

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
WITH INDEPENDENT AUDITOR'S REPORT

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT.....1-2

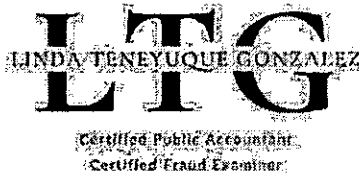
FINANCIAL STATEMENTS

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-CASH BASIS....3

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES-CASH BASIS.....4

STATEMENT OF CASH FLOWS-CASH BASIS.....5

NOTES TO FINANCIAL STATEMENTS.....6-8



Independent Auditor's Report

To the Board of Commissioners of
Hays County Emergency Services District #7

Report on the Financial Statements

I have audited the accompanying financial statements of Hays County Emergency Services District #7 (the District), which comprise the statement of assets, liabilities, and net assets-cash basis as of September 30, 2021, and the related statements of support, revenue, and expenses-cash basis and cash flows-cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

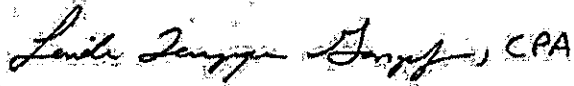
100 N. Edward Gary Street, Suite 110, San Marcos, Texas 78666

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Hay County Emergency Services District #7 as of September 30, 2021, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting described in Note A.

Basis of Accounting

I draw attention to Note A to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

 Linda George Garza, CPA

San Marcos, Texas
August 6, 2022

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-CASH BASIS
SEPTEMBER 30, 2021

ASSETS	
ASSETS	
Cash and cash equivalents	\$ 1,388,965
Investments	1,298,327
TOTAL ASSETS	<u>2,687,292</u>
LIABILITIES AND NET ASSETS	
NET ASSETS	
Net assets-unassigned	<u>2,687,292</u>
TOTAL NET ASSETS	<u>2,687,292</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,687,292</u>

The accompanying notes are an integral part of the financial statements.

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
 STATEMENT OF SUPPORT, REVENUE, AND EXPENSES-CASH BASIS
 YEAR ENDED SEPTEMBER 30, 2021

	Unassigned
SUPPORT AND REVENUE	
Tax revenue	\$ 2,420,921
Investment/interest income	10,045
Unrealized (loss)-investments	(3,190)
TOTAL SUPPORT AND REVENUE	2,427,776
 EXPENSES	
Program	
WEMS contract payments	1,560,000
Administrative	
Hays Tax Assessor/collector	2,196
Appraisal District	16,694
Audit	3,000
Insurance	1,617
Public notices	799
Postage/mailbox	70
Investment fees	9
TOTAL EXPENSES	1,584,385
 CHANGE IN NET ASSETS	 843,391
NET ASSETS, BEGINNING OF YEAR	1,843,901
NET ASSETS, END OF YEAR	\$ 2,687,292

The accompanying notes are an integral part of the financial statements.

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
 STATEMENT OF CASH FLOWS-CASH BASIS
 YEAR ENDED SEPTEMBER 30, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ 843,391
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Unrealized loss	3,190
Net Cash Provided from Operating Activities	<u>846,581</u>
 Cash Flows from Investing Activities	
Investment transfer to savings	50,000
Reinvestment of investment income	(9,421)
Net Cash Provided from Investing Activities	<u>40,579</u>
 Net Increase In Cash and Cash Equivalents	 887,160
Cash and Cash Equivalents at Beginning of Year	<u>501,805</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,388,965</u></u>

The accompanying notes are an integral part of the financial statements.

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Reporting Entity

Hays County Emergency Services District #7 (the District), is a political subdivision established under the laws of the State of Texas by local voters for the purpose of raising money through ad valorem taxes on all real property located within the district. The District receives tax revenue to provide the direction and financial resources for protection of the lives and property of the people living or traveling within the District against medical emergencies.

Basis of Accounting

The District prepares its financial statement on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 those estimates.

Net Assets

Equity is classified as net assets. Net assets are reported as:

Assigned/Restricted – net assets with restrictions imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Unassigned/Unrestricted – all other net assets that do not meet the definition of “restricted”.

NOTE B - CASH AND CASH EQUIVALENTS

The District’s cash and cash equivalents include checking and savings accounts. The District’s deposits are held in one major financial institution and are exposed to concentrations of credit risk. The District has pledged securities for amounts in excess of FDIC coverage. As of September 30, 2021, the District’s cash deposits totaled \$1,388,965.

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE C - INVESTMENTS

Investments held by the District are measured and recorded at fair value based on quoted prices in active markets on a trade-date basis. Investments held by the District as of September 30, 2021, are as follows:

Cetera Investments

Flexinsured/money market funds	\$ 1,298,327
Total investments	\$ 1,298,327

Net investment gains consisted of the following for the year ended September 30, 2021:

Dividend interest/capital gains	\$ 9,430
Unrealized loss	(3,190)
Total investment gains	\$ 6,240

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.

NOTE D - PROPERTY TAXES

The methods of property assessments and tax collections are determined by Texas statutes. The appraisal of property within the District is the responsibility of the Hays County Appraisal District. Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within the District in conformity with Texas Property Tax Code. Taxes are due on receipt of the tax bill and become delinquent if not paid before February 1st of the year in which imposed. The District's tax rate is set each September by the District's Board of Commissioners. The tax rate was \$.0730 over \$100 of value.

NOTE E - COMMITMENTS

The District has entered into a contract agreement with Wimberley Emergency Medical Service Systems, Inc. (WEMS) to provide emergency medical care and ambulance services to the District's region. For services provided by WEMS, the District paid monthly payments totaling \$1,560,000 to WEMS for fiscal year ended September 30, 2021. Either party may terminate the agreement by written notice in accordance with the terms of the contract.

HAYS COUNTY EMERGENCY SERVICES DISTRICT #7
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE F - LIQUIDITY AND AVAILABILITY

Financial assets, without donor restrictions, available for general expenditure within one year of the statement of assets and net assets – cash basis, comprise the following:

Cash and cash equivalents	<u>\$1,388,965</u>
Financial assets available for general expenditure within one year	<u>\$1,388,965</u>

NOTE G - SUBSEQUENT EVENTS

The Board has evaluated subsequent events through August 6, 2022, which is the date the financial statements were available to be issued.