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**S. PATRICIA WHITE, CPA, P.C.**

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**Hays County  
Emergency Services District #8**

Independent Auditor's Report

September 30, 2015

# Hays County Emergency Services District #8

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# S. PATRICIA WHITE, CPA, P.C.

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## Independent Auditor's Report

To the Board of Fire Commissioners  
Hays County Emergency Services District #8  
Buda, Texas

I have audited the accompanying financial statements of the governmental activities of the Hays County Emergency Services District #8 (the "District") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

The District 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the 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 from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of September 30, 2015, 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.

**Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 3-6 and 18 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Patricia White CPA*

Round Rock, Texas  
April 20, 2016

## Management's Discussion and Analysis

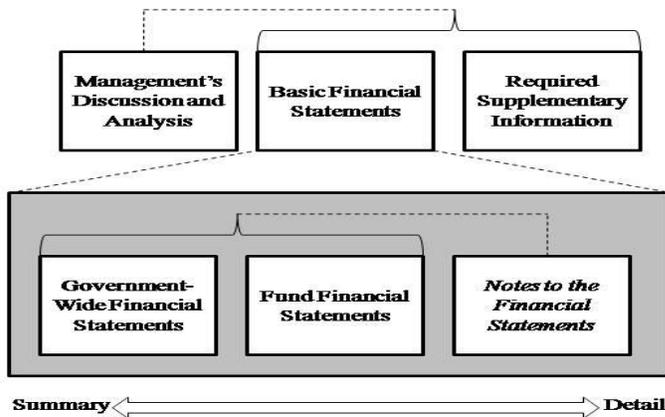
The discussion and analysis of Hays County Emergency Services District #8's (the "District's") financial performance provides an overview of the District's financial activities for the year ended September 30, 2015. Please read it in conjunction with the District's financial statements, which follow this section.

### Financial Highlights

- During the year, the District had expenses of \$4,360,218 compared to total revenues of \$4,920,726 resulting in net increase to net position of \$560,508 for the year ended September 30, 2015. For the year ended September 30, 2014, the District had net income of \$949,493.
- There was a decrease to long-term debt of \$364,256 due to principal payments.

### Using This Annual Report

This annual report consist of a series of financial statements: The Statement of Net Assets and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Funds, Revenues, Expenditures and Changes in Fund Balances provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future pending.



## **Reporting the District as a Whole**

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its' financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax to assess the overall health of the District.

## **The District as a Whole**

The net position of the District's activities increased by \$560,508. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants.

The District has sufficient revenues to pay expenses of the District.

The actual General Fund surplus of revenues over expenditures was \$344,964. The reasons for the budget differences included the following:

- A continued increase in Property Tax, Sales and Use Tax, and EMS revenues were the result of higher than anticipated tax receipts during fiscal year 2015.
- The District payroll expenses were substantially below the budgeted amount.

*Summarized Statement of Net Position:*

	<u>9/30/2015</u>	<u>9/30/2014</u>
Current assets	\$ 1,294,831	\$ 886,145
Capital assets	<u>5,932,942</u>	<u>6,172,329</u>
 Total assets	 <u><u>\$ 7,227,773</u></u>	 <u><u>\$ 7,058,474</u></u>
 Current liabilities	 \$ 531,439	 \$ 660,982
Long-term debt	<u>3,252,703</u>	<u>3,514,369</u>
 Total liabilities	 <u>3,784,142</u>	 <u>4,175,351</u>
 Invested in capital assets, net of long-term debt	 2,339,101	 2,077,250
Unrestricted	<u>1,104,530</u>	<u>805,873</u>
 Total net position	 <u>3,443,631</u>	 <u>2,883,123</u>
	 <u><u>\$ 7,227,773</u></u>	 <u><u>\$ 7,058,474</u></u>

*Summarized Statement of Activities:*

	<u>9/30/2015</u>	<u>9/30/2014</u>
Revenues:		
Property taxes	\$ 2,277,044	\$ 2,062,824
Sales and use tax	1,270,378	1,462,587
EMS revenue	1,205,569	1,055,521
Other income	<u>167,735</u>	<u>352,115</u>
 Total revenues	 <u>4,920,726</u>	 <u>4,933,047</u>
 Expenses:		
Personnel and related costs	\$ 3,065,178	\$ 2,770,959
Depreciation	275,286	232,693
Debt service	97,450	213,381
Other expenses	<u>922,304</u>	<u>766,521</u>
 Total expenses	 <u>4,360,218</u>	 <u>3,983,554</u>
 Change in net position	 <u><u>\$ 560,508</u></u>	 <u><u>\$ 949,493</u></u>

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## **Capital Assets**

At September 30, 2015, the District had \$5,932,942 invested in capital assets (net of depreciation). At year end \$4,523,726 is invested in buildings, \$2,584,437 in trucks and equipment and \$735,730 is invested in land. Total accumulated depreciation as of September 30, 2015 was \$1,910,951. During fiscal year 2015, the District purchased a new servers, an update to a vehicle and a storage unit.

## **Long-Term Debt**

The District's long-term debt at September 30, 2015 totaled \$3,593,830 for all capital lease obligations and notes payable. The current portion of the long-term debt was \$341,127. Fire stations and fire apparatus are pledged as collateral as shown below:

<u>Collateral</u>	<u>Type</u>	<u>Long-Term Portion</u>	<u>Current Portion</u>	<u>Total</u>
Trucks & Equipment, Leases	Capital lease obligations	\$ 1,400,445	\$ 102,561	\$ 1,503,006
Fire Stations, Loan	Notes payable	<u>1,852,258</u>	<u>238,566</u>	<u>2,090,824</u>
		<u>\$ 3,252,703</u>	<u>\$ 341,127</u>	<u>\$ 3,593,830</u>

## **Economic Factors and Next Year's Budgets and Rates**

The District's elected and appointed officials considered many factors when setting the budget and tax rates. One of those factors is the economy and estimated needs to operate the District in the coming year.

## **Contacting the District's Financial Management**

This financial report is designed to provide the taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at:

Hays County ESD #8  
P.O. Box 782  
Buda, Texas 78610  
Telephone (512) 295-2232

## Hays County Emergency Services District #8

### Statement of Net Position and Governmental Fund Balance Sheet

September 30, 2015

#### Assets

	<u>General Fund</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 1,087,417	\$ 1,087,417	-	\$ 1,087,417
Grants receivable	-	-	-	-
Taxes receivable	160,174	160,174	-	160,174
Prepaid expenses	<u>47,240</u>	<u>47,240</u>	-	<u>47,240</u>
Total current assets	<u>1,294,831</u>	<u>1,294,831</u>	-	<u>1,294,831</u>
Capital Assets:				
Land	-	-	735,730	735,730
Buildings	-	-	4,523,726	4,523,726
Equipment	-	-	2,584,437	2,584,437
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>(1,910,951)</u>	<u>(1,910,951)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>5,932,942</u>	<u>5,932,942</u>
Total assets	<u>\$ 1,294,831</u>	<u>\$ 1,294,831</u>	<u>\$ 5,932,942</u>	<u>\$ 7,227,773</u>

*Notes to the financial statements are integral to this statement.*

	General Fund	Total Governmental Funds	Adjustments	Total
<b>Current liabilities</b>				
Deferred income	\$ 51,000	\$ 51,000	\$ (51,000)	\$ -
Accounts payable	50,252	50,252	10	50,262
Accrued payroll liabilities	87,724	87,724	-	87,724
Accrued interest payable	-	-	52,326	52,326
Current portion - lease	-	-	102,561	102,561
Current portion - loans	-	-	238,566	238,566
<b>Total current liabilities</b>	<u>188,976</u>	<u>188,976</u>	<u>342,463</u>	<u>531,439</u>
<b>Long-term liabilities:</b>				
Capital lease obligations	-	-	1,503,006	1,503,006
Loans payable	-	-	2,090,824	2,090,824
Less: current portion of lease	-	-	(102,561)	(102,561)
Less: current portion of note payable	-	-	(238,566)	(238,566)
<b>Total long-term liabilities</b>	<u>-</u>	<u>-</u>	<u>3,252,703</u>	<u>3,252,703</u>
<b>Fund Balances/Net Position:</b>				
Unassigned	<u>1,105,855</u>	<u>1,105,855</u>		
<b>Total fund balance</b>	<u>1,105,855</u>	<u>1,105,855</u>		
<b>Total liabilities and net assets</b>	<u>\$ 1,294,831</u>	<u>\$ 1,294,831</u>		
Investment of capital assets, net of long-term debt Unrestricted				2,339,101 <u>1,104,530</u>
<b>Total net position</b>			<u>\$</u>	<u><u>3,443,631</u></u>

*Notes to the financial statements are integral to this statement.*

## Hays County Emergency Services District #8

### Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance

Year Ended September 30, 2015

	<u>General Fund</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Total</u>
<b>Revenues:</b>				
Property tax revenue	\$ 2,271,037	\$ 2,271,037	\$ 6,007	\$ 2,277,044
Sales tax revenue	1,270,378	1,270,378	-	1,270,378
Operations revenue	5,391	5,391	-	5,391
EMS revenue	1,205,569	1,205,569	-	1,205,569
Grant revenue	6,585	6,585	-	6,585
Other income	89,393	89,393	-	89,393
Permit fees	28,842	28,842	-	28,842
Training revenue	37,524	37,524	-	37,524
	<u>4,914,719</u>	<u>4,914,719</u>	<u>6,007</u>	<u>4,920,726</u>
<b>Expenditures/expenses:</b>				
Payroll and related costs	3,065,178	3,065,178	-	3,065,178
Debt service	546,373	546,373	(448,923)	97,450
Maintenance	202,374	202,374	(35,900)	166,474
Insurance	101,037	101,037	-	101,037
Firefighting supplies and programs	129,281	129,281	-	129,281
EMS expenses	170,721	170,721	-	170,721
Utilities and telephone	83,996	83,996	-	83,996
Office supplies	105,307	105,307	-	105,307
Fuel	41,397	41,397	-	41,397
Professional fees	70,497	70,497	-	70,497
Training expense	53,594	53,594	-	53,594
Depreciation	-	-	275,286	275,286
	<u>4,569,755</u>	<u>4,569,755</u>	<u>(209,537)</u>	<u>4,360,218</u>
Revenues in excess of expenditures	344,964	344,964		
Change in net position				560,508
Net position at beginning of year	760,891	760,891		2,883,123
Net position at end of year	<u>\$ 1,105,855</u>	<u>\$ 1,105,855</u>		<u>\$ 3,443,631</u>

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 1. Summary of Significant Account Policies

#### *The Reporting Entity*

Rural Fire Prevention Districts may be organized in the State of Texas under the provisions of Article III, Section 48-d of the State Constitution. The Northeast Hays County Rural Fire Prevention District was confirmed by election in July 1984 and effectively began operations on July 1, 1985. In July 2003 the organization was converted to Hays County Emergency Services District #8 (the "District"). The District was established to arrange for fire protection services within its boundaries.

The accounting policies of the Hays County Emergency Services District #8 conform to generally accepted accounting principles in the United States of America applicable to state and local governments. The District is included in the basic financial statements of Hays County as a component unit as set forth in Governmental Accounting Standards Board ("GASB") 14, The Financial Reporting Entity".

Additionally, no other entity meets these requirements for inclusion in Hays County ESD #8 financial statements.

#### *Use of Estimates*

The preparation of these 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 those estimates.

#### *Government-Wide and Fund Financial Statements*

The District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported primarily by property tax and sales tax revenues. The Statement of Activities demonstrates how the District used its revenues.

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 1. Summary of Significant Account Policies (continued)

#### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported 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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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 government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenses generally are recorded when a liability is incurred.

The District has only one governmental fund, the general fund. The general fund is the operating fund of the District.

Interest and taxes associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

#### *Cash and Cash Equivalents*

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates. Cash equivalents include investments with original maturities of three months or less. Cash equivalents are stated at cost which approximates market value.

#### *Fund Balance*

Fund balance for governmental funds are classified as non-spendable, restricted, committed and assigned or unassigned in the fund financial statements.

- Non-spendable fund balance includes amounts not available to be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted fund balances include those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 1. Summary of Significant Account Policies (continued)

#### *Fund Balance*

- Committed fund balances are established and modified by approval of the District Commissioners and can be used only for the specific purposes determined by the District's Commissioners.
- Assigned fund balance is intended to be used by the District for specific purposes but does not meet criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

#### *Capital Assets*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is calculated on a straight-line basis. Estimated lives are as follows: building 40 years, vehicles 7 years, and donated items 5 years.

#### *Deferred Revenue*

The District reported unearned deferred revenue in the Statement of Net Assets. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, monies received within thirty-one days after year-end are considerable to have been for prior year services.

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 2. Deposits and Investments

At September 30, 2015, the District had \$1,196,591 invested in cash and cash equivalents.

*Custodial Credit Risk* - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of September 30, 2015, \$160,989 of the District's total deposit balance was covered by federal depository insurance. The remaining balance of the deposits was invested in TexPool.

*Interest Rate Risk* - The District does have a formal investment policy in place. The District's cash and cash equivalents are currently invested in short-term instruments such as an interest-bearing checking account.

#### *Investments*

The Board of Directors 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. Investments are reported at fair value based on quoted market prices.

All investments at year end were held in the Texas Local Government Investment Pool (TexPool). The State Comptroller oversees TexPool, with Texas Treasury Safekeeping Trust Company 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 constructed 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, 2015, TexPool portfolio had weighted average maturity of 30 days. 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. As of September 30, 2015, the District had \$926,428 invested in TexPool.

### 3. Property Taxes

The District has the authority to levy a tax to a maximum of \$.10 per \$100 of value. Property taxes are levied each October 1 on the assessed valuation of all taxable property in the District. The tax rate for the October 1, 2014 levy was \$.10 per \$100 of value. Taxes are due on receipt of the bill and are delinquent if not paid before February 1 of the year following the levy. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Taxes are billed and collected by the Hays County Tax Assessors-Collector.

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 4. Capital Assets

The following is a summary of changes in capital assets for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements and Reclassifications</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ <u>735,730</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>735,730</u>
Capital assets, being depreciated:				
Buildings	4,517,241	6,485	-	4,523,726
Trucks and equipment	2,612,358	29,414	(39,655)	2,602,117
Less accumulated depreciation	<u>(1,693,000)</u>	<u>(275,286)</u>	<u>39,655</u>	<u>(1,928,631)</u>
Total capital assets being depreciated, net	<u>5,436,599</u>	<u>(245,872)</u>	<u>-</u>	<u>5,197,212</u>
Capital assets, net	\$ <u><u>6,172,329</u></u>	\$ <u><u>(245,872)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,932,942</u></u>

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 5. Long-Term Debt

The following is a summary of changes in long-term debt (capital lease obligations and notes payable) for the year ended September 30, 2015:

Lessor	Collateral	Amount of Original Issue	Maturity Date	Interest Rate	Balance 9/30/2014	Additions	Retirements	Balance 9/30/2015
Southside Bank	Training Facility	\$ 450,000	3/15/2028	5.121%	\$ 355,324	\$ -	\$ 17,978	\$ 337,346
Marquette	Station 3	1,736,130	1/10/2017	3.696%	1,246,340	-	80,680	1,165,660
Oshkosh Capital	Trucks	<u>325,000</u>	12/5/2014	4.690%	<u>39,601</u>	-	<u>39,601</u>	-
		<u>\$ 2,511,130</u>			<u>\$ 1,641,265</u>	<u>\$ -</u>	<u>\$ 138,259</u>	1,503,006
						Less current maturities		<u>(102,561)</u>
								<u>\$ 1,400,445</u>

#### *Capital Lease Obligations:*

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

Future Payments	
2016	\$ 165,496
2017	165,496
2018	165,496
2019	165,496
2020	165,496
2021-2025	827,480
2026-2030	<u>367,166</u>
Total minimum lease payments	2,022,126
Less amount representing interest	<u>(519,120)</u>
Present value of minimum lease payments	<u>\$ 1,503,006</u>

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 5. Long-Term Debt (continued)

Notes Payable:

Bank	Description	Amount of Original Issue	Maturity Date	Interest Rate	Balance 9/30/2014	Additions	Retirements	Balance 9/30/2015
Government Capital	East Station	\$ 1,935,625	3/1/2029	5.683%	\$ 1,681,739	\$ -	\$ 152,152	\$ 1,529,587
Government Capital	Equipment - Engines 32 & 33	<u>936,084</u>	2/8/2018	2.845%	<u>635,082</u>	<u>-</u>	<u>73,845</u>	<u>561,237</u>
		<u>\$ 2,871,709</u>			<u>\$ 2,316,821</u>	<u>\$ -</u>	<u>\$ 225,997</u>	<u>2,090,824</u>
						Less current maturities		<u>(238,566)</u>
								<u>\$ 1,852,258</u>

Annual debt service required for the notes payable are as follows:

Future Payments	Principal	Interest
2016	\$ 238,566	100,852
2017	247,568	91,851
2018	244,480	82,467
2019	92,117	77,081
2020	97,352	71,846
2021-2025	576,310	269,682
2026-2030	<u>594,431</u>	<u>86,222</u>
	<u>\$ 2,090,824</u>	<u>\$ 780,001</u>

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 6. Retirement Plan

The District has an elective deferred compensation plan under section 403(b) of the Internal Revenue Code for all employees. The plan is administered by Nationwide which maintains a trust account for each participating employee. Employees may defer up to 14% of taxable income not to exceed statutory minimums. The District contributes up to a 10% match of salary, for eligible employees. The District's contribution for the year ended September 30, 2015 was \$117,772.

### 7. 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 VFIS, an insurer of emergency organizations.

The District pays premiums to the risk pool 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 fall, in which case, the District would be liable for its ratable share of the pool deficit.

### 8. Reconciliation of Government Wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds total fund balance	\$ 1,105,855
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,932,942
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.	51,000
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt and capital lease obligations	(3,593,830)
Accrued interest expense related to long-term debt	<u>(52,336)</u>
Total net position	<u>\$ 3,443,631</u>

# Hays County Emergency Services District #8

## Notes to Financial Statements

### 8. Reconciliation of Government Wide and Fund Financial Statements (continued)

Amounts reported for governmental activities in the statement of activities are different because:

Revenues in excess of fund balance	\$	344,964
Current year capital outlays		35,900
Depreciation expense		(275,286)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred tax revenue		6,007
Change in accrued interest expense		84,667
Other items		-
Repayment of long-term debt		<u>364,256</u>
Change in net position	\$	<u><u>560,508</u></u>

# Hays County Emergency Services District #8

## Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Property tax revenue	\$ 2,054,349	\$ 2,054,349	\$ 2,271,037	\$ 216,688
Sales tax revenue	1,100,000	1,100,000	1,270,378	170,378
Operations revenue	5,000	5,000	5,391	391
EMS revenue	1,058,497	1,058,497	1,205,569	147,072
Grant revenue	133,875	133,875	6,585	(127,290)
Other income	7,250	7,250	89,393	82,143
Permit fees	25,000	25,000	28,842	3,842
Training revenue	30,000	30,000	37,524	7,524
	<u>4,413,971</u>	<u>4,413,971</u>	<u>4,914,719</u>	<u>500,748</u>
<b>Expenditures:</b>				
Payroll and related costs	2,928,104	2,928,104	3,065,178	(137,074)
Debt service	552,140	552,140	546,373	5,767
Maintenance	125,900	125,900	202,374	(76,474)
Insurance	91,000	91,000	101,037	(10,037)
Firefighting supplies and programs	122,450	122,450	129,281	(6,831)
EMS expenses	117,745	117,745	170,721	(52,976)
Utilities and telephone	269,150	269,150	83,996	185,154
Office supplies	81,950	81,950	105,307	(23,357)
Fuel	59,950	59,950	41,397	18,553
Professional fees	72,563	72,563	70,497	2,066
Training expense	51,500	51,500	53,594	(2,094)
Total expenditures/expenses	<u>4,472,452</u>	<u>4,472,452</u>	<u>4,569,755</u>	<u>(97,303)</u>
Expenditures in excess of revenues	(58,481)	(58,481)	344,964	403,445
Fund balance at beginning of year	<u>760,891</u>	<u>760,891</u>	<u>760,891</u>	<u>-</u>
Fund balance at end of year	<u>\$ 702,410</u>	<u>\$ 702,410</u>	<u>\$ 1,105,855</u>	<u>\$ 403,445</u>

*Notes to the financial statements are integral to this statement.*