



















PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017  
UNAUDITED

**General Fund Budgetary Highlights**

District recommended and Board approved revisions to budgeted revenue and appropriations.

**Capital Asset and Debt Administration**

**Capital Assets**

As of September 30, 2017, the District had \$793,520, net of accumulated depreciation, invested in capital assets. More detailed information about the District's capital assets are presented in the notes to the financial statements.

**Long-term Debt**

As of September 30, 2017, the District had \$1,150,000 in outstanding debt. More detailed information about the District's long-term debt is presented in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The District has entered into agreements with the Adell-Whitt Volunteer Fire Department and the Central Community Volunteer Fire Department that provide fire protection and other limited emergency response services to the residents of each response area. Our annual estimated 2018 taxable values will remain approximately the same. Emergency Services District's tax rates are capped by law at \$0.10. The District has approved their tax rate at \$0.10 per 100 valuation. The board adopted a balanced budget for the 2017-2018 fiscal year with estimated revenues being \$333,929 and appropriations being \$333,929.

Fire dispatch has been taken over by Parker County Emergency Services District No. 1. All fire departments will begin sharing costs in the 2017-2018 budget.

In December 2017, the District signed a commitment to purchase a Spartan Apparatus on an International cab and chassis from Metro Fire Apparatus for the estimated price of \$350,000. The District will make a down payment and finance the remaining balance. The down payment amount will be determined at a later date.

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Parker County Emergency Services District No. 8, Attn: President, P.O. Box 2957, Weatherford, Texas 76086.

## **BASIC FINANCIAL STATEMENTS**

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**STATEMENT OF NET POSITION**  
**September 30, 2017**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,000,591
Property Taxes - Delinquent	17,538
Allowance for Uncollectible Taxes (Credit)	(351)
Due from Other Governments	1,070
Capital Assets:	
Buildings, Net	61,326
Vehicles, Net	192,118
Equipment, Net	28,088
Construction in Process	511,988
<b>Total Assets</b>	<b>\$ 1,812,368</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ -
Accrued Interest	31,066
Non-current Liabilities:	
Due Within One Year:	37,628
Due In More Than One Year:	1,112,372
<b>Total Liabilities</b>	<b>\$ 1,181,066</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	281,532
Unrestricted Net Position	349,770
<b>Total Net Position</b>	<b>\$ 631,302</b>

*The notes to the financial statements are an integral part of this statement.*

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**STATEMENT OF ACTIVITIES**  
Year Ended September 30, 2017

Function/Program Activities	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Capital Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
<b>Primary Government</b>						
Government Activities						
Administrative Expenses	\$ 2,184	\$ -	\$ -	\$ (2,184)	\$ -	\$ (2,184)
Contracted Fire Services	83,471	-	-	(83,471)	-	(83,471)
Election Costs	3,832	-	-	(3,832)	-	(3,832)
Insurance Expense	4,601	-	-	(4,601)	-	(4,601)
Professional Fees	7,279	-	-	(7,279)	-	(7,279)
Rent Expense	2,400	-	-	(2,400)	-	(2,400)
Tax Collection Fees	5,543	-	-	(5,543)	-	(5,543)
Training Expense	1,030	-	-	(1,030)	-	(1,030)
Travel Expense	1,428	-	-	(1,428)	-	(1,428)
Vehicle Expense	-	-	-	-	-	-
Website Development	178	-	-	(178)	-	(178)
Capital Expenditures	26,168	-	-	(26,168)	-	(26,168)
Depreciation	22,845	-	-	(22,845)	-	(22,845)
Debt Payments - Interest Expense	31,066	-	-	(31,066)	-	(31,066)
Total Government Activities	<u>192,025</u>	<u>-</u>	<u>-</u>	<u>(192,025)</u>	<u>-</u>	<u>(192,025)</u>
<b>Total Primary Government</b>	<u>\$ 192,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(192,025)</u>	<u>\$ -</u>	<u>\$ (192,025)</u>
<b>General Revenues:</b>						
Property Taxes, Levied for General Purposes				309,784	-	309,784
Interest Income				45	-	45
Miscellaneous Revenue				41	-	41
<b>Total General Revenues and Transfers</b>				<u>309,870</u>	<u>-</u>	<u>309,870</u>
<b>Change in Net Position</b>				<u>117,845</u>	<u>-</u>	<u>117,845</u>
<b>Net Position - Beginning of Year</b>				<u>513,457</u>	<u>-</u>	<u>513,457</u>
<b>Net Position - End of Year</b>				<u>\$ 631,302</u>	<u>\$ -</u>	<u>\$ 631,302</u>

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

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2017**

	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 1,000,591
Property Taxes - Delinquent	17,538
Allowance for Uncollectible Taxes (Credit)	(351)
Due from Other Governments	1,070
<b>Total Assets</b>	<b>\$ 1,018,848</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	14,719
<b>Total Deferred Inflows of Resources</b>	14,719
<b>FUND BALANCES</b>	
Restricted for Capital Acquisition and Contractual Obligations	638,050
Unassigned Fund Balance	366,079
<b>Total Fund Balances</b>	1,004,129
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 1,018,848</b>

*The notes to the financial statements are an integral part of this statement.*

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
September 30, 2017**

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<b>TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 1,004,129</u>
<p>Amounts reported for governmental activities in the statement of net position is different due to the following:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$195,746 and the accumulated depreciation was (\$19,310). The net effect of including the beginning balances for capital assets (net of depreciation) is to increase net position.</p>	176,436
<p>Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the current year's capital outlays is to increase net position.</p>	639,929
<p>Note proceeds received during the current year are other financing resources in the fund financial statements, but they should be shown as an increase in long-term liabilities in the government-wide financial statements. Associated with that is accrued interest payable that is shown as an expenditure on the government-wide statements. The net effect of including the items associated with debt liabilities is to decrease net position.</p>	(1,181,066)
<p>The 2017 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.</p>	(22,845)
<p>Certain receivables are not available to pay current-period expenditures and, therefore, are deferred in the funds. This includes deferred property taxes.</p>	14,719
 <b>NET POSITION - GOVERNMENTAL ACTIVITIES</b>	 <u><u>\$ 631,302</u></u>

*The notes to the financial statements are an integral part of this statement.*

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**Year Ended September 30, 2017**

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	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Local Revenues	\$ 306,382
<b>Total Revenues</b>	<b>306,382</b>
<b>EXPENDITURES</b>	
Administrative Expense	2,184
Contracted Fire Services	83,471
Election Costs	3,832
Insurance Expense	4,601
Professional Fees	7,279
Rent Expense	2,400
Tax Collection Fees	5,543
Training Expense	1,030
Travel Expense	1,428
Vehicle Expense	-
Website Development	178
Capital Outlay	666,097
Debt Payments - Principal	-
Debt Payments - Interest Expense	-
<b>Total Expenditures</b>	<b>778,043</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(471,661)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Loan Proceeds	1,150,000
<b>Total Other Financing Sources (Uses)</b>	<b>1,150,000</b>
<b>Net Change in Fund Balances</b>	<b>678,339</b>
<b>Fund Balance - Beginning of Year</b>	<b>325,790</b>
<b>Fund Balance - End of Year</b>	<b>\$ 1,004,129</b>

*The notes to the financial statements are an integral part of this statement.*

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8  
RECONCILIATION OF THE STATEMENTS OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended September 30, 2017**

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$	678,339
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different due to the following:</p>		
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the current year's capital outlays is to increase net position.		639,929
Note proceeds received during the current year are other financing resources in the fund financial statements, but they should be shown as an increase in long-term liabilities in the government-wide financial statements. Associated with that is accrued interest payable that is shown as an expenditure on the government-wide statements. The net effect of including the items associated with debt liabilities is to decrease net position.		(1,181,066)
The 2017 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(22,845)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include the recognition of unavailable deferred property tax revenue.		3,488
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>117,845</u></b>

*The notes to the financial statements are an integral part of this statement.*

**I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Parker County Emergency Services District No. 8 (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**A. Creation of Emergency Services District**

The District was created after a public election was held on November 6, 2012, under the provision of Section 48-e of Article III of the Constitution of Texas. The Board of Commissioners held its first meeting on January 19, 2013. The District was established to provide fire protection services to residents of the District. The District collects tax levies for the purpose of acquiring and operating emergency service equipment within its geographic boundaries.

**B. Reporting Entity**

The District is a political subdivision of the State of Texas created to perform the functions of the District. The board members are appointed by the Commissioner’s Court of Parker County and has decision making authority, the power to designate operations, and has primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*. The District is not financially accountable for any other organizations; therefore, no component units are included within the reporting entity.

**C. Government-Wide and Fund Financial Statements**

The statement of net position and the statement of activities are government-wide financial statements. They report information on all of the District’s nonfiduciary activities of the primary government. *Governmental activities* include programs supported primarily by taxes and intergovernmental revenues. The statement of activities demonstrates the degree to which the direct expenses. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for services and operating grants and contributions. Charges for services consist of charges to customers or applicants that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Operating grants and contributions include amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded

when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred.

Property taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

#### **E. Fund Types and Major Funds**

The accounts of the district are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District reports the following major governmental funds:

*The General Fund* – this is the government’s primary operating fund. It is used to account for financial resources used for general operations. Any fund balances are considered resources available for current operations. All revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

#### **F. Other Accounting Policies**

1. The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.
2. The allowance for uncollectible taxes is 2% of the original tax levy, adjusted when the delinquent taxes for any year is less than the remaining reserve for that year. This resulted in an allowance for uncollectible taxes credit of \$351.
3. Capital assets, which include equipment, are reported in the governmental column in the government-wide financial statements. Donated capital assets are recorded at estimated fair value at the date of donation. The District does not currently have a capitalization policy.

4. In accordance with Governmental Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constraint for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal actions of the Board of Commissioners and does not lapse at year-end. As of September 30, 2017, the District has not adopted a policy for committing funds.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. These funds are assigned by the Board of Commissioners.

Unassigned – includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

The District does not have a minimum fund balance policy.

The District believes that sufficient detail of disclosure of fund balances, reported on the balance sheet – governmental funds, is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided for those balances in the footnotes.

5. Government-wide net position is divided into three components:

Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consists of amounts that are restricted by District’s creditors, by the state enabling legislation, by grantors and other contributors.

Unrestricted – all other net positions are reported in this category.

6. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expenses toward restricted resources and then toward unrestricted resources.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.**

Exhibit C-2 "Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position" provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position as reported in the government-wide statement of net position. One element of that reconciliation explains that certain long-term liabilities are not due and payable in the current year and are therefore not reported in governmental funds.

Exhibit C-4 "Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities" provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year loan proceeds are other financing resources in the fund financial statements, but should be shown as increases in long-term liabilities in the government-wide statements. This adjustment affects both the net position balance and the change in net position.

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The annual operating budget is adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end. The District made amendments to the budget during the current fiscal year.

The Board of Commissioners follow these procedures in establishing budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, proposed operating budget is submitted by the Budget Officer to the Board of Commissioners for the fiscal year commencing the following October 1. The operating budget includes proposed expenses and the means of financing them for the general fund.
2. The budget may be amended with the approval of the Board of Commissioners.
3. Budgetary control is maintained at the line item level, subject to adjustments permitted as described above.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits, Securities, and Investments**

Legal and Contractual Provisions Governing Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The Depository bank deposits for safekeeping and trust with the District's agent bank approved securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At September 30, 2017, the carrying amount was \$1,000,603 and the ending bank balance of the District's deposits was \$1,012,949.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's funds are required to be deposited and invested under the terms of a depository contract. The District's cash deposits at September 30, 2017, and during the year, were entirely covered by FDIC insurance and pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of returns, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposits, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act.

The District had no investments as of September 30, 2017.

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017**

**Exhibit D-1**

**B. Property Tax**

The District's property tax is levied (assessed) each October 1, on the appraised value as of January 1 of the current calendar year, for all real property and personal property located in the District. Appraised values are established by the Parker County Appraisal District.

Taxes are billed and due on October 1 of each year. The last day for payment without penalty is the following January 31. Unpaid taxes become delinquent February 1 and a tax lien on real property is created as of July 1 of each year.

In the governmental funds the District's property tax revenues are recognized when levied to the extent that they result in current receivables available for financing current operations. The remaining receivables are reflected as deferred inflow of resources.

**C. Receivables**

Receivables due from other governments, as of September 30, 2017, are as follows:

September Property Taxes Received in October	<u>Due from</u> <u>Parker County</u> <u>\$ 1,070</u>
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**D. Interfund Receivables and Payables**

There were no interfund receivables and payables as of September 30, 2017.

**E. Capital Assets**

A summary of changes in governmental activities capital assets as of September 30, 2017 is as follows:

	Beginning Balance	Increases/ Adjustments	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 0	\$ 511,988	\$ 0	\$ 511,988
Total capital assets, not being depreciated	0	511,988	0	511,988
Capital assets, being depreciated:				
Buildings	55,620	7,820	0	63,440
Vehicles	100,000	120,121	0	220,121
Equipment	40,126	0	0	40,126
Total capital assets, being depreciated	195,746	127,941	0	323,687
Less accumulated depreciation for:				
Buildings	297	1,817	0	2,114
Vehicles	15,000	13,003	0	28,003
Equipment	4,013	8,025	0	12,038
Total accumulated depreciation	19,310	22,845	0	42,155
Governmental capital assets, net	<u>\$ 176,436</u>	<u>\$ 617,084</u>	<u>\$ 0</u>	<u>\$ 793,520</u>

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017**

**Exhibit D-1**

Depreciation expense of \$22,845 was charged to the emergency services operations.

**F. Construction Commitments**

Construction in progress and remaining commitments as of the end of the fiscal year are as follows:

Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
CCVFD – Station 1	\$971,395	\$511,988	\$459,407

**G. Commitments Under Leases**

As of September 30, 2017, the District did not have any commitments under leases.

**H. Fire Protection Services**

As of September 30, 2017, the District had entered into agreements with the Adell-Whitt Volunteer Fire Department and the Central Community Volunteer Fire Department that provide fire protection and other limited emergency response services to the residents of each response area. The agreements are signed annually and are set to expire at midnight on September 30, 2017. Both agreements have been renewed for the following year ending September 30, 2018 and will automatically renew for successive one-year terms unless terminated by either party upon 90 days written notice.

**I. Loans Payable**

On February 10, 2017 Parker County Emergency Services District No. 8 entered into a Promissory Note and Security Agreement with Governmental Capital Corporation in the amount of \$1,150,000. The note is to be paid in annually with the first payment due February 10, 2018 and the final payment due February 10, 2037. The note has an interest rate of 4.25%. The Board approved setting up a new bank account for the \$1,150,000 to be deposited into First Financial Bank.

Issue/ Maturity Date	Interest Rates Payable	Amounts Original Issue	Beginning Balance	Issued	Retired	Ending Balance	Amounts Due Within One Year
2017/2037	4.25%	\$1,150,000	\$ 0	\$1,150,000	\$ 0	\$1,150,000	\$ 37,628

The District paid \$0 in interest expense during the current year.

The following is a summary of the District’s future annual debt service requirements to maturity for loans payable:

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017**

**Exhibit D-1**

Year Ended September 30	Principal	Interest	Total Requirements
2018	\$ 37,628	\$ 48,875	\$ 86,503
2019	39,227	47,276	86,503
2020	40,894	45,609	86,503
2021	42,632	43,871	86,503
2022	44,444	42,059	86,503
2023-2027	252,211	180,303	432,514
2028-2032	310,559	121,955	432,514
2033-2037	382,405	50,109	432,514
Totals	\$ 1,150,000	\$ 580,057	\$ 1,730,057

**J. Risk Management**

The District is exposed to various risks of loss related to torts, errors and omissions and injuries to volunteer firefighters. Commercial insurance for liability was purchased through third party carriers. The District does not expect claims to exceed insurance coverage. As of September 30, 2017, there were no known claims against the District.

**K. Litigation**

As of September 30, 2017, there were no known pending litigations.

**L. Evaluation of Subsequent Events**

The District has evaluated subsequent events through May 23, 2018 the date which the financial statements were available to be issued.

In December 2017, the District signed a commitment to purchase a Spartan Apparatus on an International cab and chassis from Metro Fire Apparatus for the estimated price of \$350,000. The District will make a down payment and finance the remaining balance. The down payment amount will be determined at a later date.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**PARKER COUNTY EMERGENCY SERVICES DISTRICT NO. 8**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES:</b>				
Local Revenues	\$ 295,206	\$ 304,603	\$ 306,382	\$ 1,779
Total Revenues	295,206	304,603	306,382	1,779
<b>EXPENDITURES:</b>				
Administrative Expense	1,750	2,196	2,184	12
Board Member Bonds	-	-	-	-
Community Outreach	-	-	-	-
Contracted Fire Services	138,961	138,961	83,471	55,490
Election Costs	-	3,832	3,832	-
Insurance Expense	1,500	4,601	4,601	-
Phone Service and Internet	-	-	-	-
Professional Fees	8,500	7,300	7,279	21
Rent Expense	2,400	2,400	2,400	-
Tax Collection Fees	5,000	5,543	5,543	-
Training Expense	1,500	1,050	1,030	20
Travel Expense	500	1,430	1,428	2
Utilities	-	-	-	-
Vehicle Expense	25	-	-	-
Website Development	-	178	178	-
Capital Outlay	135,070	704,562	666,097	38,465
Debt Payments - Principal	-	-	-	-
Debt Payments - Interest	-	-	-	-
Program Contingencies	-	-	-	-
Total Expenditures	295,206	872,053	778,043	94,010
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(567,450)	(471,661)	95,789
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Proceeds	-	-	1,150,000	1,150,000
Total Other Financing Sources (Uses)	-	-	1,150,000	1,150,000
<b>NET CHANGE IN FUND BALANCE</b>	-	(567,450)	678,339	1,245,789
<b>FUND BALANCE - BEGINNING OF YEAR</b>	325,790	325,790	325,790	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 325,790	\$ (241,660)	\$ 1,004,129	\$ 1,245,789

# **REPORT ON INTERNAL CONTROL AND COMPLIANCE**

# KIRK & RICHARDSON, P. C.

## Certified Public Accountants

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<b>Tom Kirk, CPA</b>		<b>Don Richardson, CPA</b>
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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  
Parker County Emergency Services District No. 8  
Weatherford, Texas 76086

Members of the Board of Commissioners:

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 of Parker County Emergency Services District No. 8 (the "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 May 23, 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 the 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 District's 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 Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kirk & Richardson, P. C.  
Fort Worth, Texas  
May 23, 2018