

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF THE
CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT #1**

A regular meeting of the Board of Commissioners of the Chambers County Emergency Services District No. 1 (“District”) was called at 6:00 p.m. on the 13th day of June, 2018, at the Winnie-Stowell Volunteer Fire Department (“Department” or WSVFD”), located at 825 State Highway 124, Winnie, Texas 77665, pursuant to notice duly posted according to law.

The roll was called of the members of the Board, to-wit:

| | |
|--------------------|---------------------|
| David Murrell | President |
| Brad Crone | Vice President |
| Troy Dow | Secretary |
| Chris Barrow | Treasurer |
| Kenneth Thibodeaux | Assistant Treasurer |

All said Commissioners were present less Commissioners Murrell and Crone. In addition to the above-named Commissioners, also present at the meeting were: Wayne Wilber, District Administrator; Melissa Sanders, Administrative Assistant for District; Hubert Oxford, IV-attorney for the District; Brandon Lee, with Emergency Training; James Edwards, with J.R. Edwards; and Wade Thibodeaux with the Hometown Press.

In light of the absences of President Murrell and Vice-President Crone, Treasurer Barrow conducted the meeting and called the meeting to order at 6:00 p.m. Afterwards, he asked those present to recite the Pledge of Allegiance and Texas Pledge. Since there was no public comment, Treasurer Barrow asked the Commissioners to move to Agenda Item No. 9, to discuss and take action, if necessary, on accepting the 2016-2017 District Financial Audit. In so doing, Treasurer Barrow introduced J.R. Edwards with J.R. Edwards & Associates, LLC who prepared and presented the audit for 2016 and 2017. (See **Exhibit “A”**). According to the Mr. Edwards, the District’s financial position was

in good shape and the District was in compliance with the governmental accounting standards. As a result, the Commissioners were informed that the audit was being submitted as an “unqualified opinion”. Concerning the financial aspect of the audit, Mr. Edwards explained that the District’s total combined net position as of September 30, 2017 was \$928,461.00, which was up \$57,223.00 from September 30, 2016. Included in these figures was a large increase in total assets from \$1,348,837.00 at the end of the District’s 2016 fiscal year to \$1,918,821.00 on September 30, 2017. On the other hand, the liabilities increased accordingly. Mr. Edwards also explained that the increase in assets and liabilities was due to the donation of the station by Chambers County and the acquisition of the Engine 22. In response to questions concerning the District’s duties under the Public Funds Investment Act, Mr. Edwards stated that he felt the District was following the rules set forth in the Act because: 1) the District’s funds were collateralized; 2) the District had a designated investment officer; 3) an investment policy; and 4) prepared monthly reports for signature at the regular board meetings. However, he wanted to check the statute concerning whether the investment officers of a governmental entity with no investments had to complete the investment training described in Chapter 2256 of the Texas Government Code. Lastly, Mr. Edwards apologized for not being able to complete the audit in a timely fashion and explained that his office has been overwhelmed with work following the interruptions caused by Hurricane Harvey. However, he once again complimented staff for their diligence and courtesy in providing the requested information in a forthright manner. At the end of the presentation, a motion was made by Commissioner Dow to accept the FY 2016-2017 audit found in **Exhibit “A”** prepared by J.R. Edwards & Associates, LLC and to authorize Attorney Oxford to submit to audit to the Chambers County Commissioners’

Court. This motion was seconded by Commissioner Thibodeaux and was approved by the unanimous consent of all Commissioners present.

After the competition of the audit discussion, Treasurer Barrow called on the Board to return to Agenda Item No. 4, to discuss approval of minutes for May 9th, 2018 Regular Meeting. The Board reviewed the minutes and then Commissioner Dow made a motion to approve the minutes for May 9th, 2018 Regular Meeting. Commissioner Thibodeaux seconded the motion, with the unanimous consent of all Commissioners present.

Next, Treasurer Barrow directed the Commissioners to Agenda Item No. 5, to discuss and take action, on the Treasurers Report; accounts payable; and amend the budget if necessary. Administrative Assistant Sanders reported that as of the meeting, the District had \$56,990.28 in its checking account after receiving a deposit on June 8, 2018 of \$34,126.64 by the Texas Comptroller of Public Accounts. As for the monthly expenses, Administrative Assistant Sanders informed the Board that the total for bills owed was \$33,562.32. Included in these invoices were invoices for: Auditor-\$6,000.00; two (2) sets of bunker gear-\$3,424.95; and struts for vehicle stabilization-\$2,667.92. (*See Exhibit "B"*). According to Ms. Sanders, after the invoices were paid, including the \$1,352.02 EFTPS payment, the balance the District's checking account was going to be \$22,075.94. Therefore, she recommended not transferring money to the District's money market account this month.

Regarding the District's savings accounts, the Assistant Administrator informed the Commissioners that as May 31, 2018 there was \$441,856.14 in the District's Money Market Account at ECCB Money Market and \$282,462.86 in the Texas First Bank

Money Market Account. Overall, Ms. Sanders reported that the District had total cash assets amounting to \$801,468.88.

Furthermore, staff presented the Commissioners with a draft budget amendment that they recommended for approval. According to staff, the amendments can be found in Exhibit "A". In summary, staff explained that the District needed to adjust its revenue from \$504,350.00 to \$525,400.00 due to insurance revenue and FEMA grants resulting from Hurricane Harvey. In addition, expenses increased from \$503,117.0 to \$503,117.05. The changes in the expenses were the result of increased vehicle maintenance; commercial insurance rates; and additional cost to pay for off duty fire fighters.

At the end of the presentation, Commissioner Dow made a motion to approve the Treasurer's Report; pay the outstanding invoices; and to adopt the budget amendments. *See Exhibit "B"*. Commissioner Thibodeaux seconded the motion and the motion was approved with the unanimous consent of all Commissioners present.

The Board was then asked to consider Agenda Item No. 6, to discuss and take action, if necessary, on purchasing fire or EMS equipment and/or supplies as well as any proposed repairs, maintenance and/or testing. Administrator Wilber reported that no action needed to be taken but he did update the Commissioners on a recall on a part for his vehicle and the rear directional arrow bar on Engine 22 broke but was repaired by Siddons Martin under warranty.

Moving to Agenda Item No. 7, Treasurer Barrow called on Administrator Wilber to discuss and take action, if necessary, on improvements to the existing station. Once again, Administrator Wilber advised that no action was required but he did inform the Commissioners that the driveway asphalt project was completed thanks to the efforts Commissioner Gore and Mr. Jay Roy Joseph.

Turning to Agenda Item 8, Treasurer Barrow called on the Board to discuss and take action, if necessary, to discuss and take action, if needed, on obtaining Federal and State grants. Mr. Wilber also informed the Commissioners that a grant application to Texas Forest Service for tuition, meals and lodging at Texas A&M Fire School scheduled for July was made for three (3) volunteers but since the WSVFD is not National Incident Management System compliant with the State, no meals and lodging are eligible for grant. Mr. Wilber advised that he was going to work with the Department to ensure that the Department submits the proper documentation to become compliant with the State of Texas's rules. Otherwise, no action was taken.

Moving to Agenda Item No. 10, the Board was asked to discuss and take action, if necessary on awarding the 2017-2018 District Scholarships subject to the terms and conditions adopted by the Board at the June 14, 2017 Regular Meeting. Staff reported that two (2) scholarships were awarded following the last meeting. One scholarship went to Braeden Credeur, a volunteer who is attending Lamar University for process engineering. The second scholarship went to Kody Thibodeaux, who was also attending Lamar University and was considering a major in a healthcare related field of study. Again, no action was taken.

At the completion of the action items, Administrator Wilber provided the administration and operations report as called for in Agenda Item No. 11. A copy of the Administrator's report can be found attached as **Exhibit "C"**. In addition, to what was already discussed, Mr. Wilber informed the Board that nine (9) people donated blood at the May 12th blood drive and five (5) others were turned away due to medical or other reason.

After the Administrator's report, Assistant Administrator Sanders presented the Board with the Station Attendant's report and the District's run reports for May 2018. In May 2018, the attendants worked a total of eighty-one (81) shifts totaling six-hundred and seventy-four (674) shifts for the year. (See Exhibit "D-1"). Year to date, the total spent on station attendants was \$25,220.93. After the station attendant report was presented, Administrator Wilber reviewed the May 2018 run report. (See Exhibits "D-2"). In May, there were thirty-four (34) calls made by the paid firefighters and the Department's volunteers. Of the calls made, sixteen (16) were for medical assist and there were nine (9) motor vehicle assist. Furthermore, the firefighters and/or Department volunteers responded to one building structure fire and two (2) power lines that went down. Also, the Commissioners present and staff discussed the need to increase volunteers to help offset the costs of the paid firefighters. Brandon Lee, the coordinator for the paid firefighters suggested that the Department establish a residency program so that students at the fire academy could come get real life experience. He also suggested giving financial assistance to those at the academy in exchange for volunteering at the station.

[INTENTIONALLY LEFT BLANK]

There being no further business, of the Treasurer Barrow informed the Commissioners that the next meeting would take place on July 11, 2018 at 6:00 p.m. and then called for a motion to adjourn the meeting at 7:01 p.m. Commissioner Dow then made motion to adjourn. This motion was seconded by Commissioner Thibodeaux, with the unanimous consent of all the Commissioners.

Chris Barrow
Chris Barrow, Treasurer
Date: 7/11/18

Attest: Dave Mull
Date: 7-11-18

Exhibit “A”

BENCKENSTEIN & OXFORD, L.L.P.

ATTORNEYS AT LAW
BBVA COMPASS BANK BUILDING
3535 CALDER AVENUE, SUITE 300
BEAUMONT, TEXAS 77706
TELEPHONE: (409) 833-9182
TELEFAX: (409) 833-8819
hoxfordiv@benoxford.com

Hubert Oxford, IV

Houston Line
(713) 229-9203

June 14, 2018

Hon. Jimmy Sylvia
Chambers County Judge
P. O. Box 939
Anahuac, Texas 77514-0939

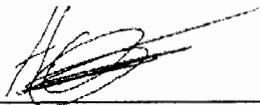
Re: Chambers County Emergency Service District #1 Audit Report for FY 2016-2017

Dear Judge Sylvia,

We are writing to submit the Chambers County Emergency Service District No. 1 ("District") October 1, 2016 through September 30, 2017 audit as required by Section 775.082 of the HEALTH AND SAFETY CODE. This audit was reviewed by the Board at last night's Regular Meeting and unanimously accepted.

We would request that you accept this letter and copy of the audit in satisfaction of the District's obligations pursuant to Health & Safety Code Section 775.082(e-1). If you have any questions or concerns, please do not hesitate to contact me.

With best regards, I remain, very truly yours,

By: 

Hubert Oxford, IV
General Counsel
Chambers County Emergency Service District No. 1

HOIV
Enclosure

Cc:

| To: | E-mail Address: |
|--|--|
| Mr. Jimmy Gore Commissioner, Pct. 1 P. O. Box 76 Wallisville, Texas 77597 | jegore@co.chambers.tx.us |
| Mr. Tony Sims Chambers County Auditor P.O. Box 910 Anahuac, Texas 77514 | tsims@co.chambers.tx.us |
| President David Murrell | murrellfarms@windstream.net |
| Vice President Brad Crone | jegore@co.chambers.tx.us |
| Administrator Wayne Wilber | admin@ccesdl.net |

**CHAMBERS COUNTY EMERGENCY
SERVICES DISTRICT NO. 1**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
Annual Financial Report
For The Year Ended SEPTEMBER 30, 2017

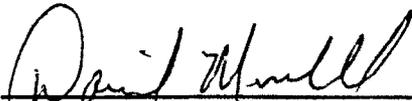
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INTRODUCTORY SECTION

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1
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, 2017 at a meeting of the Board of Commissioners held on the 13th day of June, 2018.



Board President



Board Secretary

FINANCIAL SECTION

J. R. Edwards & Associates, LLC

Certified Public Accountants

June 12, 2018

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Chambers County Emergency Services District No. 1
Chambers County, Texas

We have audited the accompanying financial statements of the governmental activities, and each major fund of Chambers County Emergency Services District No.1, as of and for the year ended September 30, 2017, 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 Chambers County Emergency Services District No. 1, as of September 30, 2017, 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 22 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 Chambers County Emergency Services District No. 1 (the District), discuss and analyze the District's financial performance for the fiscal year ended September 30, 2017. 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

- The District's total combined net position was \$928,461 at September 30, 2017.
- During the year, the District's revenues were \$57,223 more than the \$635,205 generated in expenses for governmental activities.
- The general fund reported a fund balance this year of \$819,688. All is for unrestricted use by the District.

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 16-22 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 23 of this report.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

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 \$928,461 at September 30, 2017. (See Table I)

Table I
CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1
Net Position

| | September 30, 2017 | September 30, 2016 |
|--|-----------------------|-----------------------|
| Current and Other Assets | \$ 853,702 | \$ 897,978 |
| Capital Assets | 1,065,119 | 450,859 |
| Total Assets | <u>1,918,821</u> | <u>1,348,837</u> |
| Current Liabilities | 151,676 | 95,501 |
| Long-term liabilities | 838,684 | 376,098 |
| Total Liabilities | <u>990,360</u> | <u>471,599</u> |
| Net Assets: | | |
| Invested in Capital Assets Net of Related Debt | 108,773 | 9,877 |
| Unrestricted | 819,688 | 861,361 |
| Total Net Position | <u>\$ 928,461</u> | <u>\$ 871,238</u> |

Approximately \$109,000 of the District's net position represents investments in capital assets net of related debt. The \$819,688 of unrestricted net position represents resources available to fund the programs of the District next year.

Changes in net position. The Districts total revenues were \$692,428. For the current year most of the revenues resulted from sales taxes levied and miscellaneous revenues accounted for less than three percent.

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

Total Cost of all programs and services was \$635,204. The net position of the District for the current year increased \$57,224 (see Table II on page 7 of this report).

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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

TABLE II
CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1
Changes in Net Position

| | September 30, 2017 | September 30, 2016 |
|--|-----------------------|-----------------------|
| Revenues: | | |
| General Revenues: | | |
| Taxes | 428,131 | 488,933 |
| Contributions & Grants | 253,586 | 15,106 |
| Miscellaneous | 10,711 | 950 |
| Total Revenue | <u>692,428</u> | <u>504,989</u> |
| Expenses: | | |
| General and administrative | 238,383 | 150,696 |
| Public Safety | 144,388 | 100,532 |
| Depreciation | 234,359 | 178,205 |
| Interest | 18,075 | 28,481 |
| Total Expenses Governmental Activities | <u>635,205</u> | <u>457,914</u> |
| Increase (Decrease) in Net Assets | 57,223 | 47,075 |
| Net Position - October 1 (Beginning) | <u>871,238</u> | <u>824,163</u> |
| Net Position - September 30 (Ending) | <u>\$ 928,461</u> | <u>\$ 871,238</u> |

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

The District did not amend the budget during the fiscal year.

Additional information and a budgetary comparison can be found on page 23.

Revenue from taxes were less than budgeted amounts by approximately \$22,000. Current expenses for the year which include emergency services and administrative expenses were approximately \$4,000 less than budgeted.

The District included the capital expenditures for the equipment in the budget for this year.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets. At September 30, 2017 the District had \$1.06 million (net of depreciation) invested in capital assets, buildings, equipment and vehicles.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1

Capital Assets

Governmental Activities

| | September 30, 2017 | September 30, 2016 |
|--------------------------------|-----------------------|-----------------------|
| Vehicles | \$ 1,476,217 | \$ 859,598 |
| Leasehold improvements | 10,008 | 10,008 |
| Equipment | 454,319 | 454,319 |
| Buildings | 166,000 | - |
| Land | 66,000 | - |
| Totals | <u>2,172,544</u> | <u>1,323,925</u> |
| Less Accumulated Depreciation: | <u>(1,107,425)</u> | <u>(873,066)</u> |
| Net Capital Assets | <u>\$ 1,065,119</u> | <u>\$ 450,859</u> |

Long-Term Debt. At year-end, the District had \$956,346 in notes payable and tax exempt obligations outstanding. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT No. 1

Outstanding Debt

| | September 30, 2017 | September 30, 2016 |
|--------------------------|-----------------------|-----------------------|
| Governmental activities: | | |
| Contractual Obligations | \$ 956,346 | \$ 440,982 |
| Total | <u>\$ 956,346</u> | <u>\$ 440,982</u> |

ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES

- The District sustained Hurricane Harvey at the end of the fiscal year ended September 30, 2017. This has increased the purchasing in the area, and in turn, raised the sales tax income for 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 Chambers County Emergency Services District # 1.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

| | Primary Government <u>Governmental Activities</u> |
|---|---|
| ASSETS | |
| Cash and cash equivalents | \$ 772,820 |
| Taxes receivable - net of allowance | 80,882 |
| Capital assets: | |
| Land | 66,000 |
| Buildings, property, and equipment, net | <u>999,119</u> |
| Total Assets | <u>1,918,821</u> |
| LIABILITIES | |
| Accounts payable | 15,939 |
| Accrued Interest | 18,075 |
| Non-current liabilities: | |
| Due within one year | 117,662 |
| Due in more than one year | <u>838,684</u> |
| Total Liabilities | <u>990,360</u> |
| NET POSITION | |
| Net investment in capital assets | 108,773 |
| Unrestricted | <u>819,688</u> |
| Total Net Position | <u>\$ 928,461</u> |

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

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

| 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 | \$ 490,817 | \$ - | \$ - | \$ (490,817) |
| Fire and emergency services | 144,388 | - | - | (144,388) |
| Total governmental activities | 635,205 | - | - | (635,205) |
| Total Primary Government | \$ 635,205 | \$ - | \$ - | \$ (635,205) |
| | | | | |
| | | | | 428,131 |
| | | | | 253,586 |
| | | | | 10,711 |
| | | | | 692,428 |
| | | | | 57,223 |
| | | | | 871,238 |
| | | | | \$ 928,461 |

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

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 1

EXHIBIT C

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

| | <u>Total Governmental Funds</u> |
|--|---|
| | <u>General Fund</u> |
| ASSETS: | |
| Cash and cash equivalents | \$ 772,820 |
| Sales taxes receivable | 80,882 |
| TOTAL ASSETS | <u>\$ 853,702</u> |
| LIABILITIES AND FUND BALANCES: | |
| LIABILITIES: | |
| Accounts payable | \$ 15,939 |
| Accrued Interest | 18,075 |
| TOTAL LIABILITIES | <u>34,014</u> |
| FUND BALANCES: | |
| Unassigned Fund Balance | 819,688 |
| TOTAL FUND BALANCES | <u>819,688</u> |
| TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE | <u>\$ 853,702</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, 2017**

| | |
|--|-------------------|
| Governmental fund balance as reported on the balance sheet for governmental funds. | \$ 819,688 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 1,065,119 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(956,346)</u> |
| Total net position as reported on the Statement of Net Position for Governmental Activities. | <u>\$ 928,461</u> |

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

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 3

EXHIBIT D

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Total Governmental Funds |
|---|--------------------------------|
| | <u>General Fund</u> |
| REVENUES | |
| Property taxes, penalties and interest | \$ 428,131 |
| Contributions and grants | 253,586 |
| Other miscellaneous | 10,711 |
| Total revenue | <u>692,428</u> |
| EXPENDITURES: | |
| Current: | |
| General government | 1,105,078 |
| Fire and emergency services | 144,388 |
| Total expenditures | <u>1,249,466</u> |
| OTHER FINANCING SOURCES (USES) | |
| Issuance of debt | 580,249 |
| Principal payments on loan | (64,884) |
| Total other financing sources and uses | <u>515,365</u> |
| NET CHANGE IN FUND BALANCES | (41,673) |
| FUND BALANCES - BEGINNING | <u>861,361</u> |
| FUND BALANCES - ENDING | <u>\$ 819,688</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, 2017

Net change in fund balances - total governmental funds (Exhibit D) \$ (41,673)

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 | \$ 848,619 | |
| Depreciation | <u>(234,359)</u> | 614,260 |

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.

(515,363)

Change in net position of governmental activities (Exhibit B)

\$ 57,224

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 Chambers County Emergency Services District No. 1 (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 8, 2010, 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. The District Commissioners met for the first time on June 21, 2010. The District provides emergency services to all persons residing in the proposed district.. The District is exempt from federal income taxes, state sales tax and state franchise tax.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the District (the primary government) and its component units. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant indication of this ability is financial interdependency. Other indications of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the district is able to exercise oversight responsibilities.

The District has determined that the Winnie Stowell Volunteer Fire Department (the Department) should be blended with the activities of the District. The District is financially accountable for the blended component unit. The basis for blending in the District requires the Department to present its budget for approval and that the Department is financially dependent upon the District.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The reporting model includes financial statements prepared using the economic resources measurement focus and the accrual basis of accounting for all the District's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

The Statement of Net Position is designed to display the financial position of the primary government (the District) and its component units. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net position of a government will be broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible during the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the District considers revenue to be available if it is collected within 60 days 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 and claims and judgements, are recorded only when payment is due.

Sales taxes, taxes receivable for service and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period where considered material.

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.

D. Budgetary Data

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments will provide budgetary comparison information in their annual reports. The District is required to present the original budget with the comparison of final budget and actual results.

The budget was discussed and adopted by the Board for the fiscal year October 1, 2016 through September 30, 2017, at the September 2016 meeting. No amendments were made to this budget. The District adopted the current year budget on a line item basis.

E. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Receivables

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

G. Capital Assets

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements of the District. Depreciation is recorded on general fixed assets on a government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation is computed using the straight line method.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. Estimated useful lives for depreciable assets are as follows:

| <u>Assets</u> | <u>Years</u> |
|-------------------------------|--------------|
| Vehicles & Equipment | 7 |
| Computer and Office Equipment | 5 |

H. 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.

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

I. 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.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assigned Fund Balance- the Board of Commissioners delegate authority to the District 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.

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.

J. Date of Management’s Review

In preparing the financial statements, the District has evaluated events and transactions for potential recognition for disclosure through June 12, 2018, the date that the financial statements were available to be issued.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures during the reporting year. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

At year-end, the District’s carrying amount of deposits was \$751,745 and the bank balance was \$752,321, and the Department’s balance was \$21,075. 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. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining balance was collateralized by \$326,717 held on behalf of the District.

NOTE 3: TAXES

On May 8, 2010, voters approved \$.01 per \$100 of assessed valuation property tax for purposes of creating the District. The taxable value of East Chambers Independent School District is approximately \$320,000,000. The committee exempted 10% of the values. The District’s property tax is levied each October 1, on the assessed value listed as of the previous January 1 for all real property located in the District. On February 9, 2011, the board voted to reduce the property tax rate to zero.

On November 10, 2010, voters approved a sales tax rate of 0.625 percent for purposes of providing emergency services to the District.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 4: CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended September 30, 2017 was as follows:

| Governmental Activities | Beginning Balance | Current Year | | Ending Balance |
|--|----------------------|------------------|-----------|--------------------|
| | | Increases | Decreases | |
| Capital assets not being depreciated: | | | | |
| Land | \$ - | \$ 66,000 | \$ - | \$ 66,000 |
| Total capital assets not being depreciated: | - | 66,000 | - | 66,000 |
| Capital assets being depreciated: | | | | |
| Vehicles | \$ 859,598 | \$ 616,619 | \$ - | \$ 1,476,217 |
| Leasehold Improvements | 10,008 | - | - | 10,008 |
| Buildings | - | 166,000 | - | 166,000 |
| Equipment | 454,319 | - | - | 454,319 |
| Total | <u>1,323,925</u> | <u>782,619</u> | <u>-</u> | <u>2,106,544</u> |
| Less accumulated depreciation: | <u>(873,066)</u> | <u>(234,359)</u> | <u>-</u> | <u>(1,107,425)</u> |
| Total capital assets being depreciated, net | <u>450,859</u> | <u>548,260</u> | <u>-</u> | <u>999,119</u> |

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

| | |
|--|--------------------------|
| General Government | <u>\$ 234,359</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 234,359</u></u> |

NOTE 5: LONG TERM DEBT

The District entered into a lease-purchase agreement with OshKosh Capital on September 26, 2011, for the purchase of a Pierce PX Dryside Tanker (\$189,356), a Saber Pumper (\$430,483) and loose equipment included with the pumper (\$44,735). The gross amount of assets acquired under this capital lease was \$664,576. The terms of the lease-purchase agreement assumes an interest rate of 4.181 % for a period of ten years. Once a year payments in the amount of \$82,959, including principal and interest began on October 26, 2012. The agreement contains a \$1.00 buy-out option at the end of the lease.

The District entered into a lease-purchase agreement with Government Capital as of February 1, 2017 for the purchase of a Pierce Pumper/ Tanker. The gross amount of assets acquired under this capital lease was \$580,249. The terms of the lease-purchase agreement assumes interest rate of 3.237% for a period of ten years. Once a year a payment is due in the amount of \$68,848.17, which includes principal and interest. This payment is due beginning on February 1, 2018. The agreement contains a \$1.00 buy-out option at the end of the lease.

CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 5: LONG TERM DEBT, Continued

Long-term debt at September 30, 2017, is summarized as follows:

| Date Issued | Amount | Final Maturity | Annual Installments | % Rate | Outstanding Balance |
|---|---------|----------------|---------------------|--------|---------------------|
| 2011 | 664,576 | 2021 | \$82,959 | 4.18% | 376,097 |
| 2017 | 580,249 | 2027 | \$68,847 | 3.24% | 580,249 |
| Total Capital Lease Obligations | | | | | 956,346 |
| Less Current Portion | | | | | 117,662 |
| Total Long-term Capital Lease Obligations | | | | | <u>\$ 838,684</u> |

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2017, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|-------------------|-------------------|------------------|-------------------|---------------------|
| Governmental activities: | | | | | |
| Contractual Obligations | 440,982 | 580,249 | 64,885 | 956,346 | 117,662 |
| Long-Term Liabilities | <u>\$ 440,982</u> | <u>\$ 580,249</u> | <u>\$ 64,885</u> | <u>\$ 956,346</u> | <u>\$ 117,662</u> |

Aggregate debt service requirements to maturity the capital lease obligations outstanding at September 30, 2017 are as follows:

| <u>Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------------|------------------|-----------------|
| 2018 | 117,662 | 31,289 |
| 2019 | 125,053 | 26,754 |
| 2020 | 129,793 | 22,014 |
| 2021 | 134,716 | 17,091 |
| 2022 | 56,870 | 11,979 |
| 2023 and thereafter | 392,252 | 31,059 |

NOTE 6: OTHER INFORMATION

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.

NOTE 7: COMMITMENTS

Effective April 13, 2011, the District entered into an agreement with the Winnie-Stowell Volunteer Fire Department (the Department). The Department agreed to provide emergency services to all persons and property within the Emergency Services District, on a 24-hour day basis seven days a week to the greatest extent possible including response to life-threatening emergencies and rescue calls by making available adequate staff and administrative assistance and summon mutual aid from others including other volunteer fire and first responder organizations when appropriate or as needed. Amounts to be paid to the Volunteer Fire Department shall be disbursed at the discretion of the Commissioners and may include expenses for operations and other expenditures approved by the District for maintaining emergency services within the District.

On April 11, 2012, the Board entered into an interlocal agreement with Chambers County, Texas to service the area outside the district's boundaries, but within the existing territory of the Department without any compensation from the County. The initial term of this agreement is for one year and continues year to year until such time either party requests to change the agreement.

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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CHAMBERS COUNTY EMERGENCY SERVICES DISTRICT NO. 1

EXHIBIT E

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------|-------------------|---|
| REVENUES | | | |
| Taxes | \$ 450,000 | \$ 428,131 | \$ (21,869) |
| Contributions and grants | 2,250 | 253,586 | 251,336 |
| Miscellaneous | 5,250 | 10,711 | 5,461 |
| Total revenue | <u>457,500</u> | <u>692,428</u> | <u>234,928</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 75,571 | 1,105,078 | (1,029,507) |
| Fire and emergency services | 360,260 | 144,388 | 215,872 |
| Total expenditures | <u>435,831</u> | <u>1,249,466</u> | <u>(813,635)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>21,669</u> | <u>(557,038)</u> | <u>(578,707)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Issuance of debt | - | 580,249 | 580,249 |
| Principal Payments on loan | (82,965) | (64,884) | 18,081 |
| Total other financing sources and uses | <u>(82,965)</u> | <u>515,365</u> | <u>598,330</u> |
| NET CHANGE IN FUND BALANCES | (61,296) | (41,673) | 19,623 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>861,361</u> | <u>861,361</u> | - |
| FUND BALANCE AT END OF YEAR | <u>\$ 800,065</u> | <u>\$ 819,688</u> | <u>\$ 19,623</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

June 12, 2018

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
Chambers County Emergency Services District No. 1
Chambers 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 Chambers County Emergency Services District No.1 (District), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 12, 2018.

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 Chambers County Emergency Services District No. 1 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”

11 CHAMBERS CO ESD #1

**Aged Payables
As of Jun 30, 2018**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Vendor ID Vendor Contact Telephone 1 | Invoice/CM # | 0 - 30 | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|--|--------------|---------------|---------|---------|--------------|---------------|
| Barner, Kaleb Kaleb Barner | 201806 | 957.33 | | | | 957.33 |
| Barner, Kaleb Kaleb Barner | | 957.33 | | | | 957.33 |
| Behnken, Matthew Matthew Behnken | 201806 | 64.00 | | | | 64.00 |
| Behnken, Matthew Matthew Behnken | | 64.00 | | | | 64.00 |
| BENCKENSTEIN & OXF BENCKENSTEIN & OXF 409-833-9182 | 48987 | 400.00 | | | | 400.00 |
| BENCKENSTEIN & OXF BENCKENSTEIN & OXF | | 400.00 | | | | 400.00 |
| CE SOLUTIONS CE SOLUTIONS 888-447-1993 | 157408 | 516.00 | | | | 516.00 |
| CE SOLUTIONS CE SOLUTIONS | | 516.00 | | | | 516.00 |
| CenterPoint CenterPoint Energy | 201806 | 44.44 | | | | 44.44 |
| CenterPoint CenterPoint Energy | | 44.44 | | | | 44.44 |
| Davis, Ehren Ehren Davis | 201806 | 601.33 | | | | 601.33 |

11 CHAMBERS CO ESD #1
Aged Payables
As of Jun 30, 2018

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Vendor ID Vendor Contact Telephone 1 | Invoice/CM # | 0 - 30 | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|--|--------------|----------|---------|---------|--------------|------------|
| Davis, Ehren Ehren Davis | | 601.33 | | | | 601.33 |
| Delta Industrial Delta Industrial Service a | 65805 | 3,424.95 | | | | 3,424.95 |
| Delta Industrial Delta Industrial Service | | 3,424.95 | | | | 3,424.95 |
| Emergency Training Emergency Training Ente Brandon Lee | 06132018 | 300.00 | | | | 300.00 |
| Emergency Training Emergency Training Ent | | 300.00 | | | | 300.00 |
| Entergy Entergy | 280003967157 | 436.90 | | | | 436.90 |
| Entergy Entergy | | 436.90 | | | | 436.90 |
| Franklin, Darrell Darrell Franklin | 201806 | 744.00 | | | | 744.00 |
| Franklin, Darrell Darrell Franklin | | 744.00 | | | | 744.00 |
| HEINZ JOSHUA JOSHUA HEINZ 409-833-9182 | 201806 | 250.00 | | | | 250.00 |
| HEINZ JOSHUA JOSHUA HEINZ | | 250.00 | | | | 250.00 |

11 CHAMBERS CO ESD #1

Aged Payables

As of Jun 30, 2018

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Vendor ID Vendor Contact Telephone 1 | Invoice/CM # | 0 - 30 | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|--|----------------|-----------------|---------|---------|--------------|-----------------|
| Hollaway, Greg Greg Hollaway | 201806 | 160.00 | | | | 160.00 |
| | | 160.00 | | | | 160.00 |
| Howard, Ryan Ryan Howard | 201806 | 160.00 | | | | 160.00 |
| | | 160.00 | | | | 160.00 |
| JR Edwards J.R. Edwards & Associat | 201806 | 6,000.00 | | | | 6,000.00 |
| | | 6,000.00 | | | | 6,000.00 |
| Lee, Brandon Brandon Lee | 201806 | 422.67 | | | | 422.67 |
| | | 422.67 | | | | 422.67 |
| MARKET BASKET MARKET BASKET 409-296-2191 | 201806 | 157.49 | | | | 157.49 |
| | | 157.49 | | | | 157.49 |
| MES Municipal Emergency Ser 800-784-0404 | IN1227885, IN1 | 2,667.92 | | | | 2,667.92 |

11 CHAMBERS CO ESD #1

Aged Payables

As of Jun 30, 2018

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Vendor ID Vendor Contact Telephone 1 | Invoice/CM # | 0 - 30 | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|--|--------------|-----------------|---------|---------|--------------|-----------------|
| MES Municipal Emergency S | | 2,667.92 | | | | 2,667.92 |
| OXFORD HUBURT HUBERT OXFORD 409-951-4721 | 201806 | 250.00 | | | | 250.00 |
| OXFORD HUBURT HUBERT OXFORD | | 250.00 | | | | 250.00 |
| Reed, Stormie Stormie Reed | 201806 | 1,452.00 | | | | 1,452.00 |
| Reed, Stormie Stormie Reed | | 1,452.00 | | | | 1,452.00 |
| Safe-D Safe-D 512-251-8101 | 201806 | 550.00 | | | | 550.00 |
| Safe-D Safe-D | | 550.00 | | | | 550.00 |
| STRATTONS STRATTONS 409-296-4721 | 84612, 85113 | 283.35 | | | | 283.35 |
| STRATTONS STRATTONS | | 283.35 | | | | 283.35 |
| Time Warner Cable Time Warner Cable | 012180405241 | 302.75 | | | | 302.75 |
| Time Warner Cable Time Warner Cable | | 302.75 | | | | 302.75 |

11 CHAMBERS CO ESD #1
Aged Payables
As of Jun 30, 2018

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Vendor ID Vendor Contact Telephone 1 | Invoice/CM # | 0 - 30 | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|---|--|--------------------------|---------|---------|--------------|--------------------------|
| Vaughn's Vaughn's Air Conditioning | 816151 | 252.00 | | | | 252.00 |
| Vaughn's Vaughn's Air Conditioni | | 252.00 | | | | 252.00 |
| VFIS VFIS 512-448-9928 | 42968 | 3,678.00 | | | | 3,678.00 |
| VFIS VFIS | | 3,678.00 | | | | 3,678.00 |
| Visa Visa | 201806-Sander 201806-Wilber 201806-Gambl | 98.03 285.70 20.00 | | | | 98.03 285.70 20.00 |
| Visa Visa | | 403.73 | | | | 403.73 |
| WASTE MANAGMENT WASTE MANAGEMENT 409-239-2775 | 5557164-2155- | 107.71 | | | | 107.71 |
| WASTE MANAGMENT WASTE MANAGEMENT | | 107.71 | | | | 107.71 |
| Wilber, Wayne Wayne Wilber | 201806 | 100.00 | | | | 100.00 |
| Wilber, Wayne Wayne Wilber | | 100.00 | | | | 100.00 |
| WSVFD WS VFD | 201806 | 3,780.07 | | | | 3,780.07 |

11 CHAMBERS CO ESD #1

Aged Payables

As of Jun 30, 2018

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Vendor ID Vendor Contact Telephone 1 | Invoice/CM # | 0 - 30 | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|---|--------------|-----------|---------|---------|--------------|------------|
| 409296-4133 | | | | | | |
| WSVFD WS VFD | | 3,780.07 | | | | 3,780.07 |
| Report Total | | 28,466.64 | | | | 28,466.64 |

11 CHAMBERS CO ESD #1
Current Earnings Report
For the Period From Jun 1, 2018 to Jun 30, 2018

Filter Criteria includes: Report order is by Employee ID. Report is printed in Detail Format.

| Employee ID Employee Masked SS No | Date Reference | Amount | Gross Soc_Sec_C | Fed_Income Medicare_C | Soc_Sec Fed_Unemp_C | MEDICARE St_Unemp_C |
|--|-------------------|-----------|------------------------|--------------------------|------------------------|------------------------|
| Beginning Balance for MELISSA C. SANDERS | | 9,006.73 | 10,944.38 -678.56 | -1,100.39 -158.70 | -678.56 -42.01 | -158.70 -243.01 |
| SANDERS M MELISSA C. SANDERS XXX-XX-6259 | 6/13/18 2869 | 2,187.37 | 2,656.50 -164.70 | -265.91 -38.52 | -164.70 | -38.52 |
| Total 6/1/18 thru 6/30/18 | | 2,187.37 | 2,656.50 -164.70 | -265.91 -38.52 | -164.70 | -38.52 |
| Report Date Total for MELISSA C. SANDERS | | 2,187.37 | 2,656.50 -164.70 | -265.91 -38.52 | -164.70 | -38.52 |
| YTD Total for MELISSA C. SANDERS | | 11,194.10 | 13,600.88 -843.26 | -1,366.30 -197.22 | -843.26 -42.01 | -197.22 -243.01 |
| Beginning Balance for WAYNE L. WILBER | | 14,498.39 | 16,665.00 -1,033.25 | -891.71 -241.65 | -1,033.25 -42.00 | -241.65 -243.00 |
| WILBER W WAYNE L. WILBER XXX-XX-0343 | 6/13/18 2870 | 2,908.31 | 3,333.00 -206.65 | -169.71 -48.33 | -206.65 | -48.33 |
| Total 6/1/18 thru 6/30/18 | | 2,908.31 | 3,333.00 -206.65 | -169.71 -48.33 | -206.65 | -48.33 |
| Report Date Total for WAYNE L. WILBER | | 2,908.31 | 3,333.00 -206.65 | -169.71 -48.33 | -206.65 | -48.33 |
| YTD Total for WAYNE L. WILBER | | 17,406.70 | 19,998.00 -1,239.90 | -1,061.42 -289.98 | -1,239.90 -42.00 | -289.98 -243.00 |
| Summary Total 6/1/18 thru 6/30/18 | | 5,095.68 | 5,989.50 -371.35 | -435.62 -86.85 | -371.35 | -86.85 |
| Report Date Final Total 6/1/18 thru 6/30/18 | | 5,095.68 | 5,989.50 -371.35 | -435.62 -86.85 | -371.35 | -86.85 |
| Final YTD Total | | 28,600.80 | 33,598.88 -2,083.16 | -2,427.72 -487.20 | -2,083.16 -84.01 | -487.20 -486.01 |

11 CHAMBERS CO ESD #1
Check Register
For the Period From Jun 1, 2018 to Jun 30, 2018

Filter Criteria includes: Report order is by Date.

| Check # | Date | Payee | Cash Account | Amount |
|--------------|---------|------------------------|--------------|-------------------------|
| 2870 | 6/13/18 | WAYNE L. WILBER | 1010 | 2,908.31 |
| 2869 | 6/13/18 | MELISSA C. SANDE | 1010 | 2,187.37 |
| 2871 | 6/13/18 | Kaleb Barner | 1010 | 957.33 |
| 2872 | 6/13/18 | Matthew Behnken | 1010 | 64.00 |
| 2873 | 6/13/18 | BENCKENSTEIN & | 1010 | 400.00 |
| 2874 | 6/13/18 | CE SOLUTIONS | 1010 | 516.00 |
| 2875 | 6/13/18 | CenterPoint Energy | 1010 | 44.44 |
| 2876 | 6/13/18 | Ehren Davis | 1010 | 601.33 |
| 2877 | 6/13/18 | Delta Industrial Servi | 1010 | 3,424.95 |
| 2878 | 6/13/18 | Emergency Training | 1010 | 300.00 |
| 2879 | 6/13/18 | Entergy | 1010 | 436.90 |
| 2880 | 6/13/18 | Darrell Franklin | 1010 | 744.00 |
| 2881 | 6/13/18 | JOSHUA HEINZ | 1010 | 250.00 |
| 2882 | 6/13/18 | Greg Hollaway | 1010 | 160.00 |
| 2883 | 6/13/18 | Ryan Howard | 1010 | 160.00 |
| 2884 | 6/13/18 | J.R. Edwards & Asso | 1010 | 6,000.00 |
| 2885 | 6/13/18 | Brandon Lee | 1010 | 422.67 |
| 2886 | 6/13/18 | MARKET BASKET | 1010 | 157.49 |
| 2887 | 6/13/18 | Municipal Emergency | 1010 | 2,667.92 |
| 2888 | 6/13/18 | HUBERT OXFORD | 1010 | 250.00 |
| 2889 | 6/13/18 | Stormie Reed | 1010 | 1,452.00 |
| 2890 | 6/13/18 | Safe-D | 1010 | 550.00 |
| 2891 | 6/13/18 | STRATTONS | 1010 | 283.35 |
| 2892 | 6/13/18 | Time Warner Cable | 1010 | 302.75 |
| 2893 | 6/13/18 | Vaughn's Air Conditio | 1010 | 252.00 |
| 2894 | 6/13/18 | VFIS | 1010 | 3,678.00 |
| 2895 | 6/13/18 | Visa | 1010 | 403.73 |
| 2896 | 6/13/18 | WASTE MANAGEME | 1010 | 107.71 |
| 2897 | 6/13/18 | Wayne Wilber | 1010 | 100.00 |
| 2898 | 6/13/18 | WS VFD | 1010 | 3,780.07 |
| | 6/15/18 | EFTPS | 1010 | 1,352.02 |
| Total | | | | <u>34,914.34</u> |

11 CHAMBERS CO ESD #1
Account Reconciliation
As of May 31, 2018
1010 - CHECKING
Bank Statement Date: May 31, 2018

Filter Criteria includes: Report is printed in Detail Format.

| | | | | |
|------------------------------|-------------|------|----------|------------------|
| Beginning GL Balance | | | | 28,967.32 |
| Add: Cash Receipts | | | | 47,496.15 |
| Less: Cash Disbursements | | | | (53,599.83) |
| Add (Less) Other | | | | |
| Ending GL Balance | | | | <u>22,863.64</u> |
| Ending Bank Balance | | | | 23,183.64 |
| Add back deposits in transit | | | | |
| Total deposits in transit | | | | |
| (Less) outstanding checks | | | | |
| | May 9, 2018 | 2853 | (160.00) | |
| | May 9, 2018 | 2859 | (160.00) | |
| Total outstanding checks | | | | (320.00) |
| Add (Less) Other | | | | |
| Total other | | | | |
| Unreconciled difference | | | | <u>0.00</u> |
| Ending GL Balance | | | | <u>22,863.64</u> |

11 CHAMBERS CO ESD #1
Account Register
For the Period From May 1, 2018 to May 31, 2018
1010 - CHECKING

Filter Criteria includes: Report order is by Date.

| Date | Trans No | Type | Trans Desc | Deposit Amt | Withdrawal Amt | Balance |
|---------|----------|----------|------------------------|------------------|------------------|-----------|
| | | | Beginning Balance | | | 28,967.32 |
| 5/7/18 | | Deposit | WS VOL FIRE DEPT | 2,480.00 | | 31,447.32 |
| 5/8/18 | 20180508 | Withdraw | ECCB | | 15.00 | 31,432.32 |
| 5/8/18 | 2651V | Withdraw | Dustin Seeton | | -160.00 | 31,592.32 |
| 5/9/18 | 2842 | Withdraw | MELISSA C. SANDERS | | 2,001.76 | 29,590.56 |
| 5/9/18 | 2843 | Withdraw | WAYNE L. WILBER | | 2,908.31 | 26,682.25 |
| 5/9/18 | 2844 | Withdraw | Kaleb Barner | | 1,097.33 | 25,584.92 |
| 5/9/18 | 2845 | Withdraw | Troy Beasley | | 1,250.67 | 24,334.25 |
| 5/9/18 | 2846 | Withdraw | CenterPoint Energy | | 42.32 | 24,291.93 |
| 5/9/18 | 2847 | Withdraw | Ehren Davis | | 796.00 | 23,495.93 |
| 5/9/18 | 2848 | Withdraw | Emergency Training Ent | | 300.00 | 23,195.93 |
| 5/9/18 | 2849 | Withdraw | Entergy | | 294.65 | 22,901.28 |
| 5/9/18 | 2850 | Withdraw | Darrell Franklin | | 802.67 | 22,098.61 |
| 5/9/18 | 2851 | Withdraw | GULF COAST AUTOMO | | 153.98 | 21,944.63 |
| 5/9/18 | 2852 | Withdraw | JOSHUA HEINZ | | 250.00 | 21,694.63 |
| 5/9/18 | 2853 | Withdraw | Ryan Howard | | 160.00 | 21,534.63 |
| 5/9/18 | 2854 | Withdraw | Brandon Lee | | 116.00 | 21,418.63 |
| 5/9/18 | 2855 | Withdraw | Municipal Emergency Se | | 5,340.25 | 16,078.38 |
| 5/9/18 | 2856 | Withdraw | MIDTEX OIL | | 1,392.19 | 14,686.19 |
| 5/9/18 | 2857 | Withdraw | HUBERT OXFORD | | 250.00 | 14,436.19 |
| 5/9/18 | 2858 | Withdraw | Stormie Reed | | 1,240.00 | 13,196.19 |
| 5/9/18 | 2859 | Withdraw | Dustin Seeton | | 160.00 | 13,036.19 |
| 5/9/18 | 2860 | Withdraw | SIDDONS-MARTIN EME | | 269.26 | 12,766.93 |
| 5/9/18 | 2861 | Withdraw | STRATTONS | | 279.15 | 12,487.78 |
| 5/9/18 | 2862 | Withdraw | Time Warner Cable | | 300.14 | 12,187.64 |
| 5/9/18 | 2863 | Withdraw | ULINE | | 222.99 | 11,964.65 |
| 5/9/18 | 2864 | Withdraw | Visa | | 132.51 | 11,832.14 |
| 5/9/18 | 2865 | Withdraw | WASTE MANAGEMENT | | 107.71 | 11,724.43 |
| 5/9/18 | 2866 | Withdraw | BRENDA B WILBER | | 150.00 | 11,574.43 |
| 5/9/18 | 2867 | Withdraw | Wayne Wilber | | 100.00 | 11,474.43 |
| 5/9/18 | 2868 | Withdraw | WS VFD | | 2,322.98 | 9,151.45 |
| 5/11/18 | | Deposit | COMPROLLER OF PU | 45,016.15 | | 54,167.60 |
| 5/11/18 | 93912678 | Withdraw | EFTPS | | 1,288.96 | 52,878.64 |
| 5/18/18 | | Withdraw | transfer | | 30,000.00 | 22,878.64 |
| 5/31/18 | 20180531 | Withdraw | ECCB | | 15.00 | 22,863.64 |
| | | | Total | 47,496.15 | 53,599.83 | |

11 CHAMBERS CO ESD #1
Account Reconciliation
As of May 31, 2018
1020 - MONEY MARKET SAVINGS
Bank Statement Date: May 31, 2018

Filter Criteria includes: Report is printed in Detail Format.

| | |
|------------------------------|--------------------------|
| Beginning GL Balance | 411,766.04 |
| Add: Cash Receipts | 30,090.10 |
| Less: Cash Disbursements | |
| Add (Less) Other | |
| Ending GL Balance | <u>441,856.14</u> |
| Ending Bank Balance | 441,856.14 |
| Add back deposits in transit | |
| Total deposits in transit | |
| (Less) outstanding checks | |
| Total outstanding checks | |
| Add (Less) Other | |
| Total other | |
| Unreconciled difference | <u>0.00</u> |
| Ending GL Balance | <u><u>441,856.14</u></u> |

11 CHAMBERS CO ESD #1
Account Register
For the Period From May 1, 2018 to May 31, 2018
1020 - MONEY MARKET SAVINGS

Filter Criteria includes: Report order is by Date.

| <u>Date</u> | <u>Trans No</u> | <u>Type</u> | <u>Trans Desc</u> | <u>Deposit Amt</u> | <u>Withdrawal Amt</u> | <u>Balance</u> |
|-------------|-----------------|-------------|-------------------|--------------------|-----------------------|----------------|
| | | | Beginning Balance | | | 411,766.04 |
| 5/18/18 | | Deposit | CASH TRANSFERS | 30,000.00 | | 441,766.04 |
| 5/31/18 | | Deposit | EAST CHAMBERS CO | 90.10 | | 441,856.14 |
| | | | Total | <u>30,090.10</u> | | |

11 CHAMBERS CO ESD #1
Account Reconciliation
As of May 31, 2018
1011 - CHECKING TEXAS FIRST BANK
Bank Statement Date: May 31, 2018

Filter Criteria includes: Report is printed in Detail Format.

| | |
|------------------------------|-----------------------------|
| Beginning GL Balance | 282,390.91 |
| Add: Cash Receipts | 71.95 |
| Less: Cash Disbursements | |
| Add (Less) Other | <u> </u> |
| Ending GL Balance | <u>282,462.86</u> |
| Ending Bank Balance | 282,462.86 |
| Add back deposits in transit | <u> </u> |
| Total deposits in transit | |
| (Less) outstanding checks | <u> </u> |
| Total outstanding checks | |
| Add (Less) Other | <u> </u> |
| Total other | |
| Unreconciled difference | <u>0.00</u> |
| Ending GL Balance | <u><u>282,462.86</u></u> |

11 CHAMBERS CO ESD #1
Account Register
For the Period From May 1, 2018 to May 31, 2018
1011 - CHECKING TEXAS FIRST BANK

Filter Criteria includes: Report order is by Date.

| <u>Date</u> | <u>Trans No</u> | <u>Type</u> | <u>Trans Desc</u> | <u>Deposit Amt</u> | <u>Withdrawal Amt</u> | <u>Balance</u> |
|-------------|-----------------|-------------|---------------------------------------|--------------------|-----------------------|--------------------------|
| 5/31/18 | | Deposit | Beginning Balance Texas First Bank | 71.95 | | 282,390.91 282,462.86 |
| | | | Total | <u>71.95</u> | | |

11 CHAMBERS CO ESD #1

Balance Sheet
June 30, 2018

ASSETS

| | | |
|------------------------------|----|---------------------|
| Current Assets | | |
| CHECKING | \$ | 22,075.94 |
| CHECKING TEXAS FIRST BANK | | 282,462.86 |
| MONEY MARKET SAVINGS | | 441,856.14 |
| ACCOUNTS RECEIVABLE | | (5,924.75) |
| SALES TAX RECEIVABLE | | 70,819.07 |
| | | <hr/> |
| Total Current Assets | | 811,289.26 |
| Property and Equipment | | |
| EQUIPMENT | | 194,424.56 |
| VEHICLES | | 812,332.20 |
| LEASEHOLD IMPROVEMENTS | | 8,980.00 |
| Buildings & Improvements | | 166,000.00 |
| Land | | 66,000.00 |
| ACCUMULATED DEPRECIATION | | (295,423.39) |
| | | <hr/> |
| Total Property and Equipment | | 952,313.37 |
| Other Assets | | <hr/> |
| Total Other Assets | | 0.00 |
| | | <hr/> |
| Total Assets | \$ | <u>1,763,602.63</u> |

LIABILITIES AND CAPITAL

| | | |
|-----------------------------|----|---------------------|
| Current Liabilities | | |
| ACCOUNTS PAYABLE | \$ | 5,153.46 |
| DUE TO/FROM WSVFD | | (774.55) |
| PAYROLL TAXES PAYABLE | | 38,954.88 |
| ACCURED INTEREST | | 28,062.13 |
| | | <hr/> |
| Total Current Liabilities | | 71,395.92 |
| Long-Term Liabilities | | |
| NOTE PAYABLE OSH KOSH | | 476,025.83 |
| | | <hr/> |
| Total Long-Term Liabilities | | 476,025.83 |
| | | <hr/> |
| Total Liabilities | | 547,421.75 |
| Capital | | |
| RETAINED EARNINGS | | 1,137,260.03 |
| NET ASSETS - INVESTED | | 79,745.51 |
| Net Income | | (824.66) |
| | | <hr/> |
| Total Capital | | 1,216,180.88 |
| | | <hr/> |
| Total Liabilities & Capital | \$ | <u>1,763,602.63</u> |

11 CHAMBERS CO ESD #1
Income Statement
Compared with Budget
For the Twelve Months Ending September 30, 2018

| | Current Month Actual | Current Month Budget | Year to Date Actual | Year to Date Budget |
|--------------------------------|-------------------------|-------------------------|------------------------|------------------------|
| Revenues | | | | |
| SALES TAX INCOME | \$ 358,276.50 | \$ 475,000.00 | \$ 358,276.50 | \$ 475,000.00 |
| PROPERTY TAX INCOME | 22.78 | 50.00 | 22.78 | 50.00 |
| COST SHARE ASSISTANCE | 2,480.00 | 2,250.00 | 2,480.00 | 2,250.00 |
| OTHER INCOME | 18,613.48 | 550.00 | 18,613.48 | 550.00 |
| INTEREST INCOME | 1,252.40 | 1,500.00 | 1,252.40 | 1,500.00 |
| DIVIDEND INCOME | 2,550.93 | 0.00 | 2,550.93 | 0.00 |
| SURPLUS EQUIPMENT SALES | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 |
| Total Revenues | 408,196.09 | 504,350.00 | 408,196.09 | 504,350.00 |
| Cost of Sales | | | | |
| Total Cost of Sales | 0.00 | 0.00 | 0.00 | 0.00 |
| Gross Profit | 408,196.09 | 504,350.00 | 408,196.09 | 504,350.00 |
| Expenses | | | | |
| REPAIRS & SERVICE - BRUSH 21 | 251.18 | 500.00 | 251.18 | 500.00 |
| REPAIRS & SERVICE - COMMAND 2 | 980.99 | 250.00 | 980.99 | 250.00 |
| REPAIRS & SERVICE - UTILITY 21 | 646.07 | 500.00 | 646.07 | 500.00 |
| REPAIRS & SERVICE - ENGINE 22 | 0.00 | 5,000.00 | 0.00 | 5,000.00 |
| REPAIRS & SERVICE - ENGINE 21 | 9,137.60 | 7,500.00 | 9,137.60 | 7,500.00 |
| REPAIRS & SERVICE - TANKER 21 | 4,644.54 | 2,000.00 | 4,644.54 | 2,000.00 |
| REPAIRS & SERVICE - ADMIN21 | 933.76 | 1,500.00 | 933.76 | 1,500.00 |
| REPAIRS & SERVICE - E22 S/P | 179.18 | 2,000.00 | 179.18 | 2,000.00 |
| WASTE MANAGEMENT | 835.68 | 1,000.00 | 835.68 | 1,000.00 |
| BUILDING IMPROVEMENTS | 56.44 | 2,000.00 | 56.44 | 2,000.00 |
| BUILDING MAINTENANCE | 5,972.17 | 5,000.00 | 5,972.17 | 5,000.00 |
| DUES - SFFMA | 485.00 | 600.00 | 485.00 | 600.00 |
| DUES - WACC | 75.00 | 75.00 | 75.00 | 75.00 |
| EQUIPMENT PURCHASES | 17,471.78 | 20,000.00 | 17,471.78 | 20,000.00 |
| EQUIP - REPAIRS/SERVICE | 1,639.44 | 2,500.00 | 1,639.44 | 2,500.00 |
| FLEET - DIESEL TREATMENT | 90.28 | 80.00 | 90.28 | 80.00 |
| FLEET - DIESEL | 2,847.17 | 3,800.00 | 2,847.17 | 3,800.00 |
| FLEET - GASOLINE | 2,679.31 | 4,400.00 | 2,679.31 | 4,400.00 |
| FLEET - INSURANCE | 7,778.72 | 10,000.00 | 7,778.72 | 10,000.00 |
| FLEET - MISC | 39.33 | 300.00 | 39.33 | 300.00 |
| LOAN - E21/T21 - INTEREST | 15,362.09 | 15,362.09 | 15,362.09 | 15,362.09 |
| EQUIP - FIRE RESCUE SUPPLIES | 269.76 | 1,500.00 | 269.76 | 1,500.00 |
| FLEET - CLEANING SUPPLIES | 204.19 | 350.00 | 204.19 | 350.00 |
| LOAN - E21/T21 - PRINCIPLE | 67,596.79 | 67,596.79 | 67,596.79 | 67,596.79 |
| LOAN - E22 S/P - PRINCIPLE | 50,481.11 | 50,065.51 | 50,481.11 | 50,065.51 |
| LOAN - E22 S/P - INTEREST | 18,313.09 | 18,782.66 | 18,313.09 | 18,782.66 |
| INSURANCE - VFD ACCID&SICKNE | 0.00 | 3,000.00 | 0.00 | 3,000.00 |
| INSURANCE - VFD COMMERCIAL | 4,704.00 | 6,000.00 | 4,704.00 | 6,000.00 |
| INSURANCE - VFD WORKERS COM | 0.00 | 6,000.00 | 0.00 | 6,000.00 |
| CERTIFICATIONS | 0.00 | 1,000.00 | 0.00 | 1,000.00 |
| DINING | 455.83 | 500.00 | 455.83 | 500.00 |
| FREIGHT | 279.73 | 1,000.00 | 279.73 | 1,000.00 |
| OFFICE SUPPLIES | 2,469.94 | 3,000.00 | 2,469.94 | 3,000.00 |
| REHAB/ON SCENE WATER | 53.50 | 300.00 | 53.50 | 300.00 |
| REPORTING SOFTWARE | 0.00 | 3,300.00 | 0.00 | 3,300.00 |
| TRAINING | 2,252.00 | 3,000.00 | 2,252.00 | 3,000.00 |
| TRAVEL | 906.31 | 2,500.00 | 906.31 | 2,500.00 |
| UNIFORMS | 509.70 | 500.00 | 509.70 | 500.00 |
| FLEET - ENVIRONMENTAL FEE | 23.80 | 40.00 | 23.80 | 40.00 |

For Management Purposes Only

11 CHAMBERS CO ESD #1
 Income Statement
 Compared with Budget
 For the Twelve Months Ending September 30, 2018

| | Current Month Actual | Current Month Budget | Year to Date Actual | Year to Date Budget |
|--------------------------------|-------------------------|-------------------------|------------------------|------------------------|
| SPECIAL EVENTS | 230.12 | 100.00 | 230.12 | 100.00 |
| WSVFD - CONTRACTED SERVICES | 25,611.49 | 46,350.00 | 25,611.49 | 46,350.00 |
| ESD - CONTRACTED SERVICES | 35,392.27 | 48,000.00 | 35,392.27 | 48,000.00 |
| WSVFD - PAYROLL TAXES | 6,226.02 | 5,000.00 | 6,226.02 | 5,000.00 |
| STAFF ADMINISTRATOR | 23,331.00 | 40,000.00 | 23,331.00 | 40,000.00 |
| STAFF ADMINISTRATIVE ASSISTANT | 18,085.88 | 29,000.00 | 18,085.88 | 29,000.00 |
| UTILITIES - ELECTRIC | 3,622.97 | 6,000.00 | 3,622.97 | 6,000.00 |
| UTILITIES - NATURAL GAS | 338.41 | 450.00 | 338.41 | 450.00 |
| UTILITIES - TIME WARNER | 2,405.80 | 3,600.00 | 2,405.80 | 3,600.00 |
| UTILITIES - CELL | 800.00 | 1,200.00 | 800.00 | 1,200.00 |
| WAGES | 5,553.00 | 0.00 | 5,553.00 | 0.00 |
| SCHEDULING COORDINATOR | 2,700.00 | 3,600.00 | 2,700.00 | 3,600.00 |
| PAYROLL TAX EXPENSE | 15,097.11 | 14,000.00 | 15,097.11 | 14,000.00 |
| PROF FEES ACCOUNTING | 1,501.78 | 2,000.00 | 1,501.78 | 2,000.00 |
| WSVFD - ACCOUNTING FEES | 810.00 | 750.00 | 810.00 | 750.00 |
| FEES - COMPTROLLER | 7,103.95 | 10,000.00 | 7,103.95 | 10,000.00 |
| BANK FEES | 154.34 | 200.00 | 154.34 | 200.00 |
| PROF FEES LEGAL | 17,013.93 | 5,000.00 | 17,013.93 | 5,000.00 |
| PROF FEES LEGAL RETAINER | 4,500.00 | 6,000.00 | 4,500.00 | 6,000.00 |
| FILING FEES | 50.00 | 150.00 | 50.00 | 150.00 |
| PUBLIC NOTICE | 164.56 | 200.00 | 164.56 | 200.00 |
| POSTAGE | 61.52 | 100.00 | 61.52 | 100.00 |
| PROF FEES AUDIT | 6,000.00 | 6,750.00 | 6,000.00 | 6,750.00 |
| PROF FEES OTHER | 3,000.00 | 9,000.00 | 3,000.00 | 9,000.00 |
| DUES - SAFE-D | 550.00 | 550.00 | 550.00 | 550.00 |
| TECHNOLOGY | 370.12 | 500.00 | 370.12 | 500.00 |
| INSURANCE - ESD BOND | 400.00 | 400.00 | 400.00 | 400.00 |
| INSURANCE - ESD COMMERCIAL | 6,321.00 | 5,200.00 | 6,321.00 | 5,200.00 |
| INSURANCE - ESD WORKERS COMP | 0.00 | 4,200.00 | 0.00 | 4,200.00 |
| SAFETY DEPOSIT BOX | 0.00 | 15.00 | 0.00 | 15.00 |
| SCHOLARSHIP | 1,000.00 | 4,000.00 | 1,000.00 | 4,000.00 |
| | | | | |
| Total Expenses | 409,020.75 | 505,117.05 | 409,020.75 | 505,117.05 |
| | | | | |
| Net Income | \$ (824.66) | \$ (767.05) | \$ (824.66) | \$ (767.05) |

Allocation Payment Detail

Results

Chambers Co ESD 1
Authority Code: 5036543

Select a month ▼

Allocation Period: Jun 2018

| | |
|--------------------------|-----------|
| Total Collections: | 34,589.45 |
| Prior Prd Collections: | 1,272.34 |
| Current Prd Collections: | 33,645.25 |
| Future Prd Collections: | 0.00 |
| Audit Collections: | -334.27 |
| Unidentified: | 6.13 |
| Service Fee: | 691.79 |
| Current Retained: | 677.95 |
| Prior Retained: | 906.93 |
| Net Payment | 34,126.64 |

FINANCIAL REPORT

| | |
|-----------|--------------------|
| 4/30/2018 | \$29,127.32 |
|-----------|--------------------|

| | |
|----------------------|-----------------------------------|
| Credits | |
| | 5/1/2018 WSVFD \$2,480.00 |
| | 5/11/2018 Comptroller \$45,016.15 |
| Total Credits | \$47,496.15 |
| | \$76,623.47 |

| | |
|---------------------|----------------------------------|
| Debits | |
| | 2842 Melissa Sanders \$2,001.76 |
| | 2843 Wayne Wilber \$2,908.31 |
| | 2844 Kaleb Barner \$1,097.33 |
| | 2845 Troy Beasley \$1,250.67 |
| | 2846 Centerpoint Energy \$42.32 |
| | 2847 Ehren Davis \$796.00 |
| | 2848 Emergency Training \$300.00 |
| | 2849 Entergy \$294.65 |
| | 2850 Darrell Franklin \$802.67 |
| | 2851 Gulf Coast Auto \$153.98 |
| | 2852 Joshua Heinz \$250.00 |
| | 2854 Brandon Lee \$116.00 |
| | 2855 MES \$5,340.25 |
| | 2856 Midtex Oil \$1,392.19 |
| | 2857 Hubert Oxford \$250.00 |
| | 2858 Stormie Reed \$1,240.00 |
| | 2860 Siddons-Martin \$269.26 |
| | 2861 Strattons \$279.15 |
| | 2862 Time Warner \$300.14 |
| | 2863 Uline \$222.99 |
| | 2864 Visa \$132.51 |
| | 2865 Waste Management \$107.71 |
| | 2866 Brenda Wilber \$150.00 |
| | 2867 Wayne Wilber \$100.00 |
| | 2868 WSVFD \$2,322.98 |
| | EFTPS \$1,288.96 |
| | Transfer \$30,000.00 |
| Total Debits | \$53,409.83 |
| | \$23,213.64 |

| | | | |
|-------------|-----------|------------------|--------------------|
| Fees | 5/8/2018 | Stop Payment Fee | \$15.00 |
| | 5/30/2018 | Maintenance Fee | \$15.00 |
| | | | \$23,183.64 |

| | |
|----------------------------|-----------------------------|
| Checks Pending | |
| | 2853 Ryan Howard \$160.00 |
| | 2859 Dustin Seeton \$160.00 |
| Total Pending | \$320.00 |
| Ending Bank Balance | \$22,863.64 |
| | 4/30/2018 |

FINANCIAL REPORT

Deposits made Not on Bank Statement

| | | | |
|----------|-------------|-------------|-------------|
| 6/8/2018 | Comptroller | \$34,126.64 | |
| | | | \$34,126.64 |
| | 6/13/2018 | | \$56,990.28 |

Bills Owed

| | | | |
|--------------------------------|--------------------------------|------------|--------------------|
| Melissa Sanders | Administrative Assistant | \$2,187.37 | |
| Wayne Wilber | Administrator | \$2,908.31 | |
| Kaleb Barner | ESD Contracted Services | \$957.33 | |
| Matthew Behnken | ESD Contracted Services | \$64.00 | |
| Benckenstein & Oxford | Professional Fees: Legal | \$400.00 | |
| CE Solutions | Training | \$516.00 | |
| CenterPoint Energy | Utilities | \$44.44 | |
| Ehren Davis | ESD Contracted Services | \$601.33 | |
| Delta Industrial | Equipment Purchases & Freight | \$3,424.95 | |
| Emergency Training Enterprises | Scheduling Coordinator | \$300.00 | |
| Entergy | Utilities:Electric | \$436.90 | |
| Darrell Franklin | ESD Contracted Services | \$744.00 | |
| Joshua Heinz | Profession Fees: Retainer | \$250.00 | |
| Greg Hollaway | ESD Contracted Services | \$160.00 | |
| Ryan Howard | ESD Contracted Services | \$160.00 | |
| J.R. Edwards | Professional Fees: Audit | \$6,000.00 | |
| Brandon Lee | ESD Contracted Services | \$422.67 | |
| Market Basket | Special Events | \$157.49 | |
| MES | Equipment Purchases & Freight | \$2,667.92 | |
| Hubert Oxford IV | Profession Fees: Retainer | \$250.00 | |
| Stormie Reed | ESD Contracted Services | \$1,452.00 | |
| Safe-D | Dues | \$550.00 | |
| Strattons | Equip Service, A21, Supplies | \$283.35 | |
| Time Warner Cable | Cable/Internet/Telephone | \$302.75 | |
| Vaughn's | Building Maintenance | \$252.00 | |
| VFIS | Building Maintenance & Freight | \$3,678.00 | |
| VISA | Credit Card: CG-MS-WW | \$403.73 | |
| Waste Management | Utilities | \$107.71 | |
| Wayne Wilber | Utilities:Cell Phone | \$100.00 | |
| WSVFD | WSVFD:Contracted Services | \$3,033.93 | |
| | WSVFD:Accounting | \$50.00 | |
| | WSVFD:Taxes | \$696.14 | \$3,780.07 |
| Total Bills | Total Bills Owed | | \$33,562.32 |

| | |
|--|--------------------|
| 6/13/2018 Remaining funds in Checking Account | \$23,427.96 |
| 6/15/2018 EFTPS | -\$1,352.02 |
| 6/15/2018 Funds remaining in ECC Checking | \$22,075.94 |

FINANCIAL REPORT

East Chambers Money Market

| | |
|--|---------------------|
| 4/30/2018 Beginning Balance | \$411,766.04 |
| 5/18/2018 Transfer from Checking | \$30,000.00 |
| 5/31/2018 Interest Earned (.25%) | \$90.10 |
| 5/31/2018 Currently in Money Market | \$441,856.14 |

Texas First Bank Money Market

| | |
|--|---------------------|
| 5/1/2018 Beginning Balance | \$282,390.91 |
| 5/31/2018 Interest Earned (.30%) | \$71.95 |
| 5/31/2018 Currently in Money Market | \$282,462.86 |

Current Cash Assets

| | |
|---|---------------------|
| 5/31/2018 Checking | \$22,863.64 |
| 5/31/2018 East Chambers Money Market | \$441,856.14 |
| 5/31/2018 Texas First Bank Money Market | \$282,462.86 |
| 6/8/2018 Texas Comptroller | \$22,075.94 |
| 6/13/2018 Bills Owed | \$33,562.32 |
| 6/15/2018 EFTPS | -\$1,352.02 |
| 6/15/2018 Total Cash Assets | \$801,468.88 |

Loans

| | Payoff Year | Annual Payment |
|--------------------------|--------------------|-----------------------|
| Engine 21/Tanker 21 Loan | 2021 | \$82,958.88 |
| Super Pumper/Tanker Loan | 2028 | \$68,850.31 |
| | | \$151,809.19 |

TO THE BEST OF MY KNOWLEDGE, THESE FIGURES ARE CORRECT AND IN COMPLIANCE WITH THE DISTRICT'S INVESTMENT POLICY.



 David Murrel, President

6-13-18
 Date



 Chris Barrow, Treasurer

6-13-18
 Date

2017-2018
Budget Amendment 1 (June 13, 2018)

| | | Actual June 1, 2018 | Budget | Percentage Difference Budget vs. Actual 2017-2018 | Amended Budget | Increase/Decrease | Percentage Difference Budget vs. Amended Budget 2017-2018 | % of Amended Budget |
|----------------------------|--|------------------------|---------------------|---|---------------------|--------------------|---|------------------------|
| Income | | | | | | | | |
| | Sales Tax | \$323,687.05 | \$475,000.00 | 68.1% | \$475,000.00 | \$0.00 | 0.0% | 90.4% |
| | Property Tax | \$22.78 | \$50.00 | 45.6% | \$50.00 | \$0.00 | 0.0% | 0.0% |
| | Cost Share Assistance | | | | | | | |
| | Workers Comp | \$2,480.00 | \$2,250.00 | 110.2% | \$2,250.00 | \$0.00 | 0.0% | 0.4% |
| | Grant Reimbursement | \$0.00 | \$0.00 | 0.0% | \$0.00 | \$0.00 | 0.0% | 0.0% |
| | Other Income | \$18,613.48 | \$550.00 | 3384.3% | \$19,000.00 | \$18,450.00 | 3354.5% | 3.6% |
| | Interest Income | \$1,090.35 | \$1,500.00 | 72.7% | \$1,500.00 | \$0.00 | 0.0% | 0.3% |
| | Dividend Income | \$2,550.93 | \$0.00 | 0.0% | \$2,600.00 | \$2,600.00 | 26000.0% | 0.5% |
| | Surplus Equipment Sales (E22) | \$25,000.00 | \$25,000.00 | 100.0% | \$25,000.00 | \$0.00 | 0.0% | 4.8% |
| | Total Income | \$373,444.59 | \$504,350.00 | 74.0% | \$525,400.00 | \$21,050.00 | 4.2% | 100.0% |
| Expenses Operations | | | | | | | | |
| | Administrative Utilities | | | | | | | |
| | Accounting Fees-Department | \$760.00 | \$750.00 | 101.3% | \$750.00 | \$0.00 | 0.0% | 0.1% |
| | Certification | \$0.00 | \$1,000.00 | 0.0% | \$1,000.00 | \$0.00 | 0.0% | 0.2% |
| | Cleaning Supplies | \$200.69 | \$350.00 | 57.3% | \$350.00 | \$0.00 | 0.0% | 0.1% |
| | Dining | \$455.83 | \$500.00 | 91.2% | \$700.00 | \$200.00 | 40.0% | 0.1% |
| | Freight | \$189.16 | \$1,000.00 | 18.9% | \$500.00 | \$0.00 | -50.0% | 0.1% |
| | Office Supplies | \$2,403.93 | \$3,000.00 | 80.1% | \$3,000.00 | \$0.00 | 0.0% | 0.6% |
| | Rehab On Scene Water & Food | \$40.00 | \$300.00 | 13.3% | \$125.00 | \$0.00 | -58.3% | 0.0% |
| | Reporter Software | \$0.00 | \$3,300.00 | 0.0% | \$3,300.00 | \$0.00 | 0.0% | 0.7% |
| | Safety Deposit Box | \$0.00 | \$15.00 | 0.0% | \$15.00 | \$0.00 | 0.0% | 0.0% |
| | Special Events (Santa on Fire Truck/ Trunk or Treat, Etc.) | \$77.07 | \$100.00 | 77.1% | \$250.00 | \$150.00 | 150.0% | 0.0% |
| | Scholarship | \$1,000.00 | \$4,000.00 | 25.0% | \$3,000.00 | \$0.00 | -25.0% | 0.6% |
| | Training | \$1,736.00 | \$3,000.00 | 57.9% | \$3,000.00 | \$0.00 | 0.0% | 0.6% |
| | Travel Expense | \$906.31 | \$2,500.00 | 36.3% | \$2,500.00 | \$0.00 | 0.0% | 0.5% |
| | Uniforms | \$473.95 | \$500.00 | 94.8% | \$650.00 | \$150.00 | 30.0% | 0.1% |
| | Total Administrative | \$8,242.94 | \$20,315.00 | 40.6% | \$19,140.00 | -\$1,175.00 | -5.8% | 3.8% |

**2017-2018
Budget Amendment 1 (June 13, 2018)**

| | | Actual June 1, 2018 | Budget | Percentage Difference Budget vs. Actual 2017-2018 % | Amended Budget | Increase/Decrease | Percentage Difference Budget vs. Amended Budget 2017-2018 % | % of Amended Budget |
|------------------|--|------------------------|-------------|--|-------------------|-------------------|--|------------------------|
| Building | Improvements | \$56.44 | \$2,000.00 | 2.8% | \$500.00 | \$1,943.56 | -75.0% | 0.1% |
| | Maintenance and Upkeep | \$5,695.73 | \$3,000.00 | 189.9% | \$6,500.00 | \$3,500.00 | 116.7% | 1.3% |
| | Total Building | \$5,752.17 | \$5,000.00 | 115.0% | \$7,000.00 | \$2,000.00 | 40.0% | 1.4% |
| Dues | SFFMA | \$485.00 | \$600.00 | 80.8% | \$600.00 | \$0.00 | 0.0% | 0.1% |
| | Total Dues | \$485.00 | \$600.00 | 80.8% | \$600.00 | \$0.00 | 0.0% | 0.1% |
| Equipment | Parts, Service, Repairs & Inspections | \$1,575.53 | \$2,500.00 | 63.0% | \$2,500.00 | \$0.00 | 0.0% | 0.5% |
| | Purchases (i.e. includes bunker gear and extraction tools) | \$11,294.48 | \$20,000.00 | 56.5% | \$20,000.00 | \$0.00 | 0.0% | 4.0% |
| | Fire Rescue Supplies | \$269.76 | \$1,500.00 | 18.0% | \$1,500.00 | \$0.00 | 0.0% | 0.3% |
| | Admin 21 | \$0.00 | \$0.00 | 0.0% | \$0.00 | \$0.00 | 0.0% | 0.0% |
| | Total Equipment | \$13,139.77 | \$24,000.00 | 54.7% | \$24,000.00 | \$0.00 | 0.0% | 4.8% |
| Fleet | Fuel | | | | | | | |
| | Diesel | \$2,847.17 | \$3,800.00 | 74.9% | \$4,200.00 | \$400.00 | 10.5% | 0.8% |
| | Diesel Treatment | \$90.28 | \$80.00 | 112.9% | \$130.00 | \$50.00 | 62.5% | 0.0% |
| | Gasoline | \$2,679.31 | \$4,400.00 | 60.9% | \$4,600.00 | \$200.00 | 4.5% | 0.9% |
| | Environmental Compliance Fee | \$23.80 | \$40.00 | 59.5% | \$40.00 | \$0.00 | 0.0% | 0.0% |
| | Total Fuel | \$5,640.56 | \$8,320.00 | 67.8% | \$8,970.00 | \$650.00 | 7.8% | 1.8% |
| | Parts, Service & Repairs | | | | | | | |
| | Admin 21 | \$933.76 | \$1,500.00 | 62.3% | \$1,500.00 | \$0.00 | 0.0% | 0.3% |
| | Brush 21 | \$251.18 | \$500.00 | 50.2% | \$500.00 | \$0.00 | 0.0% | 0.1% |
| | Command 21 | \$980.99 | \$250.00 | 392.4% | \$1,100.00 | \$850.00 | 340.0% | 0.2% |
| | Engine 21 | \$9,137.60 | \$7,500.00 | 121.8% | \$11,000.00 | \$3,500.00 | 46.7% | 2.2% |
| | Engine 22 | \$0.00 | \$5,000.00 | 0.0% | \$0.00 | (\$5,000.00) | -100.0% | 0.0% |
| | Engine 22 S/P | \$179.18 | \$2,000.00 | 9.0% | \$300.00 | (\$1,200.00) | -85.0% | 0.1% |
| | Utility 21 | \$406.65 | \$500.00 | 81.3% | \$700.00 | \$200.00 | 40.0% | 0.1% |
| | Tanker 21 | \$4,644.54 | \$2,000.00 | 232.2% | \$5,000.00 | \$3,000.00 | 150.0% | 1.0% |
| | Misc. | \$39.33 | \$300.00 | 13.1% | \$600.00 | \$300.00 | 100.0% | 0.1% |
| | Total Parts | \$16,573.23 | \$19,550.00 | 84.8% | \$20,700.00 | \$1,150.00 | 5.9% | 4.1% |
| | Total Fleet | \$22,213.79 | \$27,870.00 | 79.7% | \$29,670.00 | \$1,800.00 | 6.5% | 5.9% |

2017-2018
Budget Amendment 1 (June 13, 2018)

| | Actual June 1, 2018 | Budget | Percentage Difference Budget vs. Actual 2017-2018 % | Amended Budget | Increase/Decrease | Percentage Difference Budget vs. Amended Budget 2017-2018 % | % of Amended Budget |
|--|------------------------|---------------------|--|---------------------|-------------------|--|------------------------|
| Insurance | | | | | | | |
| Auto Insurance | \$7,779.00 | \$10,000.00 | 77.8% | \$10,000.00 | \$0.00 | 0.0% | 2.0% |
| Accident & Sickness | \$0.00 | \$3,000.00 | 0.0% | \$3,000.00 | \$0.00 | 0.0% | 0.6% |
| Commercial Package | \$3,140.00 | \$6,000.00 | 52.3% | \$6,300.00 | \$300.00 | 5.0% | 1.3% |
| Workers Compensation | \$0.00 | \$6,000.00 | 0.0% | \$6,000.00 | \$0.00 | 0.0% | 1.2% |
| Total Insurance | \$10,919.00 | \$25,000.00 | 43.7% | \$25,300.00 | \$300.00 | 1.2% | 5.0% |
| Firefighter/Attendant Services | | | | | | | |
| Station Attendant | \$22,577.56 | \$46,350.00 | 48.7% | \$39,000.00 | \$7,577.56 | -15.9% | 7.8% |
| Payroll Taxes | \$5,529.88 | \$5,000.00 | 110.6% | \$9,050.00 | \$4,050.00 | 81.0% | 1.8% |
| ESD Contracted Services | \$30,830.94 | \$48,000.00 | 64.2% | \$35,000.00 | \$7,000.00 | 14.6% | 10.9% |
| Total Station Attendant | \$58,938.38 | \$99,350.00 | 59.3% | \$103,050.00 | \$3,700.00 | 3.7% | 20.5% |
| Total Operations Costs | \$119,691.05 | \$202,135.00 | 59.2% | \$208,760.00 | \$6,625.00 | 3.3% | 41.5% |
| Administrative Expenses | | | | | | | |
| Bank Fees | \$139.34 | \$200.00 | 69.7% | \$200.00 | \$0.00 | 0.0% | 0.0% |
| Meeting Filing Fees | \$50.00 | \$150.00 | 33.3% | \$150.00 | \$0.00 | 0.0% | 0.0% |
| Postage | \$61.52 | \$100.00 | 61.5% | \$100.00 | \$0.00 | 0.0% | 0.0% |
| Public Notice | \$164.56 | \$200.00 | 82.3% | \$200.00 | \$0.00 | 0.0% | 0.0% |
| Utilities | | | | | | | |
| Electric | \$3,186.07 | \$6,000.00 | 53.1% | \$6,000.00 | \$0.00 | 0.0% | 1.2% |
| Center Point (Natural Gas) | \$293.97 | \$450.00 | 65.3% | \$450.00 | \$0.00 | 0.0% | 0.1% |
| Garbage Pickup | \$727.97 | \$1,000.00 | 72.8% | \$1,000.00 | \$0.00 | 0.0% | 0.2% |
| Cell Phone | \$700.00 | \$1,200.00 | 58.3% | \$1,200.00 | \$0.00 | 0.0% | 0.2% |
| Technology | \$300.13 | \$500.00 | 60.0% | \$500.00 | \$0.00 | 0.0% | 0.1% |
| Spectrum (Cable, Telephone and Internet) | \$2,103.05 | \$3,600.00 | 58.4% | \$3,600.00 | \$0.00 | 0.0% | 0.7% |
| Total Utilities | \$7,311.19 | \$12,750.00 | 57.3% | \$12,750.00 | \$0.00 | 0.0% | 2.5% |
| Total Administrative | \$7,726.61 | \$13,400.00 | 57.7% | \$13,400.00 | \$0.00 | 0.0% | 2.7% |
| Dues | | | | | | | |
| Safe-ID | \$0.00 | \$550.00 | 0.0% | \$550.00 | \$0.00 | 0.0% | 0.1% |
| Winnic C of C | \$75.00 | \$75.00 | 100.0% | \$75.00 | \$0.00 | 0.0% | 0.0% |
| Total Dues | \$75.00 | \$625.00 | 12.0% | \$625.00 | \$0.00 | 0.0% | 0.1% |
| Insurance | | | | | | | |
| Bond | \$400.00 | \$400.00 | 100.0% | \$400.00 | \$0.00 | 0.0% | 0.1% |
| Commercial Package | \$6,321.00 | \$5,200.00 | 121.6% | \$6,321.00 | \$1,121.00 | 21.6% | 1.3% |
| Workers Compensation | \$0.00 | \$1,200.00 | 0.0% | \$4,200.00 | \$0.00 | 0.0% | 0.8% |
| Total Insurance | \$6,721.00 | \$9,800.00 | 68.6% | \$10,921.00 | \$1,121.00 | 11.4% | 2.2% |

2017-2018
Budget Amendment 1 (June 13, 2018)

| | | Actual June 1, 2018 | Budget | Percentage Difference Budget vs. Actual 2017-2018 % | Amended Budget | Increase/Decrease | Percentage Difference Budget vs. Amended Budget 2017-2018 % | % of Amended Budget |
|------------------------------|------------------------------------|------------------------|--------------|--|-------------------|-------------------|--|------------------------|
| Loans | | | | | | | | |
| | E21 E21 Interest | \$15,362.09 | \$15,362.09 | 100.0% | \$15,362.09 | \$0.00 | 0.0% | 3.1% |
| | E21 E21 Principle | \$67,596.79 | \$67,596.79 | 100.0% | \$67,596.79 | \$0.00 | 0.0% | 13.4% |
| | E22 S/P Interest | \$18,313.09 | \$18,782.66 | 97.5% | \$18,313.09 | \$469.57 | -2.5% | 3.6% |
| | E22 S/P Principle | \$50,481.11 | \$50,065.51 | 100.8% | \$50,481.11 | \$415.60 | 0.8% | 10.0% |
| | Total Loans | \$151,753.08 | \$151,807.05 | 100.0% | \$151,753.08 | \$53.97 | 0.0% | 30.2% |
| Professional Services | | | | | | | | |
| | Accounting Fees | \$1,501.78 | \$2,000.00 | 75.1% | \$2,000.00 | \$0.00 | 0.0% | 0.4% |
| | Audit | \$0.00 | \$6,750.00 | 0.0% | \$6,000.00 | \$750.00 | -11.1% | 1.2% |
| | Other Professional Fees | \$3,000.00 | \$9,000.00 | 33.3% | \$6,000.00 | \$3,000.00 | -33.3% | 1.2% |
| | Legal Retainer | | | | | | | |
| | Hubert Oxford IV | \$2,000.00 | \$3,000.00 | 66.7% | \$3,000.00 | \$0.00 | 0.0% | 0.6% |
| | Joshua Heinz | \$2,000.00 | \$3,000.00 | 66.7% | \$3,000.00 | \$0.00 | 0.0% | 0.6% |
| | Other Attorney Fees | \$16,613.93 | \$5,000.00 | 332.3% | \$19,750.00 | \$14,750.00 | 295.0% | 3.9% |
| | Total Legal | \$20,613.93 | \$11,000.00 | 187.4% | \$25,750.00 | \$14,750.00 | 134.1% | 5.1% |
| | Total Professional Services | \$25,115.71 | \$28,750.00 | 87.4% | \$39,750.00 | \$11,000.00 | 38.3% | 7.9% |
| Employees | | | | | | | | |
| | Staff | | | | | | | |
| | Administrator | \$23,331.00 | \$40,000.00 | 58.3% | \$40,000.00 | \$0.00 | 0.0% | 8.0% |
| | Administrative Assistant | \$17,649.38 | \$29,000.00 | 60.9% | \$29,000.00 | \$0.00 | 0.0% | 5.8% |
| | Scheduling Coordinator | \$2,400.00 | \$3,600.00 | 66.7% | \$3,600.00 | \$0.00 | 0.0% | 0.7% |
| | Staff Payroll | \$43,380.38 | \$72,600.00 | 59.8% | \$72,600.00 | \$0.00 | 0.0% | 14.4% |
| | Payroll Taxes | \$13,286.89 | \$14,000.00 | 94.9% | \$19,000.00 | \$5,000.00 | 35.7% | 3.8% |
| | Total Employee | \$56,667.27 | \$86,600.00 | 65.4% | \$91,600.00 | \$5,000.00 | 5.8% | 18.2% |
| Sales Tax Fees | | | | | | | | |
| | Sales Tax Fees | \$6,641.14 | \$10,000.00 | 66.4% | \$10,000.00 | \$0.00 | 0.0% | 2.0% |
| | Total Sales Tax Fees | \$6,641.14 | \$10,000.00 | 66.4% | \$10,000.00 | \$0.00 | 0.0% | 2.0% |
| | Total Administrative Costs | \$254,699.81 | \$300,982.05 | 84.6% | \$318,049.08 | \$17,067.03 | 5.7% | 63.2% |
| | Total Expenses | \$374,390.86 | \$503,117.05 | 74.4% | \$526,809.08 | \$23,692.03 | 4.7% | |
| | Reserve | -\$946.27 | \$1,232.95 | -76.7% | -\$1,409.08 | \$2,112.03 | -214.3% | -0.3% |

Exhibit “C”

ADMINISTRATOR REPORT

June 13, 2018

Apparatus and Equipment: Recall on Dodge Ram A-21 to check if "AutoPark" function is enabled. Reprogramming of Powertrain Control Module, Transmission Control Module, Radio Frequency Hub and Instrument Panel Cluster completed. E-22 rear directional arrow bar not working, Siddons Martin repaired under warranty. Cub Cadet mower at Stratton's for repairs, blown head gasket and tune up needed.

ESD: Driveway completed with heavy duty asphalt on south side of station. The District appreciates the time and effort Commissioner Gore and Mr. Jay Roy Joseph put into this project.

FEMA Request for Assistance on Project #8 by the District is in final review. Once approved, CCESD No. 1 should receive \$3,848.86 total (100% funding) for force account equipment (apparatus used during rescues) and force account materials (items purchased during rescues). Force account equipment included 94.49 hrs. of apparatus usage at \$3,332.00 and force account materials at \$516.86 (Hip Waders and Market Basket food). A total of \$1,139.49 of submitted cost was disallowed due to associated procurement dates being outside the 30-day time frame. These were items related to ESD office flooding and mold remediation. The District may resubmit as amended at 90% reimbursement.

Fire Dept: Grant application to Texas Forest Service for tuition, meals and lodging at Texas A&M Fire School scheduled for July made but WSVFD is not National Incident Management System compliant with the State, so meals and lodging not eligible for grant. Three volunteers plan to attend.

Nine people donated blood with five others turned away due to medical or other reasons at the May 12th blood drive.

Exhibit “D-1”

Winnie Stowell Volunteer Fire Department

Station Attendant Report per Week/Shift

May-18

| STATION ATTENDANT | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Total | Year End Totals |
|-------------------|--------|--------|--------|--------|--------|-------|-----------------|
| Troy Beasley | 3 | | 3 | 3 | | 9 | 9 |
| Chris Carnahan | 3 | 6 | | | | 9 | 41 |
| Clay Gamble | | | | | | 0 | 56 |
| Kevin Hightower | | | | | | 0 | 6 |
| Austin Isaacks | | 6 | 3 | 9 | 12 | 30 | 207 |
| Ty Potier | 3 | 3 | 6 | 9 | 3 | 24 | 200 |
| Ethan Reed | 3 | 6 | 12 | 6 | | 27 | 107 |
| Aaron Renner | | | | | | 0 | 81 |
| Logan Ruff | | | | | | 0 | 38 |
| Total | 6 | 15 | 21 | 24 | 15 | 81 | 674 |

May-18

| STATION ATTENDANT | GROSS PAY | | | | | | Year End Totals |
|-------------------|------------|--|--|--|--|--|-----------------|
| Troy Beasley | \$315.00 | | | | | | \$315.00 |
| Chris Carnahan | \$315.00 | | | | | | \$1,435.00 |
| Clay Gamble | | | | | | | \$1,943.93 |
| Kevin Hightower | | | | | | | \$210.00 |
| Austin Isaacks | \$1,050.00 | | | | | | \$7,074.68 |
| Ty Potier | \$840.00 | | | | | | \$6,750.90 |
| Ethan Reed | \$945.00 | | | | | | \$3,745.00 |
| Aaron Renner | | | | | | | \$2,761.84 |
| Logan Ruff | | | | | | | \$1,299.58 |
| Total | \$3,150.00 | | | | | | \$25,220.93 |

Exhibit “D-2”

WINNIE-STOWELL
825 STATE HIGHWAY 124 WINNIE TEXAS 77665
Tel (409) 296-4133



A handwritten signature in black ink, appearing to read "M. J. Kelly", is written over the word "APRIL" in the section header below.

CALL'S FOR THE MONTH OF ~~APRIL~~

| | |
|--------------------------|----|
| MVA | 9 |
| Car Fires | 1 |
| Vehicle Fires/18 wheeler | 0 |
| Brush Fires | 1 |
| Gas Leaks | 0 |
| Medical Assist | 16 |
| General Clean up | 0 |
| Building fires/Structure | 1 |
| Lift Assist | 1 |
| Controlled Burns | 0 |
| Equipment Fire | 0 |
| Fire Alarms | 1 |
| Mutual Aid | 1 |
| False Alarms | 1 |
| Oil Spill | 0 |

Power line down

2

Total Calls for Month 34

Total for Year ²⁷²~~123~~

WSVFD

FIRE CHIEF CLAY GAMBLE

Clay Gamble

6-5-18