

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF COMMISSIONERS OF
JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 4

A regular meeting of the Board of Commissioners of Jefferson County Emergency Services District No. 4 ("District") was called for at 5:30 p.m. on June 19, 2017, at the Labelle fire station, located at 12880 FM 365, Beaumont, Texas 77705, pursuant to notice duly posted according to law.

At approximately 5:35 p.m., the regular meeting was called to order. The roll was called of the duly constituted officers and members of the Board, to wit:

Jeff Roebuck	President
Charlie Reneau	Vice President
Randy Walston	Secretary
Sandra Melton	Treasurer
Robert Bordes	Assistant Treasurer

All of said Board members were present, with the exception of President Roebuck, thus constituting a quorum. Also present were: Dwayne Morvant, District Fire Chief; Mary Ellen Robertson, the District's accountant; Joshua Heinz of the law firm Benckenstein & Oxford, L.L.P., attorneys for the District; James Edwards and Roger Croley of J.R. Edwards & Associates, L.L.C., auditors for the District; and, various members of the volunteer fire department.

Vice President Reneau then called for public comment under Agenda Item No. 3, at which time Carolyn Hurych advised the Board that Hamshire VFD will be conducting an EMT continuing education course next week.

Being as there was no further public comment, the Board moved along to Agenda Item No. 4 regarding the District's fiscal year 2015-16 audit. Roger Croley of J.R. Edwards & Associates, L.L.C. reviewed with the Board the District's fiscal year 2015-16

audit report. Upon motion by Assistant Treasurer Bordes and seconded by Secretary Walston, the Board members present unanimously approved the fiscal year 2015-16 audit report, a copy of which is attached hereto as **Exhibit A**.

The Board was then directed to Agenda Item No. 5 for review of the Minutes of the May 15, 2017 regular meeting and May 22, 2017 special meeting. Upon motion by Treasurer Melton and seconded by Assistant Treasurer Bordes, the proposed minutes were unanimously approved by the Board.

Next, Vice President Reneau directed the Board to Agenda Item No. 6, at which time Treasurer Melton reported that the District's Texas First Bank checking account balance was \$341,611.73 as of May 31, 2017 and \$352,537.99 as of June 17, 2017, and that the District's Texas First Bank savings account balance was \$200,472.60 as of May 31, 2017 and June 17, 2017, as reflected in the account statements attached hereto as **Exhibit B**. Mrs. Robertson then reviewed with the Board the District's monthly Statement of Activities, a copy of which is attached hereto as **Exhibit C**.

The Board was then directed by Vice President Reneau to Agenda Item No. 7 for payment of the District's bills. Treasurer Melton reviewed with the Board the District's various monthly expenditures proposed for payment, as shown on the Bank Account Register and Check List attached hereto as **Exhibit D**. Upon motion by Treasurer Melton and seconded by Secretary Walston, the Board members unanimously approved payment of the bills and expenditures as reflected in the Bank Account Register (Check Nos. 2430-2451, as well as the electronic payroll and utility payments).

Thereafter, the Board moved along to Agenda Item No. 8, at which time Chief Morvant informed the Board that preventive maintenance had been done on all the

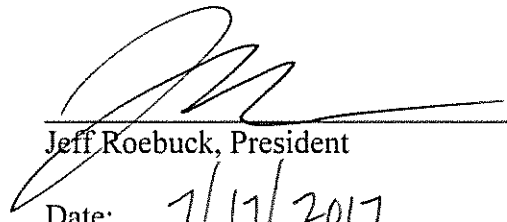
vehicles and apparatus acquired from Labelle-Fannett VFD, and Mr. Hansen advised on all the equipment repairs that have been done since receiving the assets. Additionally, Treasurer Melton advised the Board on her conversation with Scott Wade regarding status of the EMS license. Mr. Hansen then requested that the Board approve various additional improvements to the District's LMT vehicle, including paint and other modifications. After discussing the matter, Secretary Walston made a motion to approve the additional improvements not to exceed a cost of \$11,000.00, which was seconded by Vice President Reneau and unanimously approved by the Board members present.

The Board's attention was then directed to Agenda Item No. 9, at which time Vice President Reneau announced that the Board was going into closed session to discuss the District Manager, Chief and Administrator positions. At approximately 6:10 p.m., all attendees except for the Board members and counsel exited the meeting room. At approximately 7:00 p.m., the Board returned to open session and all attendees were invited back into the meeting room. Then, Vice President Reneau made a motion to appoint Doug Saunders as District Manager with compensation of \$1,250.00 per month; confirmed Dwayne Morvant as the District Fire Chief, and reduced the chief's compensation to \$1,250.00 per month as an independent contractor; confirmed Daniel Diaz as the part-time District Administrative Assistant with a pay rate of \$15.00 per hour; and, appointed Jeremy Hansen as the District Deputy Fire Chief. The motion was seconded by Secretary Walston and unanimously approved by the Board.

Being as there were no matters to discuss under Agenda Item No. 10, the Board moved along to Agenda Item No. 11, at which time Mr. Heinz advised the Board that the lawsuit with Labelle-Fannett VFD had ended by way of non-suit filed and granted on

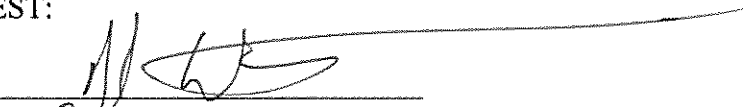
June 14, 2017, and that the District Clerk will be releasing the \$1,000.00 temporary injunction bond payable to the District.

Then, being as there were no discussions under Agenda Item Nos. 12 and 13, the regular meeting was adjourned at approximately 7:15 p.m.



Jeff Roebuck, President
Date: 7/17/2017

ATTEST:



Randy Walston, Secretary
Date: 7/17/2017

Exhibit A

JEFFERSON COUNTY EMERGENCY
SERVICES DISTRICT NO. 4

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

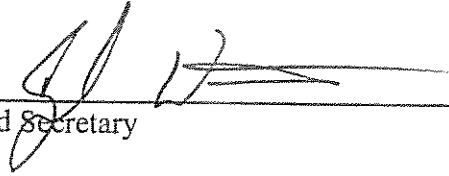
JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT No. 4

CERTIFICATE OF BOARD

We, the undersigned, certify that this accompanying audit report of the above named district was reviewed and approved for the year ended September 30, 2016 at a meeting of the Board of Commissioners held on the 19th day of June, 2017.



Board President Vice President



Board Secretary

JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 4
Annual Financial Report
For The Year Ended SEPTEMBER 30, 2016

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INTRODUCTORY SECTION

JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT No. 4

JEFFERSON COUNTY, TEXAS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Board of Commissioners

Jeffery Roebuck
Charles Reneau
Randy Walston
Sandra Melton
Robert Bordes

President
Vice President
Secretary
Treasurer
Assistant Treasurer

FINANCIAL SECTION

J. R. Edwards & Associates, LLC

Certified Public Accountants

May 31, 2017

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Jefferson County Emergency Services District No. 4
Jefferson County, Texas

We have audited the accompanying financial statements of the governmental activities, and each major fund of Jefferson County Emergency Services District No.4, as of and for the year ended September 30, 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 each major fund the Jefferson County Emergency Services District No. 4, as of September 30, 2016, 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 budgetary comparison information on pages 4 - 9 and page 24 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.

J.R. Edwards & Associates, LLC

In this section of the Annual Financial Report, we, the managers of the Jefferson County Emergency Services District No. 4 (the District), discuss and analyze the District's financial performance for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 2, and the District's Basic Financial Statements that begin on page 10.

FINANCIAL HIGHLIGHTS

- After the third year of operations, the District's total combined net position was \$924,256 at September 30, 2016, as compared to \$686,520 at September 30, 2015.
- During the year, the District's expenses were \$237,736 less than the \$595,227 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$493,695. All is for unrestricted use by the District. The prior year fund balance was \$373,428 at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplementary information.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They include the Statement of Net Position and the Statement of Activities that provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The Statement of Net Position presents information in a format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources to equal net position. Net position is displayed in three components – net investment in capital assets, restricted, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The *Statement of Activities* presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

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 objects. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide detailed information about the District's most significant funds, *not* the District as a whole.

- Some funds are required by State law and by bond covenants.
- The Board of Commissioners may establish other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District's major governmental fund is the General Fund. Data for the remaining governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-23 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Required supplementary information can be found on page 24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the Net Position (Table I) and Changes in Net Position (Table II) of the District's governmental activities.

The District's combined net position was \$924,256 at September 30, 2016. (See Table I)

Table I
JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT No. 4
Net Position

	September 30, 2016	September 30, 2015
Current and Other Assets	\$ 576,173	\$ 396,444
Capital Assets	705,066	485,011
Total Assets	<u>1,281,239</u>	<u>881,455</u>
Long-term Liabilities	305,596	189,516
Other Liabilities	51,387	5,419
Total Liabilities	<u>356,983</u>	<u>194,935</u>
Net Assets:		
Invested in Capital Assets Net of Related Debt	399,470	295,495
Unrestricted	<u>524,786</u>	<u>391,025</u>
Total Net Position	<u>\$ 924,256</u>	<u>\$ 686,520</u>

A portion of the District's net position, \$399,470, reflects its investment in capital assets net of related debt. The District uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. The \$524,786 of unrestricted net position represents resources available to fund the programs of the District next year.

Changes in net position. The District's total revenues were \$595,227. For the current year most of the revenues resulted from property taxes levied and miscellaneous revenues accounted for less than one percent.

In future years most of the District's revenues will be derived from property taxes.

Total Cost of all programs and services was \$357,491. The net position of the District for the current year increased \$237,736 (see Table II on page 7 of this report).

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Key elements of the governmental activities of the District are reflected in the following table.

TABLE II
JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT No. 4
Changes in Net Position

	September 30, 2016	September 30, 2015
Revenues:		
General Revenues:		
Maintenance and Operations Taxes	579,320	581,525
Contribution	-	-
Miscellaneous	15,907	3,777
Total Revenue	<u>595,227</u>	<u>585,302</u>
Expenses:		
General government	185,706	80,494
Fire and emergency services	171,785	163,653
Total Expenses Governmental Activities	<u>357,491</u>	<u>244,147</u>
Increase (Decrease) in Net Assets	237,736	341,155
Net Assets - October 1 (Beginning)	686,520	345,365
Net Assets - September 30 (Ending)	<u>\$ 924,256</u>	<u>\$ 686,520</u>

GOVERNMENTAL ACTIVITIES

- Property tax rates were set at \$.08741 per \$100 valuation for M&O. The rate for 2016-2017 is set at \$.082274 per \$100 of taxable valuation for M&O.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were few budget amendments for the 2015-2016 year and all were approved by the Commissioners.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets. At September 30, 2016 the District had \$705,066 (net of depreciation) invested in capital assets, buildings, equipment and vehicles.

**JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT No. 4
 Capital Assets
 Governmental Activities**

	September 30, 2016	September 30, 2015
Buildings and Improvements	\$ 19,510	\$ 13,910
Emergency equipment and vehicles	788,049	514,653
Totals	807,559	528,563
Less Accumulated Depreciation:		
Buildings and Improvements	(1,281)	(734)
Emergency equipment and vehicles	(101,212)	(42,818)
Total Accumulated Depreciation	(102,493)	(43,552)
Net Capital Assets	\$ 705,066	\$ 485,011

Long-Term Debt. At year-end, the District had \$305,596 in notes payable outstanding. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

**JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT No. 4
 Outstanding Debt**

	September 30, 2016	September 30, 2015
Governmental activities:		
Note Payable	\$ 305,596	\$ 189,516
Total	\$ 305,596	\$ 189,516

ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES

- The District's board adopted a balanced budget for the next fiscal year after giving consideration to the property tax assessed valuations and the level tax rate along with the needs of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Jefferson County Emergency Services District No 4.

BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Primary Government
	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 522,643
Taxes receivable - net of allowance	37,803
Prepays	15,727
Capital assets:	
Buildings, property, and equipment, net	705,066
Total Assets	<u>1,281,239</u>
LIABILITIES	
Accounts payable	51,387
Non-current liabilities:	
Due within one year	65,874
Due in more than one year	239,722
Total Liabilities	<u>356,983</u>
NET POSITION	
Net investment in capital assets	399,470
Unrestricted	524,786
Total Net Position	<u>\$ 924,256</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental activities:				
General government	\$ 185,706	\$ -	\$ -	\$ (185,706)
Fire and emergency services	171,785	-	-	(171,785)
Total governmental activities	357,491	-	-	(357,491)
Total Primary Government	\$ 357,491	\$ -	\$ -	\$ (357,491)
				Property taxes, penalties and interest 579,320
				Contributions not restricted to specific programs
				Other miscellaneous 15,907
				Total general revenues 595,227
				Change in Net Position 237,736
				Net Position- Beginning 686,520
				Net Position - Ending \$ 924,256

The accompanying notes are an integral part of this financial statement.

JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 4
 BALANCE SHEET - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

EXHIBIT C

	Total Governmental Funds
	<u>General Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 522,643
Property taxes receivable (net of allowances for doubtful accounts)	37,803
Prepaid items	<u>15,727</u>
TOTAL ASSETS	<u><u>\$ 576,173</u></u>
LIABILITIES AND FUND BALANCES:	
LIABILITIES:	
Accounts payable	<u>\$ 51,387</u>
TOTAL LIABILITIES	<u>51,387</u>
DEFERRED INFLOWS OF RESOURCES:	
Unavailable revenue - property tax	<u>31,091</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>31,091</u>
FUND BALANCES:	
Unassigned Fund Balance	<u>493,695</u>
Total fund balances	<u>493,695</u>
 TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE	 <u><u>\$ 576,173</u></u>

The accompanying notes are an integral part of this financial statement.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

Governmental fund balance as reported on the balance sheet for governmental funds.	\$ 493,695
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	705,066
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(305,596)
Recognition of deferred revenue as revenue increases net position.	<u>31,091</u>
Total net position as reported on the Statement of Net Position for Governmental Activities.	<u><u>\$ 924,256</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Total Governmental Funds
	<u>General Fund</u>
REVENUES	
Property taxes, penalties and interest	\$ 565,826
Other miscellaneous	15,907
Total revenue	<u>581,733</u>
EXPENDITURES:	
Current:	
General government	185,706
Fire and emergency services	391,840
Total expenditures	<u>577,546</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,187</u>
OTHER FINANCING SOURCES (USES)	
Issuance of debt	152,000
Principal payments on loan	<u>(35,920)</u>
Total other financing sources and uses	<u>116,080</u>
NET CHANGE IN FUND BALANCES	120,267
FUND BALANCES - BEGINNING	<u>373,428</u>
FUND BALANCES - ENDING	<u>\$ 493,695</u>

The accompanying notes are an integral part of this financial statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

Net change in fund balances - total governmental funds (Exhibit D) \$ 120,267

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$ 278,996	
Depreciation	<u>(58,941)</u>	220,055

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Issuance of new debt	\$ (152,000)	
Principal payments on loan	<u>35,920</u>	(116,080)

Because some revenues will not be collected for several months after the District's fiscal year end, they are not considered "available" revenue and are deferred in the governmental funds. Deferred revenues decreased by this amount in the current period.

13,494

Change in net position of governmental activities (Exhibit B)

\$ 237,736

The accompanying notes are an integral part of this financial statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

The financial statements of the Jefferson County Emergency Services District No. 4 (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the significant accounting policies used by the District.

A. Reporting Entity

On May 11, 2013, the voters of the District approved the formation of an emergency services district under Article III, Section 48-e of the Texas Constitution and Chapter 775 of the Health and Safety Code of the State of Texas. On May 11, 2013, the County Commissioners Court of Jefferson County, Texas approved the order to form the Jefferson County Emergency Services District No. 4. The District was formed on June 10, 2013 and operates under Board of Commissioners appointed by the Commissioners Court of Jefferson County. The District services the areas previously serviced by the Cheek Volunteer Fire Department and the Labelle-Fannett Volunteer Fire Department. The District is exempt from federal income taxes, state sales tax and state franchise tax.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The District currently does not have any business-type activities or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given structure or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds. At this time the District only has one fund.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be pay liabilities of the current period. For this purpose, the government considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

E. Budgetary Data

The following procedures are utilized in establishing the budgetary data reflected in the basic financial statements:

- a. The Fire Chief submits to the Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. The General Fund is the only Fund the District has at this time.
- b. A Public hearing is conducted, after proper official journal notification, to obtain taxpayer comments.
- c. Prior to September 30th, the budget is legally adopted.
- d. Budget appropriations lapse at year-end and are re-established in the succeeding year.
- e. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**F. Cash and Investments**

Cash includes amounts in demand and time deposit accounts. Investments are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value.

G. Property Taxes Receivable

Property appraisal within the District is the responsibility of the Jefferson County Appraisal District (Appraisal District). The Appraisal District is required under the Property Tax Code to appraise all property within the County on the basis of 100% of its market value.

In the governmental fund financial statements, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred revenues in the year of levy. Such deferred revenues are recognized as revenue in the fiscal year in which they become available.

H. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

J. Capital Assets

Capital assets which include property, furniture, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-30
Leasehold Improvements	15-30
Furniture and Equipment	5-10
Vehicles	5-15

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as expenditures.

L. Fund Equity

In the fund financial statements, governmental funds report classifications of fund balance based on controls placed upon the funds. In accordance with GASB Statement No. 54, fund balance classifications are recorded as follows:

Non-spendable Fund Balance – amounts that are not in spendable form or amounts that are legally and contractually required to be maintained intact.

Restricted Fund Balance – amounts constrained to a specific purpose by external parties through constitutional provisions or by enabling legislation.

Committed Fund Balance – amounts constrained to a specific purpose by the Commissioners (the highest level of authority within the District); amounts may only be appropriated by resolution of the Board of Commissioners and those amounts cannot be used for any other purpose unless the Commissioners take the same action to remove or change the constraint.

Assigned Fund Balance- the Board of Commissioners delegate authority to the District Fire Chief to assign amounts for specific purpose as appropriate.

Unassigned Fund balance – residual classification applicable to the general fund only.

The District's unassigned general fund balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned general fund balance may only be appropriated by resolution of the Commissioners.

When it is appropriate for fund balance to be assigned, the Commissioners delegate authority to the District Fire Chief.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is from the most restrictive to the least restrictive, unless otherwise approved by the Commissioners.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Implementation of New Standards

GASB Statement 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of the resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position rather than net assets. This is reflected in the District's financial statements.

N. Date of Management's Review

In preparing the financial statements, the District has evaluated events and transactions for potential recognition for disclosure through May 31, 2017, the date that the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

At year-end, the District's carrying amount of deposits was \$522,643 and the bank balance was \$524,605. At September 30, 2016, the bank balance was covered by federal depository insurance. Deposits are exposed to custodial risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The District's ending bank balance was \$524,605 as of September 30, 2016. Of this amount, \$250,000 was covered by FDIC insurance, \$469,132 was covered by collateral held in the District's name, allowing the District to be collateralized in excess of \$194,527.

NOTE 3: PROPERTY TAXES

Property taxes are collected by Allison Getz, Jefferson County Tax Assessor Collector, and are forwarded to the District through bank transfer. The tax rate held by the District during 2016 was \$.08741 per \$100 of assessed valuation. Property tax revenues are considered available when they become due or past due and are considered receivable within the current period, including those property taxes expected to be collected during a 60 day period after the close of the District's fiscal year. Property taxes are levied on October 1 of each year, a lien is placed on the property on January 1, and the taxes become due on January 31. The taxable assessed value for the roll of December 31, 2015 was \$683,334,585. Property taxes receivable for 2016 are \$37,803 net of allowance for doubtful accounts of \$13,664.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended September 30, 2016 was as follows:

Governmental Activities	Beginning Balance	Current Year		Ending Balance
		Increases	Decreases	
Capital assets being depreciated:				
Buildings	\$ 13,910	\$ 5,600	\$ -	\$ 19,510
Fire equipment and vehicles	514,653	273,396	-	788,049
Total capital assets being depreciated:	528,563	278,996	-	807,559
Less accumulated depreciation:				
Buildings	(734)	(547)	-	(1,281)
Fire equipment and vehicles	(42,818)	(58,394)	-	(101,212)
Total accumulated depreciation	(43,552)	(58,941)	-	(102,493)
Total capital assets being depreciated, net	485,011	220,055	-	705,066
Governmental activities capital assets, net	\$ 485,011	\$ 220,055	\$ -	\$ 705,066

Depreciation expense of the governmental activities was charged to functions/programs as follows:

Fire and Emergency Services	\$ 58,941
Total Depreciation Expense - Governmental Activities	\$ 58,941

NOTE 5: LONG TERM DEBT

The District entered into a loan agreement for the purchase of a vehicle for fire and emergency services.

Long-term debt at September 30, 2016, is summarized as follows:

Date Issued	Amount	Final Maturity	Annual Installments	% Rate	Outstanding Balance
2015	\$ 189,516	2020	\$41,011	2.686%	153,596
2016	152,000	2021	\$32,604	2.379%	152,000
					\$ 305,596

Interest on the loan shall be computed at a fixed rate of 2.686% and 2.379% respectively, for five years provided that such rate shall not exceed the highest lawful rate. This note may be prepaid in full according to the early redemption value on due date of the loan in years three and four as shown on the table below.

NOTE 5: LONG TERM DEBT, Continued

Annual requirements to maturity for the loan is as follows:

Year Ending September 30,	Principal	Interest	Total	Early Redemption Value
2017	65,874	7,742	73,616	N/A
2018	67,553	6,061	73,614	79,568
2019	69,277	4,337	73,614	103,629
2020	71,045	2,571	73,616	32,011
2021	31,847	758	32,605	N/A
Total	\$ 305,596	\$ 21,469	\$ 327,065	\$ 215,208

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Loans payable	189,516	152,000	35,920	305,596	65,874
Governmental activities					
Long-Term Liabilities	\$ 189,516	\$ 152,000	\$ 35,920	\$ 305,596	\$ 65,874

NOTE 6: OTHER INFORMATION

A. Risk Management

The District continues to carry commercial insurance for the risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage during the year. Management believes the amount and types of coverage are adequate to protect the District from losses which could reasonably be expected to occur.

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any to be immaterial.

NOTE 6: OTHER INFORMATION, Continued

C. Subsequent Events

At the regularly scheduled February 2017 board meeting, the board approved the purchase of a two acre tract to be used for the future Fire / EMS station in the amount of \$48,000.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

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JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 4
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

EXHIBIT E

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes, penalties and interest	\$ 597,302	\$ 590,900	\$ 565,826	\$ (25,074)
Other miscellaneous	200	15,000	15,907	907
Total revenue	<u>597,502</u>	<u>605,900</u>	<u>581,733</u>	<u>(24,167)</u>
EXPENDITURES				
Current:				
General government	196,000	219,295	185,706	33,589
Fire and emergency services	342,000	416,606	391,840	24,766
Total expenditures	<u>538,000</u>	<u>635,901</u>	<u>577,546</u>	<u>58,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>59,502</u>	<u>(30,001)</u>	<u>4,187</u>	<u>34,188</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from loan	-	152,000	152,000	-
Principal payments on loan	<u>(41,012)</u>	<u>(35,921)</u>	<u>(35,920)</u>	<u>1</u>
Total other financing sources and uses	<u>(41,012)</u>	<u>116,079</u>	<u>116,080</u>	<u>1</u>
NET CHANGE IN FUND BALANCES	18,490	86,078	120,267	34,189
FUND BALANCES AT BEGINNING OF YEAR	<u>373,428</u>	<u>373,428</u>	<u>373,428</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 391,918</u>	<u>\$ 459,506</u>	<u>\$ 493,695</u>	<u>\$ 34,189</u>

The accompanying notes are an integral part of this financial statement.

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COMPLIANCE SECTION

J. R. Edwards & Associates, LLC

Certified Public Accountants

May 31, 2017

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Jefferson County Emergency Services District No. 4 (District), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson County Emergency Services District No. 4 financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J.R. Edwards & Associates, LLC

Exhibit B

TEXAS FIRST BANK

Helping Texans Build Texas

www.texasfirstbank.com

3000 FM 1764 • La Marque, TX 77568-2452

Return Service Requested

TELEPHONE BANKING
 (409) 945-9889 (281) 538-2226
 (855) 355-TFB1 (8321)

BOOKKEEPING
 (409) 948-1993
 (409) 296-2111

Page: 2

JEFFERSON COUNTY EMERGENCY

Account Number: 10031508
 Statement Date: 5/31/17

DEBITS AND OTHER WITHDRAWALS

Date	Withdrawals	Activity Description
5/10	103.70	ENTERGY TEXAS, I/BANK DRAFT JEFFERSON COUNTY ESD 4
5/11	107.33	ENTERGY TEXAS, I/BANK DRAFT JEFFERSON COUNTY ESD 4
5/11	647.53	ENTERGY TEXAS, I/BANK DRAFT JEFFERSON COUNTY ESD 4
5/16	28.14	WestJeffersnMWDp/Payment JEFFERSON CO. ESD 4
5/16	28.14	WestJeffersnMWDp/Payment JEFFERSON COUNTY EDS
5/17	3,013.13	Jefferson County/PAYROLL 1463181810 Jefferson County ESD N

CHECKS PAID

* indicates skip in check numbers

Date	Check No.	Amount	Date	Check No.	Amount	Date	Check No.	Amount
5/18	2403	10.00	5/22	2414	96.31	5/23	2423	20.00
5/10	2405*	4.40	5/19	2417*	400.00	5/19	2424	166.79
5/11	2406	1,123.95	5/19	2418	305.00	5/22	2425	265.68
5/22	2408*	1,915.00	5/23	2419	472.40	5/24	2426	107.00
5/23	2409	2,765.00	5/19	2420	475.00	5/31	2427	222.25
5/19	2411*	2,180.90	5/24	2421	382.07	5/17	2428	33,287.20
5/22	2412	300.00	5/23	2422	96.36	5/19	2429	197.00
5/22	2413	41,011.39						

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
5/02	422,096.77	5/16	429,233.21	5/22	345,609.81
5/05	431,276.40	5/17	392,932.88	5/23	342,256.05
5/10	431,168.30	5/18	392,922.88	5/24	341,766.98
5/11	429,289.49	5/19	389,198.19	5/31	341,611.73

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Page: 3

JEFFERSON COUNTY EMERGENCY

Account Number: 10031508
 Statement Date: 5/31/17

PUBLIC FUNDS SAVINGS

JEFFERSON COUNTY EMERGENCY
 SERVICES DISTRICT No. 4

Acct 20041885

Beginning Balance	5/01/17	200,455.58	
Deposits / Misc Credits	1	17.02	
Withdrawals / Misc Debits	0	.00	
** Ending Balance	5/31/17	200,472.60	**
Service Charge		.00	
Interest Paid		17.02	
Interest Paid Year To Date		82.90	
Annual Percentage Yield Earned		.10%	
Number of Days for A.P.Y.E.		31	
Average Balance for A.P.Y.E.		200,455.58	
Minimum Balance		200,455	

DEPOSITS AND OTHER CREDITS

Date	Deposits	Activity Description
5/31	17.02	Interest Earned

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
5/31	200,472.60				



Texas First Bank Public Funds Savings **1885

Last Updated: 6/17/2017 7:33 AM

\$200,472.60

Available Balance

Date	Description	Amount
MAY 31 2017	Interest Earned	+ \$17.02 \$200,472.60
APR 28 2017	Interest Earned	+ \$16.47 \$200,455.58
MAR 31 2017	Interest Earned	+ \$17.02 \$200,439.11
FEB 28 2017	Interest Earned	+ \$15.37 \$200,422.09
JAN 31 2017	Interest Earned	+ \$17.02 \$200,406.72
DEC 30 2016	Interest Earned	+ \$17.02 \$200,389.70
NOV 30 2016	Interest Earned	+ \$16.47 \$200,372.68
OCT 31 2016	Interest Earned	+ \$17.02 \$200,356.21
SEP 30 2016	Interest Earned	+ \$16.46 \$200,339.19
AUG 31 2016	Interest Earned	+ \$17.01 \$200,322.73
JUL 29 2016	Interest Earned	+ \$17.01 \$200,305.72
JUN 30 2016	Interest Earned	+ \$16.46 \$200,288.71
MAY 31 2016	Interest Earned	+ \$17.01 \$200,272.25
APR 29 2016	Interest Earned	+ \$16.46 \$200,255.24

TEXAS FIRST BANK

Texas First Bank Public Funds Tiered Int. **1508

Last Updated: 6/17/2017 7:33 AM

\$352,537.99

Available Balance

Date	Description	Amount
Pending	WestjeffersnMWDp/Payment	-\$28.14 \$352,537.99
Pending	WestjeffersnMWDp/Payment	-\$28.14 \$352,566.13
JUN 9 2017	ENERGY TEXAS, I/BANK DRAFT JEFFERSON COUNTY ESD 4	-\$361.87 \$352,594.27
JUN 9 2017	ENERGY TEXAS, I/BANK DRAFT JEFFERSON COUNTY ESD 4	-\$131.85 \$352,956.14
JUN 8 2017	ENERGY TEXAS, I/BANK DRAFT JEFFERSON COUNTY ESD 4	-\$163.35 \$353,087.99
JUN 6 2017	☒ Check - 2416	-\$400.00 \$353,251.34
JUN 6 2017	JEFFERSON COUNTY/PROPTAXPMT 86 ESD #4	+\$12,139.61 \$353,651.34
JUN 5 2017	☒ Check - 2415	-\$100.00 \$341,511.73
MAY 31 2017	Interest Paid	+\$67.00 \$341,611.73
MAY 31 2017	☒ Check - 2427	-\$222.25 \$341,544.73
MAY 24 2017	☒ Check - 2421	-\$382.07 \$341,766.98
MAY 24 2017	☒ Check - 2426	-\$107.00 \$342,149.05
MAY 23 2017	☒ Check - 2409	-\$2,765.00 \$342,256.05
MAY 23 2017	☒ Check - 2419	-\$472.40 \$345,021.05

Exhibit C

Jefferson County Emergency Services District No. 4
Statement of Activities (Modified Cash Basis)
All Locations

	1 Month Ended 5/31/2017 Actual	8 Months Ended 5/31/2017 Actual	Proposed Annual Budget	Over (Under) Budget	% of Budget Used to Date
Revenue					
Ad Valorem Taxes	\$ 9,343	\$ 457,586	\$ 575,000	\$ (117,414)	79.58%
Grants	-	-	15,000	(15,000)	0.00%
Interest Income	84	619	800	(181)	77.38%
Other Income	-	-	1,000	(1,000)	0.00%
Total Revenue	<u>9,427</u>	<u>458,205</u>	<u>591,800</u>	<u>(133,595)</u>	<u>77.43%</u>
Operating Expenses					
Accounting	475	5,731	15,000	(9,269)	38.21%
Administrative Assistant	-	270	750	(480)	36.00%
Advertising	-	-	1,000	(1,000)	0.00%
Bank Fees	-	-	150	(150)	0.00%
Cable	-	25	350	(325)	7.14%
Children's Education	-	-	2,000	(2,000)	0.00%
Cleaning & Building Maintenance	1,962	3,367	5,500	(2,133)	61.22%
District Manager	-	8,831	30,000	(21,169)	29.44%
Dues & Fees	-	1,396	1,500	(104)	93.07%
Insurance - VFIS District	-	-	2,000	(2,000)	0.00%
Insurance - Worker's Compensation	-	(68)	-	(68)	0.00%
Interest Expense	4,126	7,742	7,746	(4)	99.95%
Internet	-	446	1,840	(1,394)	24.24%
Lawn Service	300	1,086	4,650	(3,564)	23.35%
Legal/Professional	3,565	14,911	15,000	(89)	99.41%
Lodging/Meals/Travel & Regist ESD	-	1,023	3,000	(1,977)	34.10%
Note Payable-Dallas Bank&Trst(3000gal Tanker)	-	28,988	28,988	-	100.00%
Note Payable-First Financial (Mini Pumper)	36,886	36,886	36,886	-	100.00%
Office Supplies	142	1,575	1,250	325	126.00%
Postage & Box Rental	20	20	480	(460)	4.17%
Tax & Appraisal Fees	163	9,298	13,000	(3,702)	71.52%
Telephone	167	625	900	(275)	69.44%
Utilities	459	1,334	7,250	(5,916)	18.40%
Water & Garbage	386	1,191	3,600	(2,409)	33.08%
Total Operating Expenses	<u>48,651</u>	<u>124,677</u>	<u>182,840</u>	<u>(58,163)</u>	<u>68.19%</u>

These financial statements have not been audited or reviewed and no CPA expresses an opinion or a conclusion nor provides any assurance on them.

Jefferson County Emergency Services District No. 4
Statement of Activities (Modified Cash Basis)
All Locations

	1 Month Ended 5/31/2017 Actual	8 Months Ended 5/31/2017 Actual	Proposed Annual Budget	Over (Under) Budget	% of Budget Used to Date
Fire Services					
Certification Dues	-	-	600	(600)	0.00%
Dispatch Services/Edispatches	-	23,129	20,000	3,129	115.65%
Equipment-Insp/Repairs	150	1,563	6,500	(4,937)	24.05%
Fire Chief	3,805	12,266	18,000	(5,734)	68.14%
Fire Chief - Interim	-	4,410	3,750	660	117.60%
Fire Equipment Damages (Replacement)	-	-	1,500	(1,500)	0.00%
Fire Field Meals	-	13	1,000	(987)	1.30%
Fire Uniforms	-	740	4,800	(4,060)	15.42%
Fuel - Fire & EMS	193	1,235	6,000	(4,765)	20.58%
Gloves & Boots - Insp/Repairs	-	-	5,000	(5,000)	0.00%
Insurance - Worker's Compensation	-	-	6,000	(6,000)	0.00%
Insurance - Prop. & Liab.	-	4,693	31,500	(26,807)	14.90%
Maintenance & Repairs - Radios	305	1,297	6,000	(4,703)	21.62%
Payroll Tax Expense	233	780	-	780	0.00%
Personal Protection Equipment	2,181	46,275	41,710	4,565	110.94%
Personal Protective Equipment - Inspection	-	-	1,500	(1,500)	0.00%
Small Equipment Purchases	-	3,085	3,500	(415)	88.14%
Software - Firehouse	-	2,860	1,900	960	150.53%
Supplies - Fire	382	13,931	15,000	(1,069)	92.87%
Supplies - Hoses/Nozzles/Tarps	-	4,764	10,000	(5,236)	47.64%
Temporary Site Expenditures	-	208	3,000	(2,792)	6.93%
Training & Materials	100	5,510	6,000	(490)	91.83%
Travel/Lodging/Meals/Trans Expenses	48	66	5,200	(5,134)	1.27%
Tuition/Registration	-	113	4,500	(4,387)	2.51%
Vehicle Repair & Maintenance	525	15,515	28,000	(12,485)	55.41%
Total Fire Services	<u>7,922</u>	<u>142,453</u>	<u>230,960</u>	<u>(88,507)</u>	<u>61.68%</u>
Capital Expenditures					
2007 Ford F350 Brush Truck	33,287	33,287	-	33,287	0.00%
2017 Ford F150	-	32,210	41,500	(9,290)	77.61%
Building & Grounds	-	7,425	11,500	(4,075)	64.57%
Crushed Concrete (Driveway to Stor. Bldg.)	-	4,500	-	4,500	0.00%
Extraction (PPE(20 sets)	-	-	1,000	(1,000)	0.00%
LMTV Vehicle with Upgrades	6,500	15,311	20,000	(4,689)	76.56%
Purchase of Land - Hwy 124	-	47,645	-	47,645	0.00%
Radio Communication Upgrade	-	13,956	30,000	(16,044)	46.52%
SCBA Packs/Replacement Bottles	-	-	12,000	(12,000)	0.00%
Total Capital Expenditures	<u>39,787</u>	<u>154,334</u>	<u>116,000</u>	<u>38,334</u>	<u>133.05%</u>
Contingency					
Contingency	-	14,456	62,000	(47,544)	23.32%
Total Contingency	<u>0</u>	<u>14,456</u>	<u>62,000</u>	<u>(47,544)</u>	<u>23.32%</u>
Total Expenses	<u>96,360</u>	<u>435,920</u>	<u>591,800</u>	<u>(155,880)</u>	<u>73.66%</u>
Net Change in Fund Balance	<u>\$ (86,933)</u>	<u>\$ 22,285</u>	<u>\$ 0</u>		

Exhibit D

**Jefferson County Emergency Services District No. 4
Bank Account Register**

Texas First Bank - Checking
May 16, 2017 - June 19, 2017

Date	Reference	Payee ID	Description	Checks/ Payments	Deposits/ Additions	Balance
			Beginning Balance			334,932.86
05/19/17	90002		Morvant, Dwayne C	3,013.13		331,919.73
05/31/17			Interest Income		67.00	331,986.73
06/02/17			Property Taxes		12,139.61	344,126.34
06/08/17		ENTERGY	ENTERGY(5892) - Cheek	163.35		343,962.99
06/09/17		ENTERGY	ENTERGY(7498) - Fannett	131.85		343,831.14
06/09/17		ENTERGY	ENTERGY(8878) - Labelle	361.87		343,469.27
06/15/17		WJEFFCTYMWD	WJCMWD(80004) - Cheek	28.14		343,441.13
06/15/17		WJEFFCTYMWD	WJCMWD(51002) - Fannett	28.14		343,412.99
06/19/17	2430	HEINZ	Joshua C. Heinz	400.00		343,012.99
06/19/17	2431	OXFORD	Hubert Oxford, IV	400.00		342,612.99
06/19/17	2432	MER1099	Mary Ellen Robertson, CPA	650.30		341,962.69
06/19/17	2433	JREDWARDS	J.R. Edwards & Associates, LLC	6,000.00		335,962.69
06/19/17	2434	LONESTAR	Lone Star Lube Right	2,653.16		333,309.53
06/19/17	2435	VERIZON	Verizon Wireless	187.02		333,122.51
06/19/17	2436	GREENACRES	Green Acres Grocery, Inc.	332.41		332,790.10
06/19/17	2437	TOWNANDCOUN	Town and Country	283.06		332,507.04
06/19/17	2438	EARLLAWN	Earl Lawn Service	300.00		332,207.04
06/19/17	2439	JCAPPRASIAL	Jefferson County Appraisal District	1,517.16		330,689.88
06/19/17	2440	VFIS	VFIS of Texas	1,681.60		329,008.28
06/19/17	2441	PCMARKET	P. C. Market and Hardware	33.80		328,974.48
06/19/17	2442	SIDDONS	Siddons-Martin Emergency Group, LLC	8,789.00		320,185.48
06/19/17	2443	SE EMERG	Southeastern Emergency Equipment	119.96		320,065.52
06/19/17	2444	WCOFTX-1518	WC of Texas - Kountze	107.00		319,958.52
06/19/17	2445	WCOFTX-9820	WC of Texas - Kountze	107.00		319,851.52
06/19/17	2446	CUNIO	Joshua D. Cunio	235.56		319,615.96
06/19/17	2447	VISA6134	VISA	310.91		319,305.05
06/19/17	2448	TEXASFAC	Texas Facilities Commission	398.50		318,906.55
06/19/17	2449	BENCK	Benckenstein & Oxford, L.L.P.	9,607.46		309,299.09
06/19/17	2450	WJEFFCTYMWD	W. Jefferson Co. M.W.D	33.14		309,265.95
06/19/17	2451	KAY	Kay Electronics, Inc.	122.63		309,143.32
			Totals	<u>37,996.15</u>	<u>12,206.61</u>	<u>309,143.32</u>

Transaction count = 30

Jefferson County Emergency Services District No. 4

Bank Account Register

Texas First Bank - Savings
May 16, 2017 - June 19, 2017

Date	Reference	Payee ID	Description	Checks/ Payments	Deposits/ Additions	Balance
05/31/17			Beginning Balance			200,455.58
			Interest Income		17.02	200,472.60
			Totals	<u>0.00</u>	<u>17.02</u>	<u>200,472.60</u>

Transaction count = 1

Jefferson County Emergency Services District No. 4 Check List

Texas First Bank - Checking
May 16, 2017 - June 19, 2017

Check Number	Check Date	Payee	Amount
Payroll Checks			
90002	05/19/17	Morvant, Dwayne C	3,013.13
Payroll Check Total			<u>3,013.13</u>
Vendor Checks			
2430	06/19/17	Joshua C. Heinz	400.00
2431	06/19/17	Hubert Oxford, IV	400.00
2432	06/19/17	Mary Ellen Robertson, CPA	650.30
2433	06/19/17	J.R. Edwards & Associates, LLC	6,000.00
2434	06/19/17	Lone Star Lube Right	2,653.16
2435	06/19/17	Verizon Wireless	187.02
2436	06/19/17	Green Acres Grocery, Inc.	332.41
2437	06/19/17	Town and Country	283.06
2438	06/19/17	Earl Lawn Service	300.00
2439	06/19/17	Jefferson County Appraisal District	1,517.16
2440	06/19/17	VFIS of Texas	1,681.60
2441	06/19/17	P. C. Market and Hardware	33.80
2442	06/19/17	Siddons-Martin Emergency Group, LLC	8,789.00
2443	06/19/17	Southeastern Emergency Equipment	119.96
2444	06/19/17	WC of Texas - Kountze	107.00
2445	06/19/17	WC of Texas - Kountze	107.00
2446	06/19/17	Joshua D. Cunio	235.56
2447	06/19/17	VISA	310.91
2448	06/19/17	Texas Facilities Commission	398.50
2449	06/19/17	Benckenstein & Oxford, L.L.P.	9,607.46
2450	06/19/17	W. Jefferson Co. M.W.D	33.14
2451	06/19/17	Kay Electronics, Inc.	122.63
Vendor Check Total			<u>34,269.67</u>
Check List Total			<u>37,282.80</u>

Check count = 23