

**NORTH HAYS COUNTY  
EMERGENCY SERVICES DISTRICT #1**

**Financial Statements & Auditor's Report**  
For the Fiscal Year Ended  
September 30, 2020

# williams steinert mask

*Certified Public Accountants and Advisors*

## Independent Auditor's Report

Board of Directors  
North Hays County Emergency Services District #1  
PO Box 1604  
Dripping Springs, Texas 78620

We have audited the accompanying financial statements of the governmental activities of the North Hays County Emergency Services District #1 (the District) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the North Hays County Emergency Service District #1'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 an opinion 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the governmental activities of the District as of September 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof 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 requires that the management's discussion and analysis, and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 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.

*Williams, Steinert, Mask, LLP*

Williams, Steinert, Mask, LLP  
January 27, 2021  
San Antonio, Texas

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2020

**Using this Annual Report**

Within this section of the North Hays County Emergency Services District #1's (the District) annual report, the District's Board of Directors provide narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. This analysis should be read in conjunction with the basic financial statements that follow this section.

**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 five components: (1) the independent auditor's report; (2) management's discussion and analysis (MD & A); (3) the government wide financial statements; (4) the fund financial statements and; (5) the notes to the financial statement. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* report information for the District as a whole. These statements include transactions and balances relating to all assets, including capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over a period of time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other non-financial factors, such as the District's property tax base and the condition of the infrastructure, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods. This may include uncollected taxes and other revenues or expenses that are appropriated for the current year even though cash is not received or expended until the following year.

**Fund Financial Statements**

Funds may be considered as operating companies of the parent corporation (the District). Funds are segregated by specific activity. The District uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The District uses only the governmental fund.

Governmental Funds

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

# NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2020

### **Fund Financial Statements (continued)**

#### Governmental Funds(continued)

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

The District maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. The District adopts an annual non-appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### **Financial Analysis of the District as a Whole**

The District's overall financial position and operations for the past year is summarized as follows based on the information included in the government-wide financial statements.

#### **Financial Highlights and Analysis**

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$3,871,467.
- The District's net position increased during the year by \$1,077,621.
- The District's tax revenues, including penalty and interest collections, increased by \$643,912.

### **Overall Financial Position of the District**

The following condensed financial statements present the District's overall financial position and operations for the current year and the preceding year. The government-wide financial statements are shown first followed by the governmental fund financial statements.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2020

**Government-Wide Financial Statements**

**Summary of Net Position**

	2020	2019
<b>Assets</b>		
Cash and investments	\$ 3,218,323	1,994,613
Capital assets (net)	590,116	749,413
Taxes receivable (net)	39,913	30,005
Other current assets	23,115	19,815
<b>Total Assets</b>	<b>\$ 3,871,467</b>	<b>2,793,846</b>
<b>Net position</b>		
Net investments in capital assets	590,116	749,413
Unrestricted	3,281,351	2,044,433
<b>Total Net Position</b>	<b>3,871,467</b>	<b>2,793,846</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 3,871,467</b>	<b>2,793,846</b>

**Summary of Statement of Activities**

	2020	2019
<b>Revenues</b>		
Taxes, penalties and interest	\$ 3,080,777	2,436,865
Investment income	27,611	42,094
Other income	-	2,679
<b>Total Revenues</b>	<b>3,108,388</b>	<b>2,481,638</b>
<b>Expenses</b>		
Service	1,522,104	1,233,530
Administration	300,579	257,430
Tax collection expense	27,154	16,042
Depreciation	182,166	194,137
<b>Total Expenditures</b>	<b>2,032,003</b>	<b>1,701,139</b>
Excess of revenues over expenditures	1,076,385	780,499
Gain on sale of assets	1,236	6,532
<b>Change in Net Position</b>	<b>1,077,621</b>	<b>787,031</b>
Net position, beginning of year	2,793,846	2,006,815
Net position, end of year	<b>\$ 3,871,467</b>	<b>2,793,846</b>

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2020

**Capital Assets and Cash**

Capital assets held by the District at the end of the current fiscal year are summarized as follows:

	<u>Capital Assets</u>	
	2020	2019
Land	\$ 65,870	65,870
Building and leaseholds	189,118	170,244
Vehicles	639,798	639,798
Equipment - electronics	424,598	421,733
Furniture and fixtures	9,095	9,095
	1,328,479	1,306,740
Less accumulated depreciation	(738,363)	(557,327)
Net capital assets	\$ 590,116	749,413

	<u>Cash and Investments</u>	
	2020	2019
Broadway Bank	\$ 213,174	203,574
Texpool Investments	3,005,149	1,791,039
<b>Total</b>	\$ 3,218,323	1,994,613

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2020

**Governmental Fund Financial Statements**

**Summary of Governmental Funds Balance Sheet**

	2020	2019
Assets		
Current and other assets	\$ 3,218,323	1,994,613
Taxes receivable (net)	39,913	30,005
Other assets	23,115	19,815
<b>Total Assets</b>	<b>\$ 3,281,351</b>	<b>2,044,433</b>
Liabilities and Deferred Inflow of Resources		
Deferred inflow of resources	\$ 31,245	24,765
<b>Total Liabilities and Deferred Inflows</b>	<b>31,245</b>	<b>24,765</b>
Fund Balance		
Unrestricted	3,250,106	2,019,668
<b>Total Fund Balance</b>	<b>3,250,106</b>	<b>2,019,668</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,281,351</b>	<b>2,044,433</b>

**Summary of Governmental Fund Revenues, Expenditures and Changes in Fund Balance**

	2020	2019
Revenues		
Taxes, penalties and interest	\$ 3,074,297	2,445,182
Investment income	27,611	42,094
Other income	-	2,679
<b>Total Revenues</b>	<b>3,101,908</b>	<b>2,489,955</b>
Expenditures		
Service	1,522,104	1,233,530
Administration	300,579	257,430
Tax collection expense	27,154	16,042
<b>Total Expenditures</b>	<b>1,849,837</b>	<b>1,507,002</b>
Excess of revenues over expenditures	1,252,071	982,953
Other financing activities		
Gain on sale of assets	1,236	6,532
Capital expenditures	(22,869)	(318,337)
Fund balance - beginning of year	2,019,668	1,348,520
Change in fund balance	1,230,438	671,148
Fund balance - end of year	<b>\$ 3,250,106</b>	<b>2,019,668</b>



**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2020

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

**Property Tax Base**

The District's fiscal year 2020 certified taxable value was \$71,814,033. The fiscal year 2020 total adopted tax rate was based on \$0.03/\$100.00 of value.

**Budget**

For the fiscal year ending September 30, 2020, the District's budget remained virtually unchanged from the previous fiscal years. The District expects future revenues to show modest increases as the tax base increases. The District does not anticipate any major expenditures or significant changes in its expenditures in the near future.

The Board is developing a long-term strategic plan that will service the greater Dripping Springs and Northwest Hays County areas for the next ten years. Due to the unusually large amount of surface area and the area's unique topography, the Board's strategic plan will attempt to increase the number of emergency stations located throughout the service area.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
Statement of Net Position and Governmental Funds Balance Sheet  
September 30, 2020

	Governmental Funds	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 213,174	-	213,174
Investments	3,005,149	-	3,005,149
Taxes Receivable, net	31,245	-	31,245
Due from Tax Collector	8,668	-	8,668
Prepaid expenses	15,997	-	15,997
Capital Assets, net	-	590,116	590,116
Other current assets	7,118	-	7,118
<b>Total Assets</b>	<u>3,281,351</u>	<u>590,116</u>	<u>3,871,467</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	31,245	(31,245)	-
<b>Total Deferred Inflows of Resources</b>	<u>31,245</u>	<u>(31,245)</u>	<u>-</u>
<b>Fund Balances</b>			
Unassigned	3,250,106	(3,250,106)	-
<b>Total Liabilities and Fund Balances</b>	<u>3,250,106</u>	<u>(3,250,106)</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,281,351</u>	<u>(3,281,351)</u>	<u>-</u>
<b>Net Position</b>			
Net investment in capital assets		590,116	590,116
Unrestricted		3,281,351	3,281,351
<b>Total Net Position</b>		<u>3,871,467</u>	<u>3,871,467</u>

See accompanying notes to financial statements.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
Statement of Activities and Governmental Funds  
Revenue, Expenditures and Changes in Fund Balances  
September 30, 2020

	Governmental Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Property taxes	\$ 1,922,994	6,480	1,929,474
Sales taxes	1,142,583	-	1,142,583
Penalties and fees	8,720	-	8,720
Investment earnings	27,611	-	27,611
<b>Total Revenues</b>	<b>3,101,908</b>	<b>6,480</b>	<b>3,108,388</b>
<b>Expenditures</b>			
Contract services	1,522,104	-	1,522,104
Administrative expenditures	300,579	-	300,579
Tax collection fees	27,154	-	27,154
Depreciation	-	182,166	182,166
<b>Total Expenditures</b>	<b>1,849,837</b>	<b>182,166</b>	<b>2,032,003</b>
Excess (deficiency) of revenues over expenditures	1,252,071	(175,686)	1,076,385
<b>Other Financing Activities</b>			
Gain (Loss) on sale of assets	1,236	-	1,236
Capitalized expenses	(22,869)	22,869	-
<b>Total Other Financing Activities</b>	<b>(21,633)</b>	<b>22,869</b>	<b>1,236</b>
Change in fund balance and net position over expenditures	1,230,438	(152,817)	1,077,621
<b>Fund Balance and Net Position</b>			
Beginning of the year	2,019,668	774,178	2,793,846
End of the year	<u>\$ 3,250,106</u>	<u>621,361</u>	<u>3,871,467</u>

See accompanying notes to financial statements.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
Reconciliation of the Governmental Funds  
to the Statement of Net Position  
September 30, 2020

Total fund balance for governmental funds \$ 3,250,106

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.

Capital assets, net of depreciation 590,116

Other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include adjusting property tax revenue and eliminating unavailable revenue.

31,245

**Net Position in Governmental Activities**

\$ 3,871,467

See accompanying notes to financial statements.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balance of Governmental Funds  
 September 30, 2020

Net change in fund balances - total governmental funds	\$ 1,230,438
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	22,869
Depreciation	(182,166)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	6,480
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<b>Change in Net Position</b>	<u><u>\$ 1,077,621</u></u>
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See accompanying notes to financial statements.

## NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1

Notes to Basic Financial Statements

September 30, 2020

### 1) Creation of District

In 1988 the voters of North Hays County and the Commissioners Court of Hays County, Texas approved the formation of North Hays County Emergency Services District # 1 under Article III, Section 48-E of the Texas Constitution. That District operated under the Health and Safety code found in Chapter 775, Emergency Services Districts.

In a special election on May 2, 1988, the voters elected to create a new district, the Wimberley, Hays County Emergency Services District #3. With the election and separation of the Wimberley District, the remainder of North Hays County Emergency Services District # 1 covers the Dripping Springs area of the county.

### 2) Summary of Significant Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of the most significant policies.

#### Reporting Entity

The District is a governmental unit of the state with powers to acquire and sell real and personal property, enter into contracts, impose and collect taxes, accept donations, and to lease, own, maintain and operate and provide emergency services vehicles and other equipment to provide emergency services.

The District has adopted GASB Statement No. 61 (*The Financial Reporting Entity: Omnibus*). Using this criteria, the District has no component units.

#### Government-Wide and Fund Financial Statements

The government-wide and fund financial statements are presented on one schedule and are interrelated. The statement of net position and the statement of activities display information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net position presents the District's nonfiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. The governmental activities are reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by revenue. Direct expenses are those that are clearly identifiable with a specific function. Revenue includes (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items are reported as revenues.

## NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1

Notes to Basic Financial Statements

September 30, 2020

### 2) **Summary of Significant Accounting Policies (continued)**

#### Government-Wide and Fund Financial Statements (continued)

The fund financial statements of the District are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows/outflows, fund balance, revenues and expenditures. Government resources are allocated to and accounted for the purpose of carrying on specific activities in accordance with laws, regulations or other appropriate requirements.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following is the District's major governmental funds:

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

#### Measurement Focus and Basis of Accounting

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 revenue in the year for which they are levied.

Governmental fund financial statements are organized on the basis of funds, each of which is considered to be separate accounting entity. They use the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include interest earned on investments and income from District operations. Property tax revenues are generally recognized in the period for which the tax levy was made. Property taxes receivable at the end of the fiscal year are treated as deferred revenues because they are not considered available to pay liabilities of the current period. The District levies taxes for debt service purposes only, and all related liabilities had been paid by the end of the year.

Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt (if any), which is recognized when due.

#### Budget

The budget is adopted by the Board and presented in the accompanying financial statements on the budgetary basis. The budget is not legally binding. Annual appropriations lapse at the end of the fiscal year.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
Notes to Basic Financial Statements  
September 30, 2020

**2) Summary of Significant Accounting Policies (continued)**

Investments

The District classifies investments, which have a remaining maturity of one year or less at the date of purchase, as money market investments. The District values these funds at cost. The District's certificates of deposit, if any, are recorded also at cost.

Temporary investments consist of deposits in Tex-Pool, which is a public funds investment pool and are stated at cost, which approximates fair value and certificates of deposit at local banks.

Taxes Receivable

All receivables are reported at their gross value and are reduced by the estimated portion that is expected to be uncollectible. The estimated uncollectible is 5% of the outstanding tax receivable. At September 30, 2020, the District's taxes receivable consisted of \$42,014 less an allowance of \$2,101.

Capital Assets

Capital assets, which include land and infrastructure, are reported in the government-wide financial statements. The district defines capital assets as assets with an initial valued cost of \$2,500 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. The District has not capitalized interest incurred during the construction of its capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated over their remaining useful lives using the straight-line method as follows:

	Est. Depreciable Life
Vehicles	5 Yrs.
Equipment-Electronic	5 Yrs.
Equipment and Furniture	5 Yrs.

Fund Equity/ Restricted Assets

In the fund financial statements, restricted equity balances represent those portions of fund balance not appropriate for expenditures or legally segregated for a specific future use. Unassigned fund balances represent available balances for the District's future use.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.



**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
Notes to Basic Financial Statements  
September 30, 2020

**3) Cash and Temporary Investments**

Cash consists of checking and savings accounts. Investments consist of Tex-Pool. The carrying amounts for cash and temporary investment balances by fund at September 30, 2020, are as follows:

<u>Institution</u>	<u>Balances at End of Year</u>	<u>Interest Earned During Year</u>
Cash and cash equivalents:		
Checking - Broadway	\$ 28,174	-
Savings - Broadway	185,000	93
Temporary Investments:		
TexPool	3,005,149	27,518
	\$ 3,218,323	27,611

Investment Policies

The District has adopted a written investment policy, as required by the Public Funds Investment Act, Chapter 2256, and Texas Government Code. The investments of the District are in compliance with their investment policies.

State statutes and provisions, included in the District's bond resolution, require that all funds invested in depository institutions be covered by federal depository insurance and/or pledged collateral. The types of collateral to be pledged to secure District demand deposits and investments are stated in the District's Investment Policy. Balances in demand accounts and investments were entirely covered by federal depository insurance or pledged collateral held by the District's agent bank in the District's name.

Investment Pool

The State Comptroller of Public Accounts exercises oversight responsibility of Tex-Pool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in Tex-Pool and other persons who do not have a business relationship with Tex-Pool. The Advisory Board members review the investment policy and management fee structure. Tex-Pool is rated AAA by Standard & Poor's. Tex-Pool operates in a manner consistent with the SEC's Rule 2.a.7 of the Investment Company Act of 1940. Tex-Pool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in Tex-Pool is the same as the value of Tex-Pool shares.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**

Notes to Basic Financial Statements

September 30, 2020

**4) Property Taxes**

All property values and exempt status, if any, are determined by the Hays County Appraisal District. Taxes are levied after receipt of the certified tax roll, are due upon receipt and are delinquent the following January 31<sup>st</sup>, at which time a tax lien attaches to the related property. Penalty and interest attach thereafter.

Property Tax Summary	
Operating taxes as adjusted	\$ 2,154,421
Debt service	-
Total taxes	\$ 2,154,421
Base assessment	\$ 71,814,033
Tax rate = \$3.00/100	

**5) Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2020 is as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 65,870	-	-	65,870
Building and leaseholds	170,244	18,874	-	189,118
Vehicles	639,798	-	-	639,798
Equipment	421,733	3,995	1,130	424,598
Furniture and fixtures	9,095	-	-	9,095
Total	1,306,740	22,869	1,130	1,328,479
Depreciation	(557,327)	(182,166)	1,130	(738,363)
Capital assets	\$ 749,413	(159,297)	-	590,116

**6) Commitments**

Effective April 1, 2017, the District entered into an agreement with SMHC EMS to provide services related to operations and EMS. Under this contract, SMHC EMS must provide all personnel and administration related to these services.

**7) Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; personal injuries; and natural disasters. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
 Budgetary Comparison Schedule – Governmental Funds  
 Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 2,851,374	3,101,908	250,534
Expenses			
Contract Services	1,664,947	1,522,104	142,843
Administrative			
Wages	179,952	75,000	104,952
Payroll Tax	-	6,119	(6,119)
Benefits	-	200	(200)
PR Processing	4,028	3,176	852
Accounting Fees	11,848	19,580	(7,732)
Advertising Fees	5,000	3,165	1,835
Auditing	5,980	5,750	230
Bank Fees	69	43	26
Dues and Publications	4,967	1,980	2,987
Equipment maintenance	7,656	13,303	(5,647)
Insurance	5,636	5,555	81
Legal	10,611	10,875	(264)
License and permit	20	2,536	(2,516)
Miscellaneous	6,000	-	6,000
Office expense	6,571	15,413	(8,842)
Opticom	26,395	26,716	(321)
Postage	54	60	(6)
Recruiting	-	34,051	(34,051)
Rents	39,600	39,600	-
Repairs and maintenance	27,633	14,576	13,057
Telephone	3,340	1,761	1,579
Travel	5,303	2,771	2,532
Utilities	9,477	18,349	(8,872)
Total Admin	<u>360,140</u>	<u>300,579</u>	<u>59,561</u>
Tax Collection			
Appraisal District Fees	8,954	13,560	(4,606)
Tax collector	3,600	13,594	(9,994)
Total tax collection	<u>12,554</u>	<u>27,154</u>	<u>(14,600)</u>
<b>Total Expenses</b>	<u>2,037,641</u>	<u>1,849,837</u>	<u>187,804</u>
Excess (deficiency) of revenues over (under) expenditures	813,733	1,252,071	438,338
Gain on Sale	-	1,236	1,236
Purch of Cap Assets	(400,000)	(22,869)	377,131
Net change in fund balance	<u>\$ 413,733</u>	<u>1,230,438</u>	<u>816,705</u>

**NORTH HAYS COUNTY EMERGENCY SERVICES DISTRICT #1**  
Comparative Schedule of Statement of Revenues and Expenses  
Year Ended September 30, 2020

	2020	2019
Revenues	\$ 3,101,908	2,489,955
Expenses		
Contract Services	1,522,104	1,233,530
Administrative		
Wages	75,000	80,382
Payroll Tax	6,119	6,557
Benefits	200	6,140
PR Processing	3,176	4,000
Accounting Fees	19,580	12,145
Advertising Fees	3,165	3,680
Auditing	5,750	5,750
Bank Fees	43	44
Dues and Publications	1,980	2,853
Equipment maintenance	13,303	11,596
Insurance	5,555	5,419
Legal	10,875	18,805
License and permit	2,536	9
Miscellaneous	-	2,267
Office expense	15,413	13,805
Opticom	26,716	10,718
Postage	60	79
Recruiting	34,051	9,796
Rents	39,600	39,600
Repairs and maintenance	14,576	10,099
Telephone	1,761	3,169
Travel	2,771	3,429
Utilities	18,349	7,088
Total Admin	300,579	257,430
Tax Collection		
Appraisal District Fees	13,560	11,250
Tax collector	13,594	4,792
Total tax collection	27,154	16,042
<b>Total Expenses</b>	<b>1,849,837</b>	<b>1,507,002</b>
Excess (deficiency) of revenues over (under) expenditures	1,252,071	982,953
Gain on Sale	1,236	6,532
Purchase of Capital Assets	(22,869)	(318,337)
Net change in fund balance	\$ 1,230,438	671,148