Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6

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CERTIFIED PUBLIC ACCOUNTANTS

Board of Fire Commissioners and Management
Hays County Emergency Services District #6

INDEPENDENT AUDITOR'S REPORT

Opinions
We have audited the accompanying financial statements of the governmental activities and the general fund of the Hays County Emergency Services District #6 (District), as of and for the year ended September 30, 2022, 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 aggregate general fund of the District, as of September 30, 2022 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 Auditor's 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 the 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.

Auditor's 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 auditor's report that includes our opinions.

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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 the 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, the schedule of changes in the net pension liability and related ratios, the schedule of contributions, 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.

Montemayor Britton Bender PC

May 11, 2023
Austin, Texas

HAYS COUNTY EMERGENCY SERVICES DISTRICT # 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2022

The following is a narrative overview and analysis of the financial activities of Hays County Emergency Services District # 6 ("the District") for the fiscal year ended September 30, 2022 This discussion and analysis are intended to serve as an introduction to the District's basic financial statements, which have the following components: (1) management's discussion and analysis (MD&A), (2) government-wide and fund financial statements, (3) notes to the financial statements, and (4) supplemental schedules.

Financial Highlights

- The District's ad valorem tax rate increased to 8.033¢ per $100 of assessed valuation for the fiscal year ended September 30, 2022. The statutory limit, as established by the State of Texas constitution, is 10¢ per $100 of assessed valuation.
- Overall the district incurred a net increase to net position of $4,124,463. The increase was due to increased ad valorem and sales tax revenue, as well as increased operating grants, interest and other income. Total expenses increased by $1,753,148 from prior year mainly due to increased salaries, depreciation, and interest expense.
- Total assets increased by $5,071,827, primarily as a result of an increase to capital assets.
- The District decreased its lease and loan debt by $1,946,730.

Explanation of the Financial Statements

The MD&A is intended to serve as an introduction to the basic financial statements of the District. The basic financial statements are comprised of two components: 1) government-wide and fund financial statements, and 2) notes to the financial statements. This report also contains other required supplementary information in addition to the basic 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, deferred outflows, liabilities, and deferred inflows, with the difference between them 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: uncollected property taxes).

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

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 Governmental Fund.

Governmental Fund: The Governmental 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 Fund 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 Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the Governmental 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 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 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 and deferred outflows less liabilities and deferred inflows) was $20,586,194 as of the year ended September 30, 2022. Capital assets, net of depreciation and related debt, accounted for $8,304,885. Capital assets reflect the large investments in facilities and equipment that are necessary to provide adequate fire suppression services to the community. The remaining balance of net position of $12,281,309 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 financials of the District at September 30, 2022.

	September 30, 2022	September 30, 2021
Assets:		
Current and Other Assets	$ 12,975,531	$ 10,856,325
Non Current and Capital Assets	18,460,644	15,508,023
Total Assets	31,436,175	26,364,348
Deferred Outflows related to pensions	876,019	618,398
Current Liabilities	360,044	469,031
Other Liabilities	10,969,014	9,866,281
Total Liabilities	11,329,058	10,335,312
Deferred Inflows related to pensions	396,942	185,703
Net Position:		
Net Investments in Cap Assets	8,304,885	6,295,533
Unrestricted	12,281,309	10,166,198
Total Net Position	$ 20,586,194	$ 16,461,731

	2022	2021
Revenues:		
Ad valorem tax revenue	$ 7,037,676	$ 6,396,527
Grants and other income	849,609	229,808
Interest Income	92,460	9,287
Sales Tax Revenue	3,480,558	3,453,438
Total Revenues	11,460,303	10,089,060
Expenses:		
Public Safety	7,048,046	5,284,708
Interest on Long-term Debt	287,794	297,984
Total Expenses	7,335,840	5,582,692
Increase in Net Position	4,124,463	4,506,368
Net Position, beginning of year	16,461,731	11,955,363
Net Position, end of year	$ 20,586,194	$ 16,461,731

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, 2022, the District's only Governmental Fund was the General Fund, and it reported an ending cash and short-term investments balance of $11,880,514, an increase of $1,753,277 from September 30, 2022. The total ending unassigned fund balance was $5,698,169, and it was available for spending at the District's discretion. The ending committed fund balances were $6,448,832, committed for reserves, capital projects and debt service.

Purpose of Organization

The District operates under the provisions of Chapter 775 of the Health and Safety Code. The District was established to arrange for fire and rescue protection services within its boundaries. The district handles all financial matters for the fire departments. The District governs six fire stations located in the county: North Hays, Henly, Henly South, East, Central and Driftwood. The District has both paid and volunteer staff and is funded primarily by the collection of taxes.

General Fund Budgetary Highlights

The budget variance for the General Fund's excess of revenues over expenditures was $1,679,328. The reasons for the budget difference included the following:

- Ad Valorem and Sales Tax Revenue were greater than expected.
- Operating grants, interest and other income were greater than expected.
- Operations expenses were less than anticipated, while capital outlay and debt service were more than budgeted.
- The District had $2,890,000 in unbudgeted proceeds from debt.

Capital Assets

The District's investment in capital assets at September 30, 2022, net of accumulated depreciation, totaled $18,460,644, an increase of $2,952,621. Capital assets are classified as trucks and equipment, furniture, buildings, land, and construction in progress as shown below:

	September 30, 2022	2021
Trucks and Equipment	$ 4,333,939	$ 3,437,139
Furniture	877,538	629,405
Buildings	9,251,820	9,386,584
Land	3,871,239	2,032,465
Construction in Progress	126,108	22,430
	$18,460,644	$ 15,508,023

Equipment: Equipment is primarily comprised of fire suppression apparatus and the equipment associated with those apparatus. The construction work in progress relates to the down payment made prior to year end on a new truck to be completed in approximately six to eight months.

Buildings: Buildings are comprised principally of six fire stations.

Land: The District's investment in land at September 30, 2022 of $3,871,239 was for five tracts of land. One three acre tract was purchased for $57,000 on which the North Station was constructed. The other tract was purchased for $9,696, on which the Henly South Fire Station was constructed. In prior years the district received $262,670 in contributed property from the North Hays County VFD for land for the expansion and building of new admin offices. The land for the Henly Station and the Driftwood Station was donated to the Henly Volunteer Fire Department and the Driftwood Volunteer Fire Department, respectively. The District has ground leases with each department for use of the land for the respective fire stations. The East Station was built in a condominium association development, and the land for the building was included in the cost of the building. In fiscal year 2018 land was purchased for the new East Station 74 for $303,646. Land for Station 77 was purchased for $1,399,453 and is the future site of a training facility.

Long-Term Debt

The District's long-term debt at September 30, 2022, net of the current portion, totaled $9,190,003 for loans and mortgages. The current portion of the long-term debt was $965,756. Fire stations and fire apparatus are pledged as collateral.

Debt Service Ratio: The District maintains control over its debt load by maintaining its debt service to total revenues ratio (the "Debt Service Ratio") at 35% or less with the ad valorem tax rate at 8.033¢ per $100 of assessed valuation. The District feels that the Debt Service Ratio is more meaningful than the debt to equity ratio because the Debt Service Ratio is a better indicator of the District's ability to service the debt and still be able to pay annual operating expenses. The District's Debt Service Ratio is shown below:

	September 30, 2022	2021	2020
Total Debt Service	$ 2,234,525	$ 1,215,190	$ 1,791,233
Total Revenues	11,460,303	10,089,060	8,174,589
Debt Service Ratio	19.50%	12.04%	21.91%

Economic Factors, Future Years' Budgets and Tax Rates

North Hays County continues to grow, which provides some property tax revenue growth to offset inflationary trends in operating costs. As with many local government entities, the growth provides funding to help offset inflationary trends with existing programs, but it often leaves little funds available for new or enhanced programs or services.

The tax rate of 8.033¢ per $100 of assessed valuation can be maintained at the current level of paid vs. volunteer firefighters. However, as the growth of the population overtakes the ability of volunteers to provide the level of service required by the community, the District will need to assess a higher tax rate to pay for the cost of a larger paid staff. The maximum tax rate available to the District is 10¢ per $100 of assessed valuation.

Therefore, the District is paying close attention to the balance between debt service, operating cost and labor costs to continue the operations needed in the community.

Requests for Information

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

Hays County ESD #6
PO Box 112
Dripping Springs, TX 78620

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022

	General Fund	Adjustments (Note 9)	Statement of Net Position
ASSETS			
Cash	$ 540,527		$ 540,527
Short-term investments	11,339,987		11,339,987
Sales taxes receivable	626,531		626,531
Ad Valorem property taxes receivable	100,987		100,987
Grants receivable	367,499		367,499
Capital assets:			
Land and construction in progress	-	3,997,347	3,997,347
Other capital assets, net of depreciation	-	14,463,297	14,463,297
	-		18,460,644
	12,975,531		31,436,175
DEFERRED OUTFLOWS OF RESOURCES			
Differences between actual and expected experience	-	302,956	302,956
Difference actual and projected plan earnings	-	74,446	74,446
Changes of assumptions	-	258,434	258,434
Contributions subsequent to measurement date	-	240,183	240,183
	-		876,019
	$ 12,975,531		
LIABILITIES			
Accounts payable	$ 256,920		256,920
Accrued interest payable		153,090	153,090
Accrued payroll and benefits	103,124		103,124
Long-term liabilities:			
Due within 1 year: loans payable		965,756	965,756
Due in more than 1 year:			
Loans payable	-	9,190,003	9,190,003
Accrued leave	-	258,766	258,766
Net pension liability-TCDRS	-	199,531	199,531
Net pension liability-TESRS	-	201,868	201,868
	360,044		11,329,058
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience	-	68,132	68,132
Net difference between actual and projected plan earnings	-	323,596	323,596
Changes of assumptions	-	5,214	5,214
Unavailable revenue - Ad Valorem taxes	100,987	(100,987)	-
Unavailable revenue - operating grants	367,499	(367,499)	-
	468,486		396,942
FUND BALANCES/NET POSITION			
FUND BALANCES			
Fund balance - committed for reserve funds	4,448,848	(4,448,848)	
Fund balance - committed for capital projects	1,841,122	(1,841,122)	
Fund balance - committed for debt service	158,862	(158,862)	
Fund balance - unassigned	5,698,169	(5,698,169)	
	12,147,001	(12,147,001)	
	$ 12,975,531	(12,975,531)	
NET POSITION			
Net investment in capital assets		8,304,885	8,304,885
Unrestricted		12,281,309	12,281,309
			$ 20,586,194

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

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Adjustments (Note 9)	Statement of Activities
EXPENDITURES/EXPENSES:			
Labor and benefits			
Salaries & wages	$ 3,286,014	$ 46,191	$ 3,332,205
Employee benefits	433,547	(86,199)	347,348
Medical	248,316		248,316
Payroll processing	19,646		19,646
Payroll taxes	249,057		249,057
	4,236,580		4,196,572
Fire department operations			
Administrative	3,452		3,452
Buildings	93,902		93,902
Fire/Rescue operations	473,260		473,260
Depreciation	-	1,196,105	1,196,105
Training	99,224		99,224
Vehicle operations	353,482		353,482
Utilities	95,304		95,304
	1,118,624		2,314,729
District expenses			
Communications	41,897		41,897
Computer and internet	74,284		74,284
Dues	102,868		102,868
Insurance	196,334		196,334
Office expenses	16,204		16,204
Professional services	37,221		37,221
Tax services	67,937		67,937
	536,745		536,745
Capital outlay	4,148,726	(4,148,726)	-
Debt service			
Interest expense	315,813	(28,019)	287,794
Principal payments	1,946,730	(1,946,730)	-
	2,262,543		287,794
	12,303,218		7,335,840
GENERAL REVENUES:			
Ad Valorem taxes	7,037,828	(152)	7,037,676
Sales taxes	3,480,558		3,480,558
Operating grants	107,038	367,499	474,537
Interest	92,460		92,460
Other	375,072		375,072
	11,092,956		11,460,303
Revenue over/(under) expenditures	(1,210,262)		4,124,463
OTHER FINANCING SOURCES:			
Proceeds from debt	2,890,000	(2,890,000)	-
Net change in fund balance/net position	1,679,738		4,124,463
Beginning fund balance/net position	10,467,263		16,461,731
Ending fund balance/net position	$ 12,147,001		$ 20,586,194

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

NOTE 1: ORGANIZATION

The Northwest Hays County Rural Fire Prevention District #4 was confirmed by election in July 1984 and effectively began operations on July 1, 1985. On July 28, 2001 the District converted the Northwest Hays County Rural Fire Prevention District #4 to the Northwest Hays County Emergency Services District #5 and then on October 1, 2006, the District was renamed as the Hays County Emergency Services District #6 (the District) and is operating under the provisions of Chapter 775 of the Health and Safety Code. The District was established to arrange for fire and rescue protection services within its boundaries. The District handles all financial matters for the fire departments. The District is not included in any other governmental reporting entity.

On October 13, 2004, Hays County Fire & Rescue (HCFR) was incorporated under section 501(c)(3) of the Internal Revenue code. As of October 1, 2007 the HCFR was dissolved and all assets and liabilities of became the responsibility of the District.

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 ad valorem taxes. The Statement of Activities demonstrates how the District used revenue. Expenses are grouped into four categories: labor and benefits, fire department operations, district expenses and debt service.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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.

COMPENSATED ABSENCES

Full-time regular employees work a 40 hour per week schedule. Firefighters are scheduled based on either a day shift or 48 / 96 hour shift schedule. Accruals for leave are based on length of service and the schedule worked. Employees may accrue up to 288 hours of paid leave. If unused, the leave will be paid to the employee.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 on 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.

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) and updated for additions and retirements during the year. The District maintains a capitalization threshold of $2,500 for assets with a useful life of two years or more. The District does not possess any infrastructure. 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:

Trucks and equipment	10 years
Furniture and equipment	10 years
Building	25-40 years

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position and governmental funds balance sheet report 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 pension related items qualify for reporting in this category in the government-wide financial statements. See Note 10 for more information.

The statement of financial position and governmental funds balance sheet report 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 two types of items which qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow in the period that they become available. The other item is pension related items reported in the government-wide financial statements. See Note 10 for more information.

PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and the pension expense, information about the pension plan's fiduciary net position of the Texas County & District Retirement System (TCDRS) and the Texas Emergency Services Retirement System (TESRS) and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by TCDRS and TESRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of TCDRS and TESRS are reported at fair value.

NOTE 3: DEPOSITS

At September 30, 2022, the carrying amount of the District's cash deposits was $540,527 and the bank balance was $549,157. All of the District's deposits were fully collateralized with securities held by the pledging financial institution.

NOTE 4: INVESTMENTS

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 the Texas Local Government Investment Pool (TexPool). TexPool investments are carried at amortized cost, which approximates fair value. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. TexPool is a 2(a)7 like fund, which means that it is structured similar to a money market mutual fund. It allows shareholders the ability to deposit or withdraw funds on a daily basis. Such funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. TexPool is rated AAAm (the highest rating a local government investment pool can achieve) and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit. At September 30, 2022, the TexPool portfolio and the TexPool Prime portfolio had weighted average maturities of 25 and 14 days, respectively. However, the District considers the holdings in these funds to have a one day weighted average maturity because the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

NOTE 5: CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$2,032,465	$1,838,774	$0	$3,871,239
Construction work in progress	22,430	103,678	0	126,108
	2,054,895	1,942,452	0	3,997,347
Capital assets being depreciated:				
Trucks and equipment	8,835,551	1,667,639	0	10,503,190
Furniture and equipment	1,258,260	407,018	0	1,665,278
Buildings	10,611,013	131,617	0	10,742,630
	20,704,824	2,206,274	0	22,911,098
Accumulated depreciation:				
Trucks and equipment	(5,398,412)	(770,839)	0	(6,169,251)
Furniture and equipment	(628,855)	(158,885)	0	(787,740)
Buildings	(1,224,429)	(266,381)	0	(1,490,810)
Total accumulated depreciation	(7,251,696)	(1,196,105)	0	(8,447,801)
Total capital assets	$15,508,023	$2,952,621	$0	$18,460,644

NOTE 6: BUDGET VARIANCES

The District adopts an annual budget for the General Fund. The District amends the budget as needed during the year. There were no current year amendments. Certain revenue and expenses were different than budgeted, resulting in a higher than budgeted fund balance. Ad valorem, sales tax revenues, operating grants, interest and other income were higher than budgeted. Operations expenditures were less than anticipated and capital outlay and debt service were more than anticipated, which was offset largely by proceeds from debt.

NOTE 7: PROPERTY TAXES

The District has the authority to levy a tax to a maximum of $0.10 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, 2021 levy was $0.08033 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 8: LONG-TERM LIABILITIES

Loans	Original Issue	Maturity	Interest Rate	Beginning Balance	Additions	Payments	Ending Balance
95060	$292,000	2022	2.75%	$22,352	$0	$22,352	$0
8385	650,000	2025	3.80%	481,181	0	89,231	391,950
8461	1,750,000	2025	3.80%	1,295,486	0	1,295,486	0
2928	870,000	2028	2.79%	767,507	0	101,792	665,715
8862	580,662	2024	2.85%	470,963	0	112,869	358,094
362912	6,500,000	2040	2.85%	6,175,000	0	325,000	5,850,000
369668	1,800,000	2032	3.12%	0	1,800,000	0	1,800,000
369666	1,090,000	2026	2.50%	0	1,090,000	0	1,090,000
	$13,532,662			$9,212,489	$2,890,000	$1,946,730	$10,155,759

All loans are secured by the underlying asset (property or equipment) acquired. The loan agreements have provisions that change the timing of repayment of outstanding amounts to become immediately due if the District defaults on its required payments. Maturities of long-term debt as of September 30, 2022 are as follows:

	Principal	Interest	Total
2023	$965,756	$297,630	$1,263,386
2024	984,002	270,430	1,254,432
2025	1,003,246	241,313	1,244,559
2026	896,549	212,315	1,108,864
2027	515,740	186,338	702,078
2028-2032	3,190,466	536,733	3,727,199
2033-2037	1,625,000	281,863	1,906,863
2038-2040	975,000	56,372	1,031,372
	$10,155,759	$2,082,994	$12,238,753

	Beginning Balance	Additions	Deletions	Total
Accrued leave	$212,575	$243,036	($196,845)	$258,766

NOTE 9: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Fund balance - general fund	$12,147,001
Increase net position for capital assets not reported in the fund financial statements	18,460,644
Taxes receivable deferred in the fund financial statements and not in the government-wide financial statements	100,987
Grants receivable deferred in the fund financial statements and not in the government-wide financial statements	367,499
Long-term liabilities not reported in the fund financial statements	(10,815,924)
Accrued interest expense on long-term debt not reported in the fund financial statements	(153,090)
Deferred outflows and inflows of resources related to pensions, net, are applicable to future reporting periods and are not reported in the fund financial statements	479,077
Net position - governmental activities	$20,586,194

Net change in fund balance - governmental fund	$1,679,738
Change in taxes receivable deferred in the fund financial statements	(152)
Change in long-term grants receivable deferred in the fund financial statements	367,499
Depreciation expense not recognized in the fund financial statements	(1,196,105)
Long-term debt principal payments recognized as expenditures in the fund financial statements	1,946,730
Change in accrued interest expense on long-term debt not reported in the fund financial statements	28,019
Change in accrued leave not reported in the fund financial statements	(46,191)
Pension contributions are reported as expenditures in the governmental fund when made. Adjustments to the net pension liability and pension expense resulting from changes in deferred outflows and inflows of resources are not recognized in the fund financial statements.	86,199
Proceeds from debt recognized as other financing sources in the fund financial statements	(2,890,000)
Capital outlays recognized as expenditures in the fund financial statements	4,148,726
Change in net position - governmental activities	$4,124,463

NOTE 10: PENSION PLANS

TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS)

Plan Description

The District provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide TCDRS, an agent multiple-employer public employee retirement system. TCDRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TCDRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TCDRS. This report may be obtained by calling TCDRS at 800-823-7782; in addition, the report is available on TCDRS'website at www.tcdrs.org. Plan provisions for the District were as follows:

Benefits Provided

The plan provisions that have been adopted by the Board of the District are within the options available in the governing state statutes of TCDRS. TCDRS provides retirement benefits that are calculated based on age, average compensation and service credit as follows:

Employee deposit rate	7%
District contribution rate	10.27%
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	60/10, any/20, rule of 80

Employees Covered

As of the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	22
Active employees	34

Contributions

Under the state law governing TCDRS, the contribution rate for each District is determined annually by the actuary, using the Entry Age actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees of the District were required to contribute 7% of their annual salary during the year, and the District was required to contribute at the actuarially determined rate of 10.27%. The District's contributions to TCDRS for the year ended September 30, 2022 were $282,970, which equaled the required contribution.

NOTE 10: PENSION PLANS

Net Pension Liability/(Asset)
The District's net pension liability (asset) of $199,531 for TCDRS at September 30, 2022 was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Pension Actuarial Assumptions
The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date:	12/31/2021
Actuarial cost method:	Entry age normal
Investment rate of return (7.50% rate of return plus 0.10% adjustment gross of administrative expenses):	7.60%
Inflation:	2.50%
Projected Salary Increases:	4.70% average
Mortality rates	135% and 120% of Pub-2010 General Retirees Table for males and females, respectively, both projected with 100% of MP-2021 Ultimate Scale after 2010

Actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the years 2017 through 2021.

Discount Rate
The discount rate used to measure the total TCDRS pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the rates specified in the funding policy. Based on that assumption, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for calculating the total pension liability is equal to the long-term expected rate of return on pension plan investments applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on the TCDRS pension plan investments was determined to be 7.60% using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 10: PENSION PLANS

Asset Class	Target Allocation	Geometric Real Rate of Return
U.S. Equities	11.50%	3.80%
Private Equity	25.00%	6.80%
Global Equities	2.50%	4.10%
International Equities-Developed	5.00%	3.80%
International Equities-Emerging	6.00%	4.30%
Investment-Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	1.77%
Direct Lending	16.00%	6.25%
Distressed Debt	4.00%	4.50%
REIT Equities	2.00%	3.10%
Master Limited Partnerships	2.00%	3.85%
Private Real Estate Partnerships	6.00%	5.10%
Hedge Funds	6.00%	1.55%
Cash Equivalents	2.00%	-1.05%

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate
The following presents the net pension liability (asset) of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.60%)	Discount Rate (7.60%)	1% Increase (8.60%)
District's net pension liability (asset)	$984,974	$199,531	($426,998)

NOTE 10: PENSION PLANS

Changes in Net Pension Liability/(Asset)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a)-(b)
Balance at December 31, 2020	$2,733,656	$2,340,011	$393,645
Changes for the year:			
Service cost	333,138	0	333,138
Interest on total pension liability	233,076	0	233,076
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	88,526	0	88,526
Effect of assumption changes or inputs	85,202	0	85,202
Refunds of contributions	0	0	0
Benefit payments	0	0	0
Administrative expenses	0	(1,771)	1,771
Member contributions	0	172,041	(172,041)
Net investment income	0	556,331	(556,331)
Employer contributions	0	196,373	(196,373)
Other	0	11,082	(11,082)
Balance at December 31, 2021	$3,473,598	$3,274,067	$199,531

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the District recognized pension expense of $181,732. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$68,132	$295,272
Changes in actuarial assumptions	$4,199	$258,434
Net difference between projected and actual earnings	$323,596	$0
Contributions subsequent to the measurement date	N/A	$228,533

NOTE 10: PENSION PLANS

$228,533 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the District year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred outflows of resources related to pensions will be recognized as pension expense as follows:

For the plan year ended December 31:	
2022	($1,528)
2023	(25,137)
2024	(5,500)
2025	14,896
2026	87,766
Thereafter	87,282
	$157,779

TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)

Plan Description

The District provides pension benefits for eligible volunteer emergency services personnel who are members in good standing with the District. The Fire Fighters' Pension Commissioner is the administrator of the TESRS, a cost-sharing multiple employer pension system established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. TESRS was created by Senate Bill 411, 65th Legislature, Regular Session (1977), and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), recodified the provisions and gave TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas and eligibility requirements by board rule. TESRS issues a publicly available annual financial report that includes financial statements and RSI for TESRS, as well as detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the plan. This report may be obtained by calling 800-919-3372. The report is also available on TESRS' website at www.tesrs.texas.gov

Benefits Provided

The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increased 10% for each of the next five years of service so that a member becomes 100% vested within 15 years of service. Upon reaching age 55, a vested member may retire and receive a monthly pension equal to his vested percentage multiplied by six times the governing body's average monthly contribution over the member's years of qualified service.

NOTE 10: PENSION PLANS

For each year of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. In addition, member districts may purchase prior service credit for service with the participating department before the department began participating in the plan that is not buyback service and that does not count as qualified service. There is a separate benefit formula for this prior service.

On and off duty death and on duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump-sum amount and continuing monthly payments to a member's surviving spouse and dependent children.

Contributions

Contributions are not required by individual members of participating departments. The governing bodies of participating departments are required to contribute at least the minimum prescribed amount per month for each active member and may contribute more. The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by the Board.

Additional contributions may be made by a governing body to pay for granting credit for service before the department began participating in TESRS (prior service). The State may also be required to make annual contributions up to a limited amount to make the TESRS actuarially sound. The expected contributions from the state are appropriations equal to (1) the maximum annual contribution (one-third of all contributions to the System by governing bodies of participating departments in a year) as needed in accordance with state law governing the System, and (2) approximately $675,000 each year to pay for part of the System's administrative expenses. For the fiscal year ended September 30, 2022, the District's contributions to TESRS were $34,450.

Pension Liability

At September 30, 2022, the District reported a liability of $201,868 for its proportionate share of the TESRS net pension liability. The net pension liability was measured as of August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022. The District's proportionate share of the net pension liability for the plan as of August 31, 2022 was .492%.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the District recognized pension expense of $49,489. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 10: PENSION PLANS

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$0	$7,684
Changes in actuarial assumptions	$1,015	$0
Net difference between projected and actual earnings	$0	$74,446
Contributions subsequent to the measurement date	N/A	$11,650

$11,650 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the District year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the plan year ended August 31:	
2023	$23,406
2024	14,529
2025	15,170
2026	28,010
	$81,115

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Valuation Date:	8/31/2022
Measurement Date:	8/31/2022
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return	7.5%
Inflation	3.00%
Projected Salary Increases:	N/A
Mortality Rates:	PubS-2010 mortality tables using projection scale MP-2019

NOTE 10: PENSION PLANS

The long-term expected rate of return on the TESRS pension plan investments was determined to be 7.5% using a building-block method in which the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small cap domestic	10%	5.94%
Developed international	15%	6.17%
Emerging markets	5%	7.36%
Global infrastructure	5%	6.61%
Real estate	10%	4.48%
Multi asset income	5%	3.86%
Fixed income	30%	1.95%

Discount Rate

The discount rate used to measure the total TESRS pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability in 30 years using the level dollar amortization method. Because of those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate noted above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

NOTE 10: PENSION PLANS

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability	$316,676	$201,868	$108,898

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TESRS financial report.

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property damage, and worker's compensation. The District insures against risk through participation in the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool, consisting of approximately 2,800 member cities/political subdivisions located throughout Texas. The District pays premiums for its general liability, property, auto and workers' compensation coverage. The District's risk is limited to the amount of premiums paid unless the pool should fail, in which case, the District would be liable for its ratable share of the pool deficit.

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6
REQUIRED SUPPLEMENTARY INFORMATION -TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022*

Total pension liability	2015	2016	2017	2018	2019	2020	2021	2022
Service cost	$107,101	$143,696	$151,459	$152,595	$174,124	$233,634	$253,071	$333,138
Interest on total pension liability	38,428	55,563	52,496	72,963	98,003	142,533	178,654	233,078
Effect of plan changes	0	(28,447)	0	0	157,946	0	0	0
Difference between expected & actual experience of the total pension net liability	84,087	(201,441)	(23,097)	71,555	61,963	58,280	110,280	88,525
Changes of assumptions	0	1,412	0	(8,394)	0	0	246,639	85,202
Benefit payments, including refunds of employee contributions	(8,021)	(38,094)	(12,806)	0	(2,253)	(1,350)	(14,769)	0
Net change in total pension liability	221,595	(67,311)	168,052	288,719	489,783	433,097	773,875	739,943
Total pension liability-beginning	425,845	647,440	580,129	748,181	1,036,900	1,526,683	1,959,780	2,733,655
Total pension liability-ending (a)	$647,440	$580,129	$748,181	$1,036,900	$1,526,683	$1,959,780	$2,733,655	$3,473,598
Plan fiduciary net position								
Contributions-employer	$81,461	$80,886	$88,212	$92,954	$103,867	$139,673	$185,378	$196,373
Contributions-employee	65,889	71,793	76,741	89,235	103,009	130,885	165,095	172,042
Net investment income	23,351	(13,683)	45,760	122,335	(18,659)	215,736	187,506	556,331
Benefit payments, including refunds of employee contributions	(8,021)	(38,094)	(12,806)	0	(2,253)	(1,350)	(14,769)	0
Administrative expenses	(332)	(408)	(498)	(748)	(1,057)	(1,378)	(1,712)	(1,771)
Other	(23)	(49)	13,592	2,435	6,209	9,469	10,113	11,082
Net change in plan fiduciary net position	162,325	100,445	211,001	306,211	191,116	493,035	531,611	934,057
Plan fiduciary net position-beginning	344,266	506,591	607,036	818,037	1,124,248	1,315,364	1,808,399	2,340,010
Plan fiduciary net position-ending (b)	$506,591	$607,036	$818,037	$1,124,248	$1,315,364	$1,808,399	$2,340,010	$3,274,067
Net pension liability (a) - (b)	$140,849	($26,907)	($69,856)	($87,348)	$211,319	$151,381	$393,645	$199,531
Plan fiduciary net position as a % of the total pension liability	78.25%	104.64%	109.34%	108.42%	86.16%	92.28%	85.60%	94.26%
Covered employee payroll	$1,098,156	$1,196,552	$1,250,292	$1,487,258	$1,716,808	$1,869,789	$2,358,504	$2,457,734
Net pension liability as a percentage of covered employee payroll	12.83%	-2.25%	-5.59%	-5.87%	12.31%	8.10%	16.69%	8.12%

Note: * The District implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available. The beginning Net Pension Liability for 2015 was determined using rollback procedures allowed for initial year of implementation. Fiscal Year 2022 Valuation Date: 12/31/21.

- See Independent Auditor's Report -

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6

REQUIRED SUPPLEMENTARY INFORMATION -TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2022*

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution**	$81,094	$87,974	$89,302	$102,187	$126,230	$150,611	$196,019	$282,970
Contributions in relation to the actuarially determined contribution**	$81,094	$87,974	$89,302	$102,187	$126,230	$150,611	$196,019	$282,970
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0
Covered-employee payroll	$1,092,911	$1,301,391	$1,264,901	$1,634,992	$1,780,436	$2,170,585	$2,505,970	$3,223,191
Contributions as a percentage of covered-employee payroll	7.42%	6.76%	7.06%	6.25%	7.09%	6.94%	7.82%	8.78%

Notes to Required Supplementary Information:

* The District implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available.

** TCDRS calculates actuarially determined contributions on a calendar year basis. GASB 68 indicates the employer should report employer contributions on a fiscal year.

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	19.3 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Inflation	2.50%
Projected Salary Increases	Varies by age and service. 4.70% average over career including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality rates	Pub-2010 General Retirees Table (135% for males and 120% for females), both projected with 100% of the MP-2021 Ultimate scale after 2010.

Changes in Assumptions and Methods:

2015: New inflation, mortality and other assumptions reflected; 2017: New mortality assumptions reflected

Changes in Plan Provisions:

2015, 2016,2018, 2020, 2021, 2023: No changes; 2017: New annuity purchase rates reflected for benefits earned after 2017; 2019: member contribution increase to 7%

- See Independent Auditor's Report -

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6

REQUIRED SUPPLEMENTARY INFORMATION - TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2022*

	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the net pension liability	.405%	.394%	.364%	.307%	.545%	.524%	.444%	.492%
Proportionate share of the net pension liability	$73,595	$114,765	$87,366	$66,467	$154,483	$132,105	$47,571	$201,868
Number of active members **	39	41	36	34	43	44	34	40
Net pension liability per active member	$1,887	$2,799	$2,427	$1,955	$3,593	$3,002	$1,399	$5,047
Plan fiduciary net position as a percentage of the total pension liability	83.5%	76.3%	81.4%	84.3%	80.2%	83.2%	93.1%	75.2%

Notes to Required Supplementary Information:

* The District implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available. Current year Valuation Date: August 31, 2022 valuation

** There is no compensations for active members. Number of active members is used instead.

Changes in benefit terms: There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in assumptions: There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022*
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution **	$18,360	$18,468	$17,604	$14,684	$24,440	$24,450	$17,716	$34,450
Contributions in relation to the contractually required contribution	$18,360	$18,468	$17,604	$14,684	$24,440	$24,450	$17,716	$34,450
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0
Number of active members ***	39	41	36	34	43	44	34	40
Contributions per member	$471	$450	$489	$432	$568	$556	$521	$861

Note:

* The District implemented GASB 68 in fiscal year 2015. Information prior to 2015 is not available. Current year Valuation Date: August 31, 2022 valuation

** The contribution requirement per member is not actuarially determined. Rather, minimum contribution provisions are determined by Board rule and there is no maximum contribution rate.

*** There is no compensations for active members. Number of active members is used instead.

- See Independent Auditor's Report -

HAYS COUNTY EMERGENCY SERVICES DISTRICT #6
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
General revenues			
Ad valorem taxes	$ 6,977,825	$ 7,037,828	$ 60,003
Sales taxes	2,160,000	3,480,558	1,320,558
Operating grants	-	107,038	107,038
Interest	25,000	92,460	67,460
Other	133,516	375,072	241,556
	9,296,341	11,092,956	1,796,615
Expenditures			
Current:			
Public safety	6,798,675	5,891,949	906,726
Capital outlay	1,312,400	4,148,726	(2,836,326)
Debt service	1,185,008	2,262,543	(1,077,535)
	9,296,083	12,303,218	(3,007,135)
Revenues (under)/over expenditures	258	(1,210,262)	(1,210,520)
Other financing sources			
Proceeds from debt	-	2,890,000	2,890,000
	258	1,679,738	1,679,480
Beginning fund balance	10,467,263	10,467,263	-
Ending fund balance	$ 10,467,521	$ 12,147,001	$ 1,679,480