated Trust, dated May 1, 2001 (the "Agreement"), among certain Texas governmental entities investing in the pool (the "Participants"), Public Trust Advisors LLC ("Public Trust"), as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Texas CLASS is not SEC-registered and is not subject to regulatory oversight by the State of Texas. Under the Agreement, however, Texas CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, Texas CLASS has contracted with Public Trust to provide for the investment and management of the public funds of Texas CLASS. The fair value of the District's position in the pool is the same the value of pool shares. At December 31, 2021, the District had a balance of \$1,613,874 in Texas CLASS.

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, 2021.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (5) CAPITAL ASSETS

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

	Balances at 12/31/20	Additions (Dispositions)	Depreciation	Balances at 12/31/21
Land	\$ 6 130 341	\$ 891 173	\$ -	\$ 7 021 514
Buildings	2 981 461	-	-	2 981 461
Furniture and Fixtures	48 661	-	-	48 661
Machinery and Equipment	1 514 081	224 818	-	1 738 899
Vehicles	5 858 413	2 558 503	-	8 416 916
Accumulated Depreciation	<u>(5 960 703)</u>	-	<u>(858 280)</u>	<u>(6 818 983)</u>
Capital Assets	<u>4 441 913</u>	<u>2 783 321</u>	<u>(858 280)</u>	<u>6 366 954</u>
Construction in progress	<u>5 180 881</u>	<u>11 192 026</u>	-	<u>16 372 907</u>
Totals, net	<u>\$ 15 753 135</u>	<u>\$ 14 866 520</u>	<u>\$ (858 280)</u>	<u>\$ 29 761 375</u>

Construction in progress relates to the construction of three new stations within the District. At December 31, 2021, the construction of the new stations was on going.

NOTE (6) COMMITTED / RESTRICTED FUNDS

The Board of Commissioners has committed / restricted \$450,000 for the purpose of contingencies or emergencies. During the year ended December 31, 2021, the Board has committed an additional \$1,321,688 for the purpose of future capital projects that include a firefighting training center, communications, purchase of land for the construction of future station sites and various vehicles, apparatus and equipment.

NOTE (7) NOTE PAYABLE

On April 30, 2021, the District entered into loan agreement with Capital One Public Funding LLC (the “Lender”) for \$6,657,705. Interest is calculated on the outstanding principal at the applicable rate calculated on the per annum basis of a 360 day-year consisting of twelve 30 day months. The proceeds are being used in the construction of a fire station within the District. Ten principal and interest payments of \$757,717 are due annually beginning April 30, 2021 through April 30, 2030.

At January 1, 2021 the balance due on this note was \$0. During the year ended December 31, 2021, the District requested disbursement of funds from the escrow account in the amount of \$5,814,697, to pay contractor fees related to the construction of a fire station.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (7) NOTE PAYABLE (Continued)

On April 30, 2021, the District paid principal and interest of \$596,334 and \$161,383, respectively. The balance due at December 31, 2021 was \$5,218,363.

Future maturities of the balances outstanding are as follows:

<u>Year Ending</u>	<u>Amount</u>
December 31, 2022	\$ 631 719
December 31, 2023	647 032
December 31, 2024	662 716
December 31, 2025	678 780
December 31, 2026	695 234
Thereafter	<u>1 902 882</u>
Total Amount	<u><u>\$ 5 218 363</u></u>

Under the terms of the agreement the proceeds will be held in escrow with TMI Trust Company (Escrow agent). Requests for disbursements from the fund will be submitted by the District in writing with appropriate documentation for release of the escrowed funds for payment to the project contractor. At December 31, 2021, the District still had \$843,008 held in escrow available to draw for future contractor expenses.

NOTE (8) OPERATING LEASES

On June 19, 2019, the District entered a 39-month non-cancelable operating lease for a copier requiring rent payments of \$243 monthly (or \$2,916 annually). Lease expense incurred under this agreement during the year ended December 31, 2021 was \$2,916.

Future maturities of the balances outstanding are as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	<u>\$ 1 458</u>
	<u><u>\$ 1 458</u></u>

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (9) RETIREMENT PLAN

Plan Description

During the year ended December 31, 2018, the District began contributing to the Texas County & District Retirement System (the “Plan”) which is a statewide, agent multiple-employer, public employee retirement system. All full- and part-time non-temporary employees participate in the Plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Note that retirement plan information disclosed in this audit report was based on the GASB 68 Report for TCDRS furnished by Milliman to the District for the year ended December 31, 2020. This is due to the delayed issuance of the Milliman annual evaluation.

Employee membership data related to the Plan, as of December 31, 2020 was as follows:

Inactive employees entitled to but not yet receiving benefits	20
Active plan members	<u>41</u>
	<u>61</u>

Any participant whose years of continuous employment, when added to the participant’s age equals or exceeds 75, may retire without a reduction in the monthly benefit.

By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.

Plan provisions include death benefits for the surviving spouse if the employee had 4 or more years of service. The Plan provides a monthly income for disabled participants who have 8 or more years of service. Benefits vest at 100% after eight years of service.

Generally, plan participants earn TCDRS service time for every month a deposit is made into a TCDRS account. There are no automatic cost-of-living adjustments (COLAs). Each year, the District may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation. Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.

For the year ended December 31, 2020, the District’s total payroll for all employees was \$2,343,032. Total covered payroll was \$2,270,438. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan and was calculated by the actuary based on contributions as reported to the Plan.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (9) RETIREMENT PLAN (Continued)

Contributions

Employees of the District are required to contribute 7% of covered compensation to the Plan. The contributions are deducted from the employee’s wages or salary and remitted by the District to the Plan on a monthly basis. The District’s contractually required contribution rate for the year ended December 31, 2020, was 6.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District’s contributions to the Plan for the year ended December 31, 2020 were \$147,805.

Pension Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the District reported a liability of \$28,603 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the District's proportion was 50%.

For the year ended December 31, 2021, the District recognized pension expense of \$185,246. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual results	\$ 35 133	\$ 115 084
Changes of assumptions	-	101 658
Net difference between projected and actual earnings	-	12 481
Contributions subsequent to the measurement date	N/A	<u>Employer determined</u>
Total	<u>\$ 35 133</u>	<u>\$ 229 223</u>

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (9) RETIREMENT PLAN (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending December 31,</u>		
2021	\$	32 013
2022		32 014
2023		31 557
2024		23 181
2025		26 571
Thereafter		48 754

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by age and service. 4.6% average over career including inflation.
Investment rate of return	7.5%, net of investment expenses, including inflation

In the 2020 actuarial valuation, assumed life expectancies were adjusted as a result of adopting 130% of the RP-2014 Healthy Annuitant Mortality Table of males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments was determined by adding expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by the Plan's investment consultant, Cliffwater, LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (9) RETIREMENT PLAN (Continued)

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
US Equities	11.50%	4.25%
Private Equity	25.00%	7.25%
Global Equities	2.50%	4.55%
International Equities - Developed	5.00%	4.25%
International Equities - Emerging	6.00%	4.75%
Investment - Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Hedge Funds	6.00%	1.85%
Cash Equivalents	<u>2.00%</u>	-0.70%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (9) RETIREMENT PLAN (Continued)

Changes in District's Net Pension Liability/(Asset)

Changes in the District's net pension liability/(asset) for the year ended December 31, 2020 was as follows:

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2019	\$ 976 750	\$ 1 283 353	\$ (306 603)
Changes for the year:			
Service cost	306 971	-	306 971
Interest on total pension liability	103 790	-	103 790
Effect of Plan changes	-	-	-
Effect of economic/demographic gains or losses	30 881	-	30 881
Effect of assumptions changes or inputs	116 181	-	116 181
Refund of contributions	(4 831)	(4 831)	-
Benefit payments	-	-	-
Administrative expenses	-	(1 263)	1 263
Member contributions	-	158 931	(158 931)
Net investment income	-	133 196	(133 196)
Employer contributions	-	147 805	(147 805)
Other	-	9 061	(9 061)
Balances as of December 31, 2020	<u>\$ 1 529 742</u>	<u>\$ 1 726 252</u>	<u>\$ (196 510)</u>

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's net pension liability calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	Net Pension	
	Discount Rate	Liability/(Asset)
1% Decrease	6.60%	\$ 80 412
Current Discount Rate	7.60%	\$ (196 510)
1% Increase	8.60%	\$ (419 504)

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

NOTE (9) RETIREMENT PLAN (Continued)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report.

Payable to the Plan

At December 31, 2021, the District reported a payable of \$57,453 for the outstanding amount of contributions due to the Plan for the year.

NOTE (10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 19, 2022 (the date the financial statements were available to be issued) and noted no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Actual	Original and Final Budget *	Variance Positive (Negative)
Revenues:			
Property Taxes	\$ 6 422 275	\$ 9 894 255	\$ (3 471 980)
Other Income	67 159	-	67 159
Penalty and Interest on Property Taxes	40 470	-	40 470
Interest Earned on Temporary Investments	4 775	-	4 775
Donations in Kind	60 000	-	60 000
Total Revenues	<u>6 594 679</u>	<u>9 894 255</u>	<u>(3 299 576)</u>
Expenditures/Expenses			
Accounting	44 608	50 000	5 392
Administrative	-	500	500
Appraisal District Fees	68 202	90 150	21 948
Auditing Fees	15 255	18 000	2 745
Contract Labor	18 000	18 000	-
Collection Fees	13 470	15 000	1 530
Communication	16 529	38 000	21 471
Dues and Subscriptions	5 665	5 000	(665)
Emergency Management	5 837	25 000	19 163
Equipment Testing, Repairs and Maintenance	163 024	197 700	34 676
Foam	3 960	-	(3 960)
Fuel	44 683	50 000	5 317
Information Technology	125 442	177 500	52 058
Insurance	151 932	175 000	23 068
Medical Supplies	9 342	30 000	20 658
Office	10 018	46 000	35 982
Payroll and Related Expense	3 297 889	5 867 000	2 569 111
Physicals	30 962	50 000	19 038
Professional Services	180 948	275 000	94 052
Protective Gear	99 838	84 000	(15 838)
Station and Facility Expense	59 474	157 500	98 026
Staff Training	36 665	115 000	78 335
Travel	15 445	17 500	2 055
Uniforms	30 580	45 000	14 420
Utilities	74 693	78 000	3 307
Capital Outlay	14 866 520	1 511 688	(13 354 832)
Debt Service			
Capital Lease Principal	596 334	596 334	-
Capital Lease Interest	161 383	161 383	-
Total Expenditures/Expenses	<u>20 146 698</u>	<u>9 894 255</u>	<u>(10 252 443)</u>
Excess (Deficiency) of Revenues over Expenditures	(13 552 019)	-	(13 552 019)
Notes Payable Proceeds	5 814 697	-	5 814 697
Changes in Fund Balance	(7 737 322)	-	(7 737 322)
Fund Balance			
Beginning of the Year	17 343 598	17 343 598	-
End of the Year	<u>\$ 9 606 276</u>	<u>\$ 17 343 598</u>	<u>\$ (7 737 322)</u>

* Budget was not amended during the year. Therefore, the original budget is the same as the final budget.

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service cost	\$ 306 971	\$ 196 293	\$ 602 070	N/A
Interest on total pension liability	103 790	64 705	48 768	N/A
Effect of plan changes	-	-	-	N/A
Effect of assumption changes or inputs	116 181	-	-	N/A
Effect of economic/demographic (gains) or losses	30 881	113 223	(48 309)	N/A
Benefit payments/refunds of contributions	<u>(4 831)</u>	<u>-</u>	<u>-</u>	<u>N/A</u>
Net change in total pension liability	552 992	374 221	602 529	N/A
Total pension liability, beginning	<u>976 750</u>	<u>602 529</u>	<u>-</u>	<u>N/A</u>
Total pension liability, ending	<u>\$ 1 529 742</u>	<u>\$ 976 750</u>	<u>\$ 602 529</u>	<u>N/A</u>
 Fiduciary Net Position				
Employer contributions	147 805	1 011 925	41 625	N/A
Member contributions	158 931	141 294	34 862	N/A
Investment income net of investment expenses	133 196	11 893	854	N/A
Benefit payments/refunds of contributions	(4 831)	-	-	N/A
Administrative expenses	(1 263)	(978)	(64)	N/A
Other	<u>9 061</u>	<u>39 662</u>	<u>2 280</u>	<u>N/A</u>
Net change in fiduciary net position	442 899	1 203 796	79 557	N/A
Fiduciary net position, beginning	<u>1 283 353</u>	<u>79 557</u>	<u>-</u>	<u>N/A</u>
Fiduciary net position, ending	<u>1 726 252</u>	<u>1 283 353</u>	<u>79 557</u>	<u>N/A</u>
 Net pension liability/(asset), ending	<u>\$ (196 510)</u>	<u>\$ (306 603)</u>	<u>\$ 522 972</u>	<u>N/A</u>
 Fiduciary net position as a % of total pension liability/(asset)	112.85%	131.39%	13.20%	N/A
 Pensionable covered payroll	\$ 2 270 438	\$ 2 018 486	\$ 498 028	N/A
 Net pension liability/(asset) as a % of covered payroll	-8.66%	-15.19%	105.01%	N/A

See the Accompanying Independent Auditors' Report

Year Ended December 31

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018	\$ 41 386	\$ 41 625	\$ (239)	\$ 498 028	8.4%
2019	\$ 167 736	\$ 1 011 925	\$ (844 189)	\$ 2 018 486	50.1%
2020	\$ 147 805	\$ 147 805	\$ -	\$ 2 270 438	6.5%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE (1) VALUATION DATE

Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

NOTE (2) METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.5%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Health Annuitant Mortality Tables for males and 110% of the RP-2014 Health Annuitant Mortality Tables for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Plan Provisions Reflected in the Schedule	No changes in plan provisions are reflected in the Schedule of employer Contributions.

SUPPLEMENTARY INFORMATION

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

SUPPLEMENTARY INFORMATION
ANALYSIS OF TAXES RECEIVABLE
DECEMBER 31, 2021

Taxes Receivable - Beginning of Year	\$ 3 737 105
2021 Tax Roll	10 332 013
Adjustment to prior year taxes	<u>(19 133)</u>
Total to be Accounted for	14 049 985
Tax Collections Received from Tax Collector	<u>(6 422 275)</u>
Taxes Receivable - End of Year	<u>\$ 7 627 710</u>
Taxes Receivable - By Years	
2021	\$ 7 513 998
2020	35 307
2019	20 912
2018	18 306
2017	9 784
2016 - 1998	<u>29 403</u>
Taxes Receivable - End of Year	<u>\$ 7 627 710</u>

	<u>Assessed Valuation Summary</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Property Valuations					
Real Property	\$ 10 203 072 430	\$ 9 092 955 178	\$ 8 079 428 718	\$ 7 339 832 083	\$ 6 926 089 280
Personal Property	<u>128 940 755</u>	<u>169 930 774</u>	<u>204 012 015</u>	<u>142 768 129</u>	<u>137 130 079</u>
Total Property Valuations	<u>\$ 10 332 013 185</u>	<u>\$ 9 262 885 952</u>	<u>\$ 8 283 440 733</u>	<u>\$ 7 482 600 212</u>	<u>\$ 7 063 219 359</u>
Tax Rate per \$100 Valuation	\$ 0.100000	\$ 0.100000	\$ 0.100000	\$ 0.100000	\$ 0.100000
Tax Rolls	<u>\$ 10 332 013</u>	<u>\$ 9 262 886</u>	<u>\$ 8 283 441</u>	<u>\$ 7 482 600</u>	<u>\$ 7 063 219</u>
Percent of Taxes Collected to Taxes Levied	<u>27.3%</u>	<u>99.6%</u>	<u>99.7%</u>	<u>99.8%</u>	<u>99.9%</u>

See the Accompanying Independent Auditors' Report

FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 4

SUPPLEMENTARY INFORMATION
 BOARD MEMBERS AND CONSULTANTS
 DECEMBER 31, 2021

District Mailing Address: Fort Bend County Emergency Services District No. 4
 PO Box 494
 Fulshear Texas, 77441

District Telephone Number: 281-533-0095

Names	Term of office (Appointed) or Date Hired	Fees of Office Paid* FYE 12/31/21	Expense Reimburse- ments FYE 12/31/21	Title at Year End
Board Members:				
D McJunkin	(Appointed) 01/01/20 - 12/31/21	\$ -	\$ -	President
E Krenek	(Appointed) 01/01/21 - 12/31/22	\$ -	\$ 408	Vice President
K Stacy	(Appointed) 01/01/20 - 12/31/21	\$ -	\$ 425	Treasurer
T Kuykendall	(Appointed) 01/01/21 - 12/31/22	\$ -	\$ -	Secretary
R Pechukas	(Appointed) 01/01/20 - 12/31/21	\$ -	\$ -	Assistant Treasurer / Secretary

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

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SUPPLEMENTARY INFORMATION
 BOARD MEMBERS AND CONSULTANTS
 DECEMBER 31, 2021
 (Continued)

<u>Names</u>	<u>Term of office (Appointed) or Date Hired</u>	<u>Fees of Office Paid* FYE 12/31/21</u>	<u>Title at Year End</u>
Consultants:			
Breedlove & Co., P.C.	2006	\$ 15 255	Auditor
Radcliffe Bobbitt Adams Polley	2019	\$ 134 206	Attorney
Carrie Surratt	2019	\$ 13 410	Tax Collector
Fort Bend County Appraisal District	2006	\$ 68 202	Appraisal District
LJA Engineering	2017	\$ 600	Engineer
Brown Reynolds Watford Architects, Inc.	2017	\$ 67 578	Architect
Municipal Accounts & Consulting, L.P.	2017	\$ 37 688	Bookkeeper

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