



# Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

## **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

### **INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**



# **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

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## Montemayor Britton Bender PC

Board of Fire Commissioners      CERTIFIED PUBLIC ACCOUNTANTS  
Hays County Emergency Services District #4

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and general fund of the Hays County Emergency Services District #4 (District), as of and for the year ended September 30, 2020, 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. 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.

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### 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 the general fund of the District as of September 30, 2020, 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.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the budgetary comparison information on pages 15 to 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.

Montemayor Britton Bender PC

May 25, 2021  
Austin, Texas



## HAYS COUNTY EMERGENCY SERVICES DISTRICT #4

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Hays County Emergency Services District #4 ("the District") for the year ended September 30, 2020. Please read it in conjunction with the District's financial statements, which follow this section.

#### **Financial Highlights**

- The District's property tax rate increased to the statutory maximum of \$.05 per \$100 of assessed valuation for the year ended September 30, 2020. Property tax revenues for the year were \$1,324,285, an increase of \$373,759 over prior year.
- The District's fiscal year sales tax revenue totaled \$649,021, an increase of \$478,781 over the prior year.
- The District incurred an increase in net position of \$991,126 for the year.
- Current and other assets amounted to \$2,485,648 at September 30, 2020, which represented an increase of \$1,067,495 over the \$1,418,153 balance at September 30, 2019.
- Capital assets decreased by \$54,286, due to depreciation expense of \$125,728, offset by additions of rescue equipment, firefighting equipment, building improvements, and furniture and equipment of \$71,442.
- The District's note payable balance decreased by principal payments of \$23,677.

#### **Overview of the Financial Statements**

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The *basic financial statements* include two kinds of statements that present different views of the District. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

#### **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 reporting on a full accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District has improved or deteriorated.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: property taxes assessed but uncollected as of 31 days after year-end).

Because the District's principal source of revenue is property and sales taxes, the government-wide financial statements are grouped into one function that is supported by taxes (governmental activities).



## HAYS COUNTY EMERGENCY SERVICES DISTRICT #4

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and account for resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal or contractual requirements. The District has one fund, the General Fund.

**Governmental Funds:** The General Fund is 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, the governmental funds financial statements focus on current fiscal year cash inflows and outflows, as well as balances of resources available for spending at the end of the fiscal year. Such information may be useful in evaluating the District's recent financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund 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 District's recent 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 Fund and government-wide financial statements.

#### **Government-Wide Financial Analysis**

Net position may serve as a useful indicator of the District's financial position. The District's net position (assets plus deferred outflows less liabilities and deferred inflows) was \$3,256,452 as of September 30, 2020. Capital assets, net of depreciation and related debt, accounted for \$806,769 or 25% of the total net position. Capital assets reflect the large investments in facilities and equipment that are necessary to provide adequate fire suppression and emergency medical response services to the community. The remaining balance of net position of \$2,449,683 is unrestricted and available to meet the District's ongoing obligations to citizens and creditors. Governmental activities account for all of the changes in net position at the government-wide reporting level because the District engages in no business-type activities. The tables below summarize the financial position of the District at September 30, 2020 and 2019 and the results of operations for the same years ended.

<b><u>Assets</u></b>	<b><u>9/30/2020</u></b>	<b><u>9/30/2019</u></b>
Current and other assets	\$2,579,253	\$1,510,929
Capital assets, net of accumulated depreciation	<u>806,769</u>	<u>861,055</u>
Total assets	<u>3,386,022</u>	<u>2,371,984</u>
<b><u>Liabilities</u></b>		
Current and other liabilities	56,087	57,902
Long-term liabilities	<u>73,483</u>	<u>48,756</u>
Total liabilities	<u>129,570</u>	<u>106,658</u>
<b><u>Net position</u></b>		
Net investment in capital assets, net of debt	806,769	837,378
Unrestricted	<u>(129,570)</u>	<u>(82,981)</u>
Total net position	<u>\$677,199</u>	<u>\$754,397</u>



## HAYS COUNTY EMERGENCY SERVICES DISTRICT #4

### MANAGEMENT'S DISCUSSION AND ANALYSIS

<b><u>Revenues</u></b>	<b><u>9/30/2020</u></b>	<b><u>9/30/2019</u></b>
Property taxes	\$1,324,285	\$950,526
Sales taxes	649,021	170,240
Other	<u>30,286</u>	<u>85,430</u>
Total revenues	<u>2,003,592</u>	<u>1,206,196</u>
 <b><u>Expenses</u></b>		
Fire and emergency services	885,946	799,667
Depreciation	125,728	128,608
Interest expense	<u>792</u>	<u>318</u>
Total expenses	1,012,466	<u>928,593</u>
 Change in net position	991,126	277,603
Net position, beginning	<u>2,265,326</u>	<u>1,987,723</u>
Net position, ending	<u><u>\$3,256,452</u></u>	<u><u>\$2,265,326</u></u>

#### **Financial Analysis of the Governmental Fund**

The focus of the District's Governmental Fund is to provide information on near-term inflows and outflows and on resource balances available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance serves as a useful measure of the District's net resources available for spending at fiscal year-end.

During the fiscal year ending September 30, 2020, the District's only Governmental Fund was the General Fund, and it reported ending fund balance of \$2,496,698, an increase of \$1,046,462 over the year-ended September 30, 2019. The District's ending unassigned fund balance of \$2,400,578 was unencumbered and available for spending at the District's discretion.

#### **General Fund Budgetary Highlights**

General Fund revenues were \$2,003,592, or 30%, over budget, due primarily to \$409,021 more than anticipated in sales tax revenues and \$36,643 more in anticipated property tax revenues, as well as \$15,686 of other income in excess of budget. Expenses for the General Fund were \$585,112 less than budget, a variance of (38%). The budget variance resulted primarily from most expenses being less than anticipated; wages and benefits (\$348,348), professional services (\$23,099), uniforms (\$16,653), station repairs and maintenance (\$15,691), communications (\$22,359), insurance (\$15,530), training (\$29,736), supplies and equipment (\$26,010), office and administrative (\$25,463) and capital outlay (\$63,058). The variances in all other line items combined was not significant.

#### **Capital Assets**

The District's capital assets at September 30, 2020, net of accumulated depreciation, totaled \$806,769. The current year decrease of \$54,286 reflected capital outlay of \$71,442 offset by depreciation expense of \$125,728.

#### **Economic Factors, Future Years' Budgets and Tax Rates**

The October 2020 assessed valuation increased by approximately 8% compared to the October 2019 assessment. The tax rate of \$.05 per \$100 of assessed valuation for fiscal year 2020-2021 remained the same.



## **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The tax levy for fiscal year 2020-2021 is expected to provide an approximately \$85,000 increase in tax revenues for the next fiscal year. Additionally, the District collects sales tax revenues. The budget for fiscal 2021 sales taxes is \$300,000, however, average monthly collections to date in fiscal year 2020-2021 are approximately \$49,000.

The District considers many factors when approving budgets for the next year's fiscal activities. With increased tax revenues, the District's budget for operating expenses is expected to increase a proportional amount to support increased services.

#### **Request for Information**

This financial report is designed to provide a general overview of the finances of the District for all parties with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Hays County Emergency Services District #4  
P.O. Box 1312  
Wimberley, TX 78676



**HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Adjustments (Note 10)</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash	\$3,060		\$3,060
Short-term investments	2,291,492		2,291,492
Sales tax receivable	254,879		254,879
Property taxes receivable	27,307		27,307
Prepaid expenses and other	2,515		2,515
Capital assets:			
Land	0	77,747	77,747
Capital assets, net of depreciation	<u>0</u>	729,022	<u>729,022</u>
Total capital assets	<u>0</u>		<u>806,769</u>
Total assets	<u><u>\$2,579,253</u></u>		<u><u>3,386,022</u></u>
<b>LIABILITIES</b>			
Accrued liabilities	\$56,087		56,087
Long-term liabilities:			
Due in more than one year	<u>0</u>	73,483	<u>73,483</u>
	<u>56,087</u>		<u>129,570</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>26,468</u>	(26,468)	<u>0</u>
<b>FUND BALANCES/NET POSITION</b>			
<b>FUND BALANCES</b>			
Nonspendable	2,515	(2,515)	
Assigned for capital assets	93,605	(93,605)	
Unassigned fund balance	<u>2,400,578</u>	(2,400,578)	
Total fund balances	<u>2,496,698</u>		
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$2,579,253</u></u>	(2,579,253)	
<b>NET POSITION</b>			
Net investment in capital assets		806,769	806,769
Unrestricted		<u>2,449,683</u>	<u>2,449,683</u>
Total net position			<u><u>\$3,256,452</u></u>

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



**HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

EXPENDITURES/EXPENSES:	General <u>Fund</u>	Adjustments (Note 10)	Statement of <u>Activities</u>
Current service operations:			
Wages and benefits	\$621,971	\$24,727	\$646,698
Insurance	49,470		49,470
Station repairs and maintenance	40,109		40,109
Professional services	25,091		25,091
Office and administrative	24,709		24,709
Appraisal and tax collection fees	20,792		20,792
Communications	17,956		17,956
Training	14,314		14,314
Utilities	13,305		13,305
Supplies and equipment	12,440		12,440
Uniforms	12,047		12,047
Fire prevention and outreach	9,015		9,015
Depreciation	0	125,728	125,728
Capital outlay	71,442	(71,442)	0
Debt service:			
Interest	792		792
Principal payments	<u>23,677</u>	(23,677)	<u>0</u>
Total expenditures	<u>957,130</u>		<u>1,012,466</u>
GENERAL REVENUE:			
Property taxes	1,324,285		1,324,285
Sales tax	649,021		649,021
Other	<u>30,286</u>		<u>30,286</u>
Total revenues	<u>2,003,592</u>		<u>2,003,592</u>
Change in fund balance/net position	1,046,462		991,126
Beginning fund balance/net position, restated	<u>1,450,236</u>		<u>2,265,326</u>
Ending fund balance/net position	<u>\$2,496,698</u>		<u>\$3,256,452</u>

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



# **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1: ORGANIZATION**

The Wimberley Rural Fire Prevention District #4 (the District) was established on August 22, 1983 for the purpose of providing fire protection services for the citizens of the District. The District is governed by a five-member Board of Fire Commissioners, which is appointed by the Hays County Commissioners Court.

The Texas Legislature passed a bill effective September 1, 2003 to require all fire prevention districts to change their name. The Wimberley Rural Fire Prevention District #4 changed its name to the Hays County Emergency Services #4. The District is not included in any other governmental reporting entity. Additionally, no other entity meets the requirements to be included in the District's financial statements.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governments promulgated by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The following is a summary of the significant accounting policies.

#### **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The District is considered a special purpose government under GASB Statement No. 34. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide 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 activities. The District services are supported primarily by property and sales taxes. The Statement of Activities demonstrates how the District used revenue and demonstrates how direct expenses of a given function offset are offset by program revenues.

#### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. For this purpose, the District considers all revenues available if they are collectible within 31 days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred. Interest and tax revenues associated with the current fiscal year are considered susceptible to accrual and have been recognized as revenues in the current fiscal year. All other revenue is considered measurable and available only when cash is received by the District.



## **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

##### **NET POSITION**

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position invested 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 improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

##### **FUND BALANCES**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District can establish limitations of the use of resources through either a commitment or an assignment. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

Nonspendable fund balances are amounts that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained in tact. Committed fund balances include amounts that can only be used for specific purposes determined by a formal action of the Board or adoption of an ordinance. Limitations imposed by commitments remain in place until formal Board action is taken to remove the limitation. Amounts in the assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be committed. Assignments are generally temporary and do not require Board action to be taken to remove the assignment.

##### **CAPITAL ASSETS**

All capital assets are recorded at historical cost (or estimated historical cost) at the time of acquisition and updated for additions and retirements during the year. Improvements are capitalized. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses. Depreciation is calculated on a straight-line basis. Estimated useful lives are as follows:



## **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Equipment	5-15 years
Vehicles	5-20 years
Office furniture	5-10 years
Building	20-30 years

#### **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The statement of net position and governmental funds balance sheet reports a separate section for deferred outflows of resources representing a consumption of net position that applies to a future period and is not recognized as an outflow of resources in the current period. The District's does not have any deferred outflows. The statement of financial position and governmental funds balance sheet reports a separate section for deferred inflows of resources representing an acquisition of net position that applies to a future period and is not recognized as an inflow of resources or revenue until that time. The District has one item which qualifies for reporting in this category- unavailable property tax revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

#### **NOTE 3: DEPOSITS AND INVESTMENTS**

At September 30, 2020, the carrying amount of the District's cash deposits was \$3,060 and the bank balance was \$26,061. All of the District's deposits were fully collateralized with securities held by the pledging financial institution. The Board of Fire Commissioners has authorized the District under a written investment policy to invest funds in compliance with V.A.T.C.S Government Code, Title 10, Chapter 2256 (the Public Funds Investment Act of 1993). Investment vehicles authorized by Chapter 2256 include, but are not limited to, certificates of deposit, obligations backed by the U.S. and state governments, and public fund investment pools. All investments at year end were held in certificates of deposit and money market savings accounts in the amounts of \$93,605 and \$2,197,887, respectively. These investments are short-term, highly liquid deposits that are carried at amortized cost, which approximates fair value. The District was in compliance with the requirements of Chapter 2256 and with its policy during the year.

#### **NOTE 4: PROPERTY TAXES**

The District has the authority to levy a tax to a maximum of \$0.05 per \$100 of value. Ad valorem taxes are levied each October 1 on the assessed valuation of all taxable property in the District. The tax rate for the October 1, 2019 levy was \$0.05 per \$100 of value. Taxes are due upon receipt of the bill and are delinquent if not paid before the first day of February in the year following levy. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties and interest ultimately imposed. Taxes are billed and collected by the Hays County Tax Assessor-Collector.

#### **NOTE 5: PENSION PLAN**

The District has a defined contribution benefit plan, a Simple IRA, for eligible employees. Eligible employees may make discretionary contributions to the Plan and the District matches contributions up to 3% of eligible compensation. The District's contribution for the fiscal year was \$9,807.



## HAYS COUNTY EMERGENCY SERVICES DISTRICT #4

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 6: BUDGET

The District adopts an annual budget for each fiscal year and amends the budget as needed during the year. There were no current year amendments. The District does not use an encumbrance system and appropriations lapse at the end of each fiscal year.

Certain revenue and expenses were different than budgeted, resulting in a higher than budgeted fund balance. Primarily, property tax and sales tax revenues, as well as grants and other income were higher than budgeted, while operations expenditures and capital outlay were less than anticipated.

#### NOTE 7: CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land	<u>\$77,747</u>	<u>\$0</u>	<u>\$0</u>	<u>\$77,747</u>
<u>Capital assets being depreciated:</u>				
Rescue equipment	10,452	10,660	(3,886)	17,226
Fire machinery and equipment	48,741	55,269	0	104,010
Office furniture and equipment	25,546	5,513	(15,908)	15,151
Firefighting and other equipment	408,040	0	0	408,040
Buildings and improvements	625,035	0	0	625,035
Vehicles	<u>1,274,439</u>	<u>0</u>	<u>(60,084)</u>	<u>1,214,355</u>
	<u>2,392,253</u>	<u>71,442</u>	<u>(79,878)</u>	<u>2,383,817</u>
<u>Accumulated depreciation</u>				
Rescue equipment	(1,166)	(6,105)	3,886	(3,385)
Fire machinery and equipment	(17,141)	(5,658)	0	(22,799)
Office furniture and equipment	(15,581)	(7,303)	15,908	(6,976)
Firefighting and other equipment	(243,237)	(27,393)	0	(270,630)
Buildings and improvements	(334,371)	(20,389)	0	(354,760)
Vehicles	<u>(997,449)</u>	<u>(58,880)</u>	<u>60,084</u>	<u>(996,245)</u>
Total accumulated depreciation	<u>(1,608,945)</u>	<u>(125,728)</u>	<u>79,878</u>	<u>(1,654,795)</u>
Total capital assets, net	<u>\$861,055</u>	<u>(\$54,286)</u>	<u>\$0</u>	<u>\$806,769</u>



## HAYS COUNTY EMERGENCY SERVICES DISTRICT #4

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 8: LONG-TERM LIABILITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Total</u>
Note payable	<u>\$23,677</u>	<u>\$0</u>	<u>(\$23,677)</u>	<u>\$0</u>
Accrued leave	<u>\$48,756</u>	<u>\$47,286</u>	<u>(\$22,559)</u>	<u>\$73,483</u>

#### NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District purchases commercial insurance to cover its general liabilities. There were no significant reductions in coverage in the past fiscal year and no settlements exceeding insurance coverage.

#### NOTE 10: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Fund balance - general fund	\$2,496,698
Increase net position for capital assets not reported in the fund financial statements	806,769
Taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	26,468
Accrued leave not reported in the fund statements as it is not paid with current resources	<u>(73,483)</u>
Net position - governmental activities	<u>\$3,256,452</u>
Net change in fund balance - governmental fund	\$1,046,462
Depreciation expense not recognized in the fund financial statements	(125,728)
Long-term debt principal payments recognized as expenditures in the fund financial statements	23,677
Change in accrued leave not reported in the fund financial statements	(24,727)
Capital outlays recognized as expenditures in the fund financial statements	<u>71,442</u>
Change in net position - governmental activities	<u>\$991,126</u>

#### NOTE 11: PRIOR PERIOD ADJUSTMENT

Accrued liabilities were overstated by \$48,756 and sales taxes receivable were understated by \$42,434 as of September 30, 2019 and unassigned fund balance was understated by \$91,190 in the governmental funds balance sheet. A prior period adjustment has been posted to beginning unassigned fund balance to correct this. The change in fund balance for the year ended September 30, 2019 was increased by \$71,347 as a result of this adjustment.



## **HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 11: PRIOR PERIOD ADJUSTMENT**

Sales taxes receivable were understated by \$42,434, fixed assets were understated and repairs and maintenance expenses were overstated by \$11,644 as of September 30, 2019. Ending net position was understated by \$54,078 in the statement of net position and the change in net position was understated by the same amount in the statement of activities. A prior period adjustment has been posted to beginning net position to correct this.



**HAYS COUNTY EMERGENCY SERVICES DISTRICT #4**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budget</u>	<u>Actual</u>	Favorable/ (Unfavorable) <u>Variance</u>
GENERAL REVENUES			
Property taxes	\$1,287,642	\$1,324,285	\$36,643
Sales taxes	240,000	649,021	409,021
Other	<u>14,600</u>	<u>30,286</u>	<u>15,686</u>
	<u>1,542,242</u>	<u>2,003,592</u>	<u>461,350</u>
EXPENDITURES			
Current service operations:			
Wages and benefits	970,319	621,971	348,348
Insurance	65,000	49,470	15,530
Station repairs and maintenance	55,800	40,109	15,691
Professional services	48,190	25,091	23,099
Office and administrative	50,172	24,709	25,463
Appraisal and tax collection fees	11,000	20,792	(9,792)
Communications	40,315	17,956	22,359
Training	44,050	14,314	29,736
Utilities	16,900	13,305	3,595
Supplies and equipment	38,450	12,440	26,010
Uniforms	28,700	12,047	16,653
Fire prevention and outreach	14,400	9,015	5,385
Capital outlay	134,500	71,442	63,058
Debt service	<u>24,446</u>	<u>24,469</u>	<u>(23)</u>
	<u>1,542,242</u>	<u>957,130</u>	<u>585,112</u>
NET CHANGE IN FUND BALANCE	0	1,046,462	1,046,462
BEGINNING FUND BALANCE	<u>1,450,236</u>	<u>1,450,236</u>	<u>0</u>
ENDING FUND BALANCE	<u>\$1,450,236</u>	<u>\$2,496,698</u>	<u>\$1,046,462</u>

See independent auditor's report.