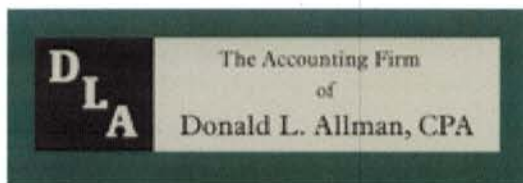


WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9

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CERTIFIED PUBLIC ACCOUNTANT

Independent Auditors' Report

To the Board of Directors
Williamson County Emergency Services District No. 9

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamson County Emergency Services District No. 9 ("the ESD") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the ESD's basic financial statements as listed in the table of contents.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamson County ESD No. 9 as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 10 and 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Donald L. Allman, CPA

Georgetown, Texas

May 11, 2020

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Our discussion and analysis of the Williamson County Emergency Services District No. 9's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

Total net position increased \$189,534 in 2019 for Williamson County ESD #9. The main reasons for this decrease was an increase in contracted services for Fire Protection and EMS services.

The District had \$3,497,711 in expenses related to governmental activities with \$3,687,245 in program revenues to cover the cost of these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10-11) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. These statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the district's most financially significant funds.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins on page 10. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of this 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 that question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, what the District owns, and liabilities, what the District owes, 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 jurisdiction, the availability of capital projects, and continuing local governmental support to assess the overall health of the District.

Reporting the District's Most Significant Funds	Major Funds
Fund Financial Statements	-General

Our analysis of the District's major funds begins on page 12. The Fund financial statements begin on page 12 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District only has governmental funds.

Governmental Funds: The District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements, if applicable.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 16-23 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents budget to actual statements and schedules which can be found on pages 24-25 of this report.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

THE DISTRICT AS A WHOLE

The District's total net position changed from a year ago, increasing from \$3,469,415 to \$3,658,949. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the district's governmental activities.

	Table 1	
	Net Position	
	<u>2019</u>	<u>2018</u>
Cash and Current Assets	\$ 2,577,509	\$ 2,385,741
Property Taxes Receivable	1,275,331	1,083,674
Capital Assets	-	-
Total Assets	<u>\$ 3,852,840</u>	<u>\$ 3,469,415</u>
Current Liabilities	\$ -	\$ -
Long-term Obligations	193,891	-
Total Liabilities	<u>\$ 193,891</u>	<u>\$ -</u>
Net Position:		
Net Investment in Capital Assets	\$ -	\$ -
Reserved	100,000	100,000
Unrestricted	<u>3,558,949</u>	<u>3,369,415</u>
Total Net Position	<u>\$ 3,658,949</u>	<u>\$ 3,469,415</u>

Net position of the District's activities increased \$189,534. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from \$3,369,415 to \$3,558,949 by the end of 2019.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Table 2 compares the 2019 change in net position to the 2018 change in net position.

	Table 2		
	Changes in Net Position for 2019		
	Compared with 2018 Activity		
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Program Revenues:			
Property Taxes	\$ 3,682,926	\$ 3,509,600	\$ 173,326
Other revenue	-	-	-
Interest Income	4,320	1,385	2,935
Total Revenues	\$ 3,687,246	\$ 3,510,985	\$ 176,261
Program Expenses			
General Government	\$ 3,497,711	\$ 3,630,525	\$ (132,814)
Interest on L/T Debts	-	-	-
Total Expenses	\$ 3,497,711	\$ 3,630,525	\$ (132,814)
Net Position			
Increase / (decrease)	\$ 189,535	\$ (119,540)	\$ 309,075

Table 3 presents the cost of each of the District's programs as well as each program's net cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the district by each of these functions.

	Table 3			
	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General Government	\$ 3,497,711	\$ 3,630,525	\$ 3,497,711	\$ 3,630,525
Interest of L/T Debt	-	-	-	-
Total Expenses	\$ 3,497,711	\$ 3,630,525	\$ 3,497,711	\$ 3,630,525

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

THE DISTRICT'S FUND'S

	Table 4		
	Changes in Year End Fund Balance		
	<u>2019</u>	<u>2018</u>	<u>% Change</u>
General	\$ 3,558,949	\$ 3,369,415	5.6%
Debt Service	-	-	0.0%
Capital Assets	-	-	0.0%
Total Governmental Balances	<u>\$ 3,558,949</u>	<u>\$ 3,369,415</u>	<u>5.3%</u>

Table 5 presents a summary of governmental fund revenues for the 2019 fiscal year and the amounts and percentages of increases and decreases in relation to the prior year.

	Table 5			
	Total Governmental Fund Revenues			
			Increase or (Decrease)	Percent Increase
Revenue Source	<u>2019</u>	<u>% of total</u>	<u>over 2018</u>	<u>(Decrease)</u>
Property Taxes	3,682,926	100%	173,326	5%
Other income	-	0%	-	0%
Investment Income	<u>4,320</u>	<u>0%</u>	<u>(76)</u>	<u>-5%</u>
Total	<u>\$ 3,687,246</u>	<u>100.0%</u>	<u>\$ 173,250</u>	<u>4.7%</u>

Table 6 presents the general Fund budget and the difference between the original budget and final budget for fiscal year 2019. Table 7 discusses the variance between the final budget and the actual results for the year.

	Table 6		
	Original and Final Budget		
	Budgeted Amounts		
	<u>Original</u>	<u>Final</u>	<u>Variance</u>
Revenues:			
Property Taxes	\$ 3,500,000	\$ 3,500,000	\$ -
Interest Earnings	-	-	-
Total Revenues:	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ -</u>

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Variance
	Original	Final	
Expenditures:			
Current:			
General Government			
Professional Services	\$ 30,000	\$ 30,000	\$ -
General Administrative	30,000	30,000	-
Reserve	-	-	-
Fire & EMT Services	3,440,000	3,440,000	-
Capital Outlay	-	-	-
Debt Service:	-	-	-
Total Expenditures:	\$ 3,500,000	\$ 3,500,000	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Original versus Final Budget

There were no material differences between original and final budgeted amounts for 2018.

Table 7			
Final Budget versus Actual Results			
General Fund			
	Final Budget	Actual	Variance
Revenues:			
Property Taxes	\$ 3,500,000	\$ 3,682,926	\$ 182,926
Other revenue		-	
Interest Earnings	-	4,320	4,320
Total Revenue:	\$ 3,500,000	\$ 3,687,246	\$ 187,246
Expenditures:			
Current:			
General Government	\$ 3,500,000	\$ 3,497,711	\$ 2,289
Capital Outlay	-	-	-
Debt Service:	-	-	-
Total Expenditures	\$ 3,500,000	\$ 3,497,711	\$ 2,289
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	<u>\$ -</u>	<u>\$ 189,535</u>	<u>\$ 189,535</u>

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Final Budget versus Actual Results

There is no material variance in budgeted and actual Property Tax revenues. Net income increased for Williamson County ESD # 9 in 2019 and Fire Service Contract expenses remained about the same.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District had capital assets consisting of a laptop computer, net of depreciation, with a value of \$0.

Debt Administration

At year-end, the District had no debts payable.

ECONOMIC FACTORS

The voters for several subdivisions around Parkside at Mayfield Ranch voted to be annexed by the district. This added to our expenses, as we began paying for those properties as soon as the election results were finalized. We will not see property tax revenue for those additional properties until 2018 based on the 2019 appraisal. We added Leander Fire Department as a service provider and will be building both the expense for the service and the additional tax revenue into future budgets.

The District operates solely in Williamson County and has since its inception. Almost 100% of the District's revenue comes from property taxes. The District's budgeting process must continue to work as closely as possible with the Williamson County Tax Assessor's office in order to meet the financial obligations of the District.

It is important that the District is able to succeed in carrying out its day-to-day operations and continue to be able to meet its financial obligations as well.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Office of the Treasurer, P.O. Box 846, Round Rock TX, 78680.

Alan Forster, Treasurer
Williamson County Emergency Services District #9

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9

STATEMENT OF NET POSITION

DECEMBER 31, 2019

ASSETS:	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	\$ 2,577,509
PROPERTY TAXES RECEIVABLE	<u>1,275,331</u>
TOTAL CURRENT ASSETS	3,852,840
NONCURRENT ASSETS:	
CAPITAL ASSETS - BUILDING, EQUIPMENT & TRUCKS	\$ <u>-</u>
TOTAL NONCURRENT ASSETS	<u>-</u>
TOTAL ASSETS	<u>\$ 3,852,840</u>
LIABILITIES:	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE	\$ -
UNEARNED REVENUE	193,891
CURRENT PORTION OF LONG-TERM DEBT	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>193,891</u>
NON CURRENT LIABILITIES:	<u>-</u>
TOTAL LIABILITIES	<u>\$ 193,891</u>
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	\$ -
RESERVED	100,000
UNRESTRICTED	<u>3,558,949</u>
TOTAL NET POSITION	<u>\$ 3,658,949</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

			<u>Net Revenue and Change in Net Position Primary Government Governmental Activities</u>
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
Governmental Activities:			
General Government	\$ 3,497,711	\$ 3,682,925	\$ 185,214
Interest on Long-Term Debt	-	-	-
Total Governmental Activities	<u>\$ 3,497,711</u>	<u>\$ 3,682,925</u>	<u>\$ 185,214</u>
		General Revenues:	\$ 185,214
		Unrestricted Interest Earnings	4,320
		Total General Revenues	189,534
		Change in Net Position	189,534
		Net Position - Beginning	<u>3,469,415</u>
		Net Position - Ending	<u>\$ 3,658,949</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9

BALANCE SHEET – GOVERNMENTAL FUNDS

DECEMBER 31, 2019

				Total
			Debt	Governmental
	General	Service		Funds
Assets:				
Cash and Cash Equivalents	\$ 2,577,509	\$ -		\$ 2,577,509
Property Taxes Receivable	<u>1,275,331</u>	<u>-</u>		<u>1,275,331</u>
Total Assets:	<u>\$ 3,852,840</u>	<u>\$ -</u>		<u>\$ 3,852,840</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ -	\$ -		\$ -
Unearned Revenue	\$ 1,275,331			\$ 1,275,331
Total Liabilities	<u>\$ 1,275,331</u>	<u>\$ -</u>		<u>\$ 1,275,331</u>
Fund Balances				
Restricted for Debt Service	\$ -	\$ -		\$ -
Committed for Board Reserve	\$ 100,000			\$ 100,000
Unassigned	<u>2,477,509</u>	<u>-</u>		<u>2,477,509</u>
Total Fund Balances	<u>\$ 2,577,509</u>	<u>\$ -</u>		<u>\$ 2,577,509</u>
Total Liabilities and Fund Balances	<u>\$ 3,852,840</u>	<u>\$ -</u>		<u>\$ 3,852,840</u>

See accompanying notes to financial statements.

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
December 31, 2019

Total fund balance - total governmental funds									\$ 3,658,949
Amounts reported for governmental activities in the statement of net position are different because:									
Capital assets, net of accumulated depreciation									-
Property taxes not collected									\$(1,081,440)
Net position of governmental activities									<u>\$ 2,577,509</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

					Total
			Debt		Governmental
	General	Service	Other		Funds
Revenues:					
Property Taxes	\$ 2,601,485	\$ -	\$ -	\$ 2,601,485	
Other Income	-	-	-	-	
Interest Earnings	<u>4,320</u>	<u>-</u>	<u>-</u>	<u>4,320</u>	
Total Revenues:	<u>\$ 2,605,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,605,805</u>	
Expenditures:					
Current:					
General Government	\$ 3,497,711	\$ -	\$ -	\$ 3,497,711	
Capital Outlay	-	-	-	-	
Debt Service:					
Principal	-	-	-	-	
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>\$ 3,497,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,497,711</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (891,906)	\$ -	\$ -	\$ (891,906)	
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ -	\$ -	\$ -	
Transfers Out	-	-	-	-	
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Net Change in Fund Balances	\$ (891,906)	\$ -	\$ -	\$ (891,906)	
Fund Balances (Deficit) - Beginning	<u>\$ 3,469,415</u>	<u>-</u>	<u>-</u>	<u>3,469,415</u>	
Fund Balances (Deficit) - Ending	<u>\$ 2,577,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,577,509</u>	

See accompanying notes to the financial statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balance - total governmental funds	\$ (891,906)
Amounts reported for governmental activities in the statement of net assets are different because:	
Difference in property taxes collected for governmental funds and government wide funds	1,081,440
Capital Outlay	\$ -
Depreciation Expense	\$ -
Changes in net position of governmental activities.	<u>\$189,534</u>

See accompanying notes to the financial statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Williamson County Emergency Services District No. 9 (the District) is a political subdivision of the state of Texas. The entity is responsible for providing emergency services in Williamson County, Texas. The District provides emergency services through a contract with a local Fire Department. The district was created and operates under Article III, Section 48-e, of the Texas Constitution, as proposed by S.J.R. No. 27, Acts of the 70th Legislature, Regular session, 1987, and adopted by the voters at an election held November 3, 1987.

The District is governed by a Board of Commissioners that acts as the authoritative and legislative body of the entity. The Board of Commissioners elects officers for the following positions; President, Vice-President, Treasurer, Secretary and Fire Department Liaison. No board member receives compensation for serving on the Board, except for the Treasurer and Secretary receiving a stipend for administrative duties in day-to-day business.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the district's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include consist of Ad Valorem taxes received from the County's appraisal district.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 31 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants and entitlements and interest 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.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government Funds

Government funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Texas and the bylaws of the District.

Debt Service Fund – The Debt Service fund accounts for the servicing of general long-term debt and revenues reserved for the payment of long-term debt. There is no long-term debt as of 12/31/19.

Capital Projects Fund – The Capital Projects fund is used to account for all buildings, equipment and fire trucks purchased by the District and revenues allocated for the payment of capital projects. A laptop computer was purchased for \$526 in 12/31/09.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within thirty-one days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end. Non-exchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues – Exchange and Non-Exchange Transactions (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenses / Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash and Cash Equivalents

Cash and equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. During 2019, cash and cash equivalents accounts were limited to Wells Fargo Analyzed Business Checking Plus Public Funds. The District at times has an amount in its depository account that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation (the Pledgor). Williamson County ESD #9 (the Pledgee) has selected Wells Fargo Bank, National Association as the depository and required that the Pledgor secure the deposited funds to the extent they are not insured by FDIC by pledging book-entry securities (Eligible Securities) of any type permitted by the provisions of the Public Funds Collateral Act, Title 10, Chapter 2257 of the Texas Government Code, as in effect from time to time (the "Governing Statutes"), which are eligible to be held in a securities account at a Federal Reserve Bank under Federal Reserve Bank Operating Circular 7. Pledgee and Pledgor have selected the Federal Reserve Bank of San Francisco (Custodian) to hold the pledged securities in custody and safekeeping pursuant to the terms of the Governing Statutes, Federal Reserve Bank Operating Circular 7 as in effect from time to time (Circular 7), and the Custody Agreement for Book-Entry Securities, Appendix C, to circular 7 (the "Custody Agreement"), the provisions of which are incorporated herein by reference. Pledgee and Pledgor agree as follows:

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

1. Grant of Security Interest; Instructions Regarding Collateral. Pledgor hereby grants to Pledgee a security interest in all Eligible Securities held by Custodian and reflected on Custodian's records as being pledged to Pledgee (the "Collateral").
2. Amount of Collateral. The aggregate market value of Eligible Securities held by Custodian at all times during this agreement must be in an amount not less than one hundred percent (100%) of (a) the amount of Pledgee's collected funds on deposit with Pledgor, increased by (b) the amount of accrued but uncredited interest on such deposited funds, (c) reduced by that portion of the funds insured by FDIC.

Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements. Restricted cash with fiscal agent represents amounts required by debt covenant to be segregated for final year debt payment and accrued interest on the bonds.

Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as follows:

Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Transfers In" by the recipient fund, and "Transfers Out" by the disbursing fund.

On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables." These amounts are eliminated on the statement of net assets.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net assets and in the Capital Projects Fund. All capital assets are recorded at cost and updated for additions and retirements during the year. The District does not possess building infrastructure. Other capital assets consist of a laptop computer. 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.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reservations of Fund Balance

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditures in the governmental fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. Fund equity reserves have been established for encumbrances in the general and capital projects fund and for future debt service in the debt service fund. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

Net Position

Net position presents the difference between assets and liabilities in the statement of net assets. Net investment in capital assets is reduced by the outstanding balances or any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Accrued Liabilities

The District reports accrued liabilities on the statement of net position. The District has liabilities of \$0 as of December 31, 2019.

NOTE 2 – TAX REVENUES

The District's tax revenue is collected by County of Williamson, Texas, (the county) under the provisions of a tax collection agreement signed October 3, 2000. Under the agreement, the County is responsible for making the calculations necessary for the District to comply with the statutory requirements for setting tax rates as specified in Chapter 26 of the Texas Property Tax Code and collecting the appropriate tax. The County periodically remits the collected taxes to the District. The agreement may be terminated by either party on written notice, but neither party has expressed an interest in terminating the agreement.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – TAX REVENUES (Continued)

The County provided the District with written reports necessary to keep the District advised of all financial information affecting the District. The District pays the county for its tax collection activity in four equal quarterly payments, which totaled \$15,821 USD for 2019. The amount is determined by the County based on an amount per each parcel of taxable property, or account taxable by the District. The tax rate for WCESD # 9 for 2019 is \$.10 per \$100 valuation of property. The total adjusted original tax roll was \$3,680,692 on \$3,680,691,690 valuation from Williamson County. Property taxes receivable at 12/31/19 total \$1,275,331 with \$1,267,322 being current and \$8,009 being delinquent.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the District into three categories.

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds – those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited for invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds – those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

United States Treasury notes, bills, bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Deposits

At year-end the carrying amount of the District's deposits was \$2,577,509 and the bank balance was \$2,577,509. The bank balance's in excess of FDIC coverage are secured by a collateralization agreement with Wells Fargo Bank National Association that ensures that all of the Williamson County ESD #9's funds are guaranteed to be covered by collateralized securities.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Deposits (Continued)

This agreement ensures that all of Williamson County ESD #9's funds are safe and secure and no loss of funds could be realized in the event of bank failure.

NOTE 4 – GENERAL FIXED ASSETS

The District had fixed assets of \$0 consisting of a laptop computer for \$526, net of depreciation of \$526, as of December 31, 2019.

NOTE 5 – GENERAL LONG-TERM DEBT

The District has no general long-term debt as of December 31, 2019.

NOTE 6 – CONTINGENCIES

As of December 31, 2019, the District did not have any material pending litigation or potential non-disclosed liabilities.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2019					
	Budgeted Amounts			Variance with	
				Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>	
Revenues:					
Property Taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,682,925	\$ 182,925	
Other Income	-	-	-	-	
Interest Earnings	-	-	4,320	4,320	
Total Revenues	\$ 3,500,000	\$ 3,500,000	\$ 3,687,245	\$ 187,245	
Expenditures:					
Current:					
General Government	\$ 3,500,000	\$ 3,500,000	\$ 3,497,711	\$ 2,289	
Capital Outlay	-	-	-	-	
Debt Service: Interest Expense	-	-	-	-	
Total Expenditures	\$ 3,500,000	\$ 3,500,000	\$ 3,497,711	\$ 2,289	
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ -	\$ -	\$ 189,534	\$ 189,534	
Other Financing sources (Uses)					
Transfers In	-	-	-	-	
Transfers Out	\$ -	\$ -	\$ -	\$ -	
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	
Excess (Deficiency) of Revenues					
And Other Financing Sources Over					
(Under) Expenditures and					
Other Financing Sources (Uses)			\$ 189,534		
Fund Balance Beginning of Year			3,469,415		
Fund Balance End of Year			\$ 3,658,949		
GAAP Basis Fund Balance:			\$ 3,658,949		

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Process

The budgetary process is prescribed by the provisions of the Texas Constitution and entails the preparation of budgetary documents within an established timeline. Legally, the Texas Constitution does not strictly impose a requirement on the District to follow the budgetary process but the district chose to follow the budgetary process. The major documents prepared are an estimated budget with revenues and expenditures. The level of budgetary control is at the object level for the District. The budget is not amended for modifications or changes during the year. All expenditures are approved by the Board beforehand.

Estimated Resources

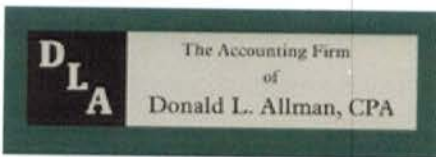
As part of the District's budgetary process, the Board approves the official estimated resources. The official estimated resources state the projected revenue for the district. The estimated revenue is calculated from information from the Williamson County Appraisal District. The budget is not revised or amended for increases or decreases in estimated revenues.

Appropriations

Estimated appropriations are prepared for the annual budget. All appropriations, no matter how small or how large, still must be approved by the Board before remittance, whether or not they were included in the budget.

Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary process, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Williamson County ESD # 9

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Williamson County ESD # 9 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Williamson County ESD # 9's basic financial statements, and have issued our report thereon dated May 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Williamson County ESD # 9's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamson County ESD # 9's internal control. Accordingly, we do not express an opinion on the effectiveness of Williamson County ESD # 9's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson County ESD #9's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donald L. Allman, CPA

Georgetown, TX
May 11, 2020