

Brazos County Emergency Services District #4

Financial Statements

For the Year Ended September 30, 2024

Brazos County Emergency Services District #4
Financial Statements
September 30, 2024
Unaudited

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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Brazos County Emergency Services District #4
Bryan, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Brazos County Emergency Services District #4 (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District, as of September 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Ingram, Wallis & Company, P.C.

Bryan, Texas
July 11, 2025

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DISTRICT PROFILE

Brazos County Emergency Services District #4 (the "District") was created after a public election held in 1987 under the provision of Section 48-d of Article III of the Constitution of Texas and the Texas Safety and Health Code, Chapter 794. The District was established to provide fire protection services to residents of the District that covers approximately 120 square miles of rural northwest Brazos County including the communities of Brushy, Smetana and Benchley.

Five persons are appointed by the County Judge and Brazos County Commissioners Court as Brazos County Emergency Services District #4 Commissioners for two-year terms with a three-and two-person rotation. They function as a board with regularly scheduled monthly meetings with duly posted time and location. The District maintains PO Box 7102, Bryan, Texas 77805 as a working address.

The District has two sources of income, namely property taxes and sales taxes. The major expenses of the District are reimbursements to Volunteer Fire Department ("VFD") #4, payroll, and payments on loans. The District had five outstanding loans as of September 30, 2024.

The Brazos County Tax Assessor Office computes the tax information and notifies the District of the legal requirements. The District, under current law, is limited to a maximum tax rate of \$0.08 per hundred dollars of taxable value. The commissioners set the effective tax rate at \$0.052064 for 2023 (for the year ended September 30, 2024). The adjusted tax levy for Brazos County Emergency Services District #4 was \$730,736 for the calendar year 2023 tax roll.

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the District's financial statements, which begin on page 8.

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 are comprised of two components: (1) government-wide financial statements, which include the fund financial statements, and (2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are Governmental type. Governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal

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year. Such information may be useful in evaluating a government's near-term financing requirements.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Additional information such as accounting policies, capital asset activity, and notes payable activity is included in the notes to the financial statements.

On page 17 of this report, a Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual is presented to demonstrate compliance with the annual appropriated budget.

FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2024, the District's assets exceeded liabilities by \$2,122,571.

DISTRICT'S NET POSITION

	2024	2023
Cash	\$ 2,758,595	\$ 937,494
Accounts receivable	5,050	-
Sales tax receivable	94,083	95,841
Property tax receivable	36,549	38,217
Prepaid expenses	29,460	-
Capital assets, net	1,258,393	898,935
Total Assets	4,182,130	1,970,487
Current Liabilities	623,250	129,380
Long-term debt (net of current)	1,436,309	567,224
Total Liabilities	2,059,559	696,604
Net position:		
Net investment in capital assets	(621,487)	294,837
Unrestricted	2,744,058	979,046
Total Net Position	\$ 2,122,571	\$ 1,273,883

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Analysis of the District's Operations - Overall, the District had an increase in net position of \$848,688 from the prior year. The primary reason for this was an increase sales tax revenue.

DISTRICT'S CHANGE IN NET POSITION

	<u>2024</u>	<u>2023</u>
Program revenues:		
Capital contribution	\$ 20,857	\$ -
Total program revenues	<u>20,857</u>	<u>-</u>
General revenues:		
Property taxes and penalties	737,305	705,857
Sales tax	1,362,515	801,027
Reimbursed expenses	18,882	-
Interest income and other	<u>56,000</u>	<u>550</u>
Total general revenues	<u>2,174,702</u>	<u>1,507,434</u>
Total Revenues	<u>2,195,559</u>	<u>1,507,434</u>
Expenses:		
Fire department operating expenses	308,708	271,946
Administrative expenses	398,256	103,588
Payroll	339,635	76,172
Depreciation expense	252,207	289,719
Debt service: interest expense	<u>48,065</u>	<u>23,992</u>
Total Expenses	<u>1,346,871</u>	<u>765,417</u>
Change in Net Position	848,688	742,017
Net Position, Beginning of Year	<u>1,273,883</u>	<u>531,866</u>
Net Position, End of Year	<u>\$ 2,122,571</u>	<u>\$ 1,273,883</u>

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FINANCIAL ANALYSIS OF GOVERNMENTAL FUND

	2024	2023
Assets:		
Cash	\$ 2,758,595	\$ 937,494
Accounts receivable	5,050	-
Sales tax receivable	94,083	95,841
Property tax receivable	36,549	38,217
Prepaid expenses	29,460	-
Total Assets	\$ 2,923,737	\$ 1,071,552
Liabilities:		
Accounts payable	\$ 120,320	\$ 88,537
Accrued payroll	12,600	-
Total Liabilities	132,920	88,537
Deferred Inflows of Resources:		
Unearned revenues - property taxes	36,549	38,217
Total Deferred Inflows of Resources	36,549	38,217
Fund Balance:		
Unassigned	2,754,268	944,798
Total Fund Balance	2,754,268	944,798
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,923,737	\$ 1,071,552

Overall, the District had an increase in fund balance of \$1,809,470 from the prior year. The primary reason for this was an increase sales tax revenue.

Budgetary Highlights

The District adopts an annual budget in August prior to the budget year which begins in October the following fiscal year. The budget includes the proposed expenditures and the means to finance the budget.

Original budget compared to final budget. During the year there was no need for amendments to increase the original estimated revenues or original budgeted appropriations.

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Final budget compared to actual revenues and expenditures. Total expenditures exceeded budgeted amounts by \$997,68. This variance was primarily due to increased payroll costs from approved duty crew hires, related administrative expenditures for equipment and supplies, repairs and maintenance on emergency vehicles, professional fees paid to a sales tax revenue recovery company, and higher capital outlay resulting from the purchase of a used fire truck. Additionally, the District assumed responsibility for vehicle and property insurance, as well as worker's compensation coverage for paid employees, which also contributed to administrative expenses exceeding budget.

Capital Assets

The District's investment in capital assets for its operations as of September 30, 2024, amounts to \$1,258,393 (net of accumulated depreciation), an increase of \$359,458. This increase is comprised of current-year asset additions totaling \$621,711, adjustments to accumulated depreciation of \$10,046 and depreciation expense of \$252,207.

Two significant additions included:

- A used fire truck for \$415,000
- Construction in progress totaling \$129,842 related to Station 3's Remodel and Extension

Additional information on the District's capital assets can be found in the notes to the financial statements on page 14 of this report.

Long-term Obligations

As of September 30, 2024, the District had total long-term obligations of \$1,879,880. Additional information on the District's long-term obligations can be found in the notes to the financial statements on page 15 of this report.

LOOKING AHEAD

The District's expenditure budget for 2025 increased to \$970,864 which is an increase of \$271,458 from the Approved Budget for 2024 in the amount of \$699,406. The commissioners set the effective tax rate at \$0.051693 for 2024 (for the year ended September 30, 2025).

CONTACTING THE DISTRICT

This financial report is designed to provide the residents of Brazos County and the District's creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives from property and sales taxes. If you have questions about this report or need additional financial information, please contact Brazos County Emergency Services District #4, PO Box 7102, Bryan, Texas 77805, attention: President of the Board of Commissioners.

Brazos County Emergency Services District #4
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,758,595	\$ -	\$ 2,758,595
Accounts receivable	5,050	-	5,050
Sales tax receivable	94,083	-	94,083
Property tax receivable	36,549	-	36,549
Prepaid expenses	29,460	-	29,460
Total current assets	2,923,737	-	2,923,737
Capital assets			
Land	-	84,060	84,060
Construction in Progress	-	129,842	129,842
Buildings	-	707,730	707,730
Trucks	-	1,755,118	1,755,118
Equipment	-	549,054	549,054
Less accumulated depreciation	-	(1,967,411)	(1,967,411)
Net capital assets	-	1,258,393	1,258,393
TOTAL ASSETS	2,923,737	1,258,393	4,182,130
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	120,320	-	120,320
Accrued payroll	12,600	-	12,600
Retainage payable	-	2,093	2,093
Accrued interest payable	-	44,666	44,666
Current maturities of notes payable	-	443,571	443,571
Total current liabilities	132,920	490,330	623,250
Notes payable, net of current maturities	-	1,436,309	1,436,309
Total non-current liabilities	-	1,436,309	1,436,309
TOTAL LIABILITIES	132,920	1,926,639	2,059,559
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	36,549	(36,549)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	36,549	(36,549)	-
FUND BALANCE/NET POSITION			
Unassigned	2,754,268	(2,754,268)	-
TOTAL FUND BALANCE	2,754,268	(2,754,268)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,923,737		
Net investment in capital assets		(621,487)	(621,487)
Unrestricted		2,744,058	2,744,058
TOTAL NET POSITION		\$ 2,122,571	\$ 2,122,571

See accompanying notes to the financial statements.

Brazos County Emergency Services District #4
Statement of Activities and
Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Current			
Fire department operating	\$ 308,708	\$ -	\$ 308,708
Administrative	398,256	-	398,256
Payroll	339,635	-	339,635
Depreciation	-	252,207	252,207
Capital outlay	565,540	(565,540)	-
Debt service:			
Principal	36,883	(36,883)	-
Interest	48,065	-	48,065
TOTAL EXPENDITURES/EXPENSES	<u>1,697,087</u>	<u>(350,216)</u>	<u>1,346,871</u>
PROGRAM REVENUES			
Capital contribution	-	(20,857)	20,857
TOTAL PROGRAM REVENUES	<u>-</u>	<u>(20,857)</u>	<u>20,857</u>
GENERAL REVENUES			
Property taxes and penalties	735,638	1,667	737,305
Sales tax	1,362,515	-	1,362,515
Reimbursed expenses	18,882	-	18,882
Interest income and other	56,000	-	56,000
TOTAL GENERAL REVENUES	<u>2,173,035</u>	<u>1,667</u>	<u>2,174,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	475,948	(475,948)	-
OTHER FINANCING SOURCES			
Proceeds from debt issuance	1,312,665	(1,312,665)	-
Contributed capital	20,857	(20,857)	-
TOTAL OTHER FINANCING SOURCES	<u>1,333,522</u>	<u>(1,333,522)</u>	<u>-</u>
CHANGE IN FUND BALANCE	1,809,470	(1,809,470)	-
CHANGE IN NET POSITION	<u>-</u>	<u>848,688</u>	<u>848,688</u>
FUND BALANCE/NET POSITION			
BEGINNING OF YEAR	944,798	329,085	1,273,883
END OF YEAR	<u>\$ 2,754,268</u>	<u>\$ (631,697)</u>	<u>\$ 2,122,571</u>

See accompanying notes to the financial statements.

Brazos County Emergency Services District #4
Notes to the Financial Statements
September 30, 2024

Note 1 – Creation of District

Brazos County Emergency Services District #4 (the “District”) was created after a public election held in 1990 under the provision of Section 48-d of Article III of the Constitution of Texas and the Texas Safety and Health Code, Chapter 775. The District was established to provide fire protection services to residents of the district.

Note 2 – Significant Accounting Policies

Basis of Presentation

The District’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for the state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

The financial statements of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that compromise its assets, liabilities, reserves, net assets, revenues and expenditures/expenses.

The following fund types are used by the District:

General Fund – The General Fund is the general operating fund of the District. This fund includes all the available operating revenues and accumulates reserves for future operating activities.

Government-Wide Financial Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Brazos County Emergency Services District #4
Notes to the Financial Statements
September 30, 2024

Note 2 – Significant Accounting Policies-Continued

Government-Wide Financial Statements-Continued

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Expenses are those that are clearly identifiable with a specific function. Program revenues include contributed capital from other governmental entities. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Fund Level Financial Statements

In the governmental funds financial statements, the governmental-type activities are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means that the amount of the transaction can be determined, and “available” means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 60-day period is used for recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

The fund level financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

The government-wide and fund financial statements are provided for the governmental fund of the District with a column for adjustments between the two statements.

Capital Assets

As stated in the Texas Health and Safety Code, Title 9, Subtitle B, Chapter 775, Section 775.073 as of September 1, 2013, any property, including interest in property, purchased or leased using District funds, wholly or partly, must remain the property of the District, regardless of whether the property is used by a third party under a contract for services or otherwise, until the property is sold to a third party following the procedures under Section 263.003, 263.007, or 263.008.

Brazos County Emergency Services District #4
Notes to the Financial Statements
September 30, 2024

Note 2 – Significant Accounting Policies-Continued

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. For the year ended September 30, 2024, the District has the following item that qualifies for reporting in this category.

- Unavailable revenues – The unavailable revenues which arise only under the modified accrual basis of accounting qualify for reporting in this category in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes of \$36,549 as of September 30, 2024.

Fund Balances

GASB Statement No.54, “Fund Balance Reporting and Governmental Fund Type Definitions,” establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The implementation of GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable Fund Balance - Amounts that cannot be spent because they are either not spendable form or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes because of constraints placed on the use of these resources by creditors (such as through debt covenants), grantors, contributors or other governments; or constraints are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority (Board of Commissioners).

Assigned Fund Balance - Amounts that are constrained by the government's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given.

Unassigned Fund Balance – All amounts not included in other spendable classifications.

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Notes to the Financial Statements
September 30, 2024

Note 2 – Significant Accounting Policies-Continued

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use by either external parties or enabling legislation. It is the District's policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures of assets, liabilities, revenues and expenditures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The carrying amounts of cash, property tax receivable, sales tax receivable, and current liabilities approximate fair value because of the short maturity of those instruments.

Note 3 – Custodial Credit Risk

The District is authorized by statute to maintain deposit accounts which are federally insured. At year end, the carrying amount of the District's bank deposits was \$2,758,595 in three sweep accounts with its depository bank. Under this arrangement, excess balances in the District's main operating accounts are automatically transferred (swept) into deposit accounts at multiple participating financial institutions.

These swept funds were placed in accounts that are FDIC-insured, and the District's balances at each institution were structured to remain below the FDIC insurance limit of \$250,000 per bank.

As a result, the District's swept funds were fully insured by the FDIC and are not exposed to custodial credit risk under GASB 40.

Note 4 – Expenditures

The District expends funds for the purchase and maintenance of fire equipment for Brazos County Volunteer Fire Department # 4, for the construction and maintenance of fire stations and equipment used by the department, and for debt service.

Brazos County Emergency Services District #4
Notes to the Financial Statements
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Note 5 – Property Taxes

Property taxes are collected and remitted to the District by the Brazos County Tax Assessor Collector. Taxes are levied annually on October 1, with one half due by November 30, and one half by June 30, or in full by January 31. Delinquent tax payments throughout the year are recognized in the year received.

During the year ended September 30, 2024, the District levied an ad valorem tax at the rate of \$0.052064 per \$100 assessed valuation, which resulted in a tax levy of \$730,736 on the taxable valuation of \$1,403,534,741 for the tax year.

Note 6 - Capital Assets

Capital assets purchased or acquired with an original individual cost of \$5,000 or more are recorded at historical cost and are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 84,060	\$ -	\$ -	\$ 84,060
Construction in Progress	-	129,842	-	129,842
Buildings	707,730	-	-	707,730
Trucks	1,270,036	485,082	-	1,755,118
Equipment	542,267	6,787	-	549,054
Accumulated Depreciation	(1,705,158)	(262,253)	-	(1,967,411)
Total Capital Assets, net	<u>\$ 898,935</u>	<u>\$ 359,458</u>	<u>\$ -</u>	<u>\$ 1,258,393</u>

Note 7 – Notes Payable

The following represents a summary of the notes payable as of September 30, 2024.

Lender	Interest Rate	Amount	Due Within One Year	Maturity	Collateral
Government Capital Corporation	3.094%	\$ 42,327	\$ 13,681	5/22/2027	Fire Chiefs Truck
Branch Banking and Trust Company	2.600%	401,112	98,320	10/24/2027	Trucks & equipment
USDA	3.375%	53,678	17,307	5/19/2028	All revenue
USDA	4.250%	70,098	7,153	3/24/2035	All revenue
Government Capital Corporation	6.295%	<u>1,312,665</u>	<u>307,110</u>	3/20/2034	Fire Trucks
Total outstanding principal		1,879,880	<u>\$ 443,571</u>		
Less amount due within one year		<u>(443,571)</u>			
Notes payable, less current portion		<u>\$ 1,436,309</u>			

Brazos County Emergency Services District #4
Notes to the Financial Statements
September 30, 2024

Note 7 – Notes Payable - Continued

Notes payable activity of the District for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Notes Payable	\$ 604,098	1,312,665	(36,883)	\$ 1,879,880

The notes will be liquidated with the General Fund. Maturities by year are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 443,572	\$ 99,161	\$ 542,733
2026	226,772	75,961	302,733
2027	236,177	67,184	303,361
2028	204,190	56,661	260,851
2029	112,266	47,609	159,875
2030-2035	656,903	125,807	782,710
	\$ 1,879,880	\$ 472,383	\$ 2,352,263

Subsequent to year-end, the District entered into a \$700,000 note payable agreement (see Subsequent Events).

Note 8 – Risk Management

The District maintains insurance coverage for various risks of loss, including commercial general liability, automobile liability, excess liability, management liability, property coverage (structures and vehicles), and workers’ compensation for its paid personnel. These policies are obtained through a commercial insurance carrier and are held in the District’s name.

The Brazos County Volunteer Fire Department #4 continues to maintain separate workers’ compensation coverage for its volunteer members.

Management believes that the current types and amounts of insurance coverage are adequate to protect the District against losses that could reasonably be expected to occur. There were no significant reductions in coverage during the year, and no claims have exceeded insurance coverage in any of the past three fiscal years.

Brazos County Emergency Services District #4
Notes to the Financial Statements
September 30, 2024

Note 9 - Subsequent Events

Management has evaluated subsequent events through July 9, 2025, the date the financial statements were available to be issued. On October 1, 2024, the District finalized a \$700,000 note payable agreement to finance the purchase of a 2024 Spartan Ferrera Fire Truck. The note bears interest at 5.29% and will be repaid over 10 years with equal installments beginning September 30, 2025.

Brazos County Emergency Services District #4
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ 2,173,035	\$ 2,173,035
EXPENDITURES				
Current:				
Fire department operating	310,000	310,000	308,708	1,292
Administrative	129,417	129,417	398,256	(268,839)
Payroll	-	-	339,635	(339,635)
Operating contingency	50,000	50,000	-	50,000
Capital outlay	57,000	57,000	565,540	(508,540)
Debt service:				
Principal	152,989	152,989	36,883	116,106
Interest	-	-	48,065	(48,065)
TOTAL EXPENDITURES	<u>699,406</u>	<u>699,406</u>	<u>1,697,087</u>	<u>(997,681)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(699,406)	(699,406)	475,948	1,175,354
OTHER FINANCING SOURCES				
Proceeds from debt issuance	-	-	1,312,665	1,312,665
Contributed capital	-	-	20,857	20,857
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>1,333,522</u>	<u>1,333,522</u>
Net Change in Fund Balance			1,809,470	
FUND BALANCE - BEGINNING OF YEAR			<u>944,798</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,754,268</u>	