

**NOTICE TO THE PUBLIC**  
**WILLIAMSON COUNTY COMMISSIONERS COURT**  
**October 13, 2020**  
**9:30 A.M.**

The Commissioners Court of Williamson County, Texas will meet in regular session in the Commissioners Courtroom, 710 Main Street, in Georgetown, Texas to consider the following items:

1. Review and approval of minutes.
2. Hear County Auditor concerning invoices, bills, Quick Check Report, wire transfers and electronic payments submitted for payment and take appropriate action including, but not limited to approval for payment provided said items are found by the County Auditor to be legal obligations of the county.
3. Public Comment Period. The Commissioners Court will conduct a Public Comment Period to allow members of the public to address the Court regarding matters pertaining to or affecting Williamson County but that do not appear as an Agenda Item on a meeting's Agenda. During such Public Comment Period, speakers shall be limited to a maximum of two (2) minutes to make his/her remarks and the maximum overall discussion time allowed for the Public Comment Period, regardless of the number of members of the public wishing to address the Court during such period, shall be limited to ten (10) minutes. Speaking time, to the extent possible, will be evenly allocated among speakers should more than five (5) speakers desire to speak during the Public Comment Period. Please note that the members of the Court may not comment at the meeting about matters that are not on the agenda.

**CONSENT AGENDA**

The Consent Agenda includes non-controversial and routine items that the Court may act on with one single vote. The Judge or a Commissioner may pull any item from the consent agenda in order that the court discuss and act upon it individually as part of the Regular Agenda.  
( NONE )

**REGULAR AGENDA**

4. Acknowledge and record that Commissioner Valerie Covey successfully completed 10 hours of investment education that satisfies section 2256.008 of the Texas Public Funds Investment Act and related investment issues.
5. Discuss, consider and take appropriate action on accepting and receiving annual audit reports from Emergency Service Districts located within Williamson County in accordance with Health & Safety Code Sec. 775.082.
6. Discuss, consider and take appropriate action on a commitment by Williamson County to provide funding not to exceed \$15,762.00 to support the Capital Area Council of Governments (CAPCOG) Air Quality Program for fiscal year 2021; and authorize the County Judge to issue a letter to CAPCOG confirming Williamson County's funding commitment.

7. Discuss, consider and take appropriate action on funding matters relating to Coronavirus Aid, Relief, and Economic Security (CARES) Act to include, but not be limited to hearing an update on the Wilco Forward grant program, setting budget priorities in relation to remaining CARES Act funds and possible future funding and allocation plans in relation to CARES Act funds.
8. Discuss, consider and take appropriate action on the FY21 Budget Policy document.
9. Discuss, consider, and take appropriate action on awarding T1873 IFB Ronald Reagan at Silver Spur/ Ronald Reagan at Sun City to QA Construction and authorizing the execution of the agreement.
10. Discuss, consider and take appropriate action on authorizing the Purchasing Agent to advertise and receive sealed proposals for T2170 RFP Commercial Lease of Building at 303 Main Street and adjacent lot (Parking Area) at 307 Main Street, Georgetown.

### **EXECUTIVE SESSION**

***"The Commissioners Court for Williamson County reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultations with Attorney), 551.072 (Deliberations regarding Real Property), 551.073 (Deliberations regarding Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices) and 551.087 (Deliberations regarding Economic Development Negotiations)."***

11. Discuss real estate matters (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.072 Deliberation Regarding Real Estate Property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with third person.)
  - A. Real Estate Owned by Third Parties
    - Preliminary discussions relating to proposed or potential purchase or lease of property owned by third parties
    - a) Discuss the acquisition of real property for SW 183 and SH 29 Loop.
    - b) Discuss the acquisition of real property for CR 176 at RM 2243
    - c) Discuss the acquisition of real property: O'Connor Signal Project
    - d) Discuss the acquisition of real property: CR 278
    - e) Discuss the acquisition of real property for County Facilities.
    - f) Discuss the acquisition of real property for Seward Junction SE and SW Loop.
    - g) Discuss the acquisition of real property for SH 29 @ DB Wood.
    - h) Discuss the acquisition of real property for CR 366.
    - i) Discuss the acquisition of real property for N. Mays.
    - j) Discuss Somerset Road Districts No. 3 & 4 reimbursements for acquisition & construction of Reagan Blvd.
    - k) Discuss the acquisition of real property for CR 111.
    - l) Discuss the acquisition of real property for Corridor H
    - m) Discuss the acquisition of real property for future SH 29 corridor.
    - n) Discuss the acquisition of real property for the expansion of Ronald Reagan at IH 35.



- o) Discuss the acquisition of right-of-way for Corridor C.
- p) Discuss the acquisition of right-of-way for Corridor F.
- q) Discuss the acquisition of right-of-way for Corridor D.
- r) Discuss the acquisition of right-of-way for SE Loop/Corridor A.
- s) Discuss the acquisition of right-of-way for Reagan extension.
- t) Discuss the acquisition of right of way for the Great Oaks Bridge Project.
- u) Discuss the acquisition of real property for the Brushy Creek Trail Project.
- v) Discuss the acquisition of real property in conjunction with WCCF for potential parkland/bird habitat.
- x) Discuss the acquisition of drainage/detention easements for real property North of WMCO Juvenile Detention Center
- y) Discuss the acquisition of the MKT Right of Way
- B. Property or Real Estate owned by Williamson County
- Preliminary discussions relating to proposed or potential sale or lease of property owned by the County
- a) Discuss County owned real estate containing underground water rights and interests.
- b) Discuss possible sale of +/- 10 acres located on Chandler Road near the County Sheriff's Office Training Facility
- c) Potential governmental uses for 8th Street downtown parking lot
- d) Discuss possible uses of property owned by Williamson County on Main St. between 3rd and 4th Streets. (formerly occupied by WCCHD)
- e) Discuss property usage at Longhorn Junction
- f) Discuss sale of excess 183A right of way to abutting property owner.
- g) Discuss the sale of excess ROW at San Gabriel Parkway and Mel Mathis Ave.
- h) Discuss Blue Springs Boulevard
- i) Discuss county owned property located at Ed Schmidt Boulevard Hutto, Texas
- C. Consider intervention in lawsuit regarding de-listing of Bone Cave harvestman.
- D. Discuss the possible placement of agricultural-related monuments at the Williamson County Exposition Center with the participation of third parties.
- E. Discuss the Williamson County Reimbursement Agreement for Construction of San Gabriel Blvd. and New Hope Road with the City of Leander and TIRZ #1

**12.** Discussion regarding economic development negotiations pursuant to Texas Government Code, Section 551.087:

- a) Business prospect(s) that may locate or expand within Williamson County.
- b) Wolf Lakes
- c) Flint Hill Resources-Taylor Fuel Storage Terminal on CR 366
- d) Project Deliver
- e) Project Advantage
- f) Project Cedar
- g) Project Expansion
- h) Project Arcos
- i) Project Woods
- j) Project Co-Op
- k) Project Liberty
- l) Project Long Haul
- m) Project Bon Jovi
- n) Project Crystal

13. Discuss pending or contemplated litigation, settlement matters and other confidential attorney-client legal matters (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.071 consultation with attorney.), including the following:
- a) Litigation or claims or potential litigation or claims against the County or by the County
  - b) Status Update-Pending Cases or Claims;
  - c) Employee/personnel related matters
  - d) Other confidential attorney-client matters, including contracts and certain matters related to county defense issues in which the duty of the attorney to the governmental body within the attorney/client relationship clearly conflicts with Chapter 551 of the Texas Government Code.
  - e) Civil Action; American Stewards of Liberty, et al. v. David Bernhardt, et al., In the Western District Court, Western District of Texas, Austin Division.
  - f) Civil Action No. 1:18-CV-49, Troy Mansfield v. Williamson County, In The United States District Court for the Western District of Texas, Austin Division.
  - g) Cause No. 18-0903-C425/Court of Appeals Number: 01-19-00025-CV; Dee Hobbs, Williamson County Attorney v. Bill Gravell, Jr., Williamson County Judge, and Terry Cook, Cynthia Long, Valerie Covey and Russ Boles, County Commissioners; In the 425th District Court of Williamson County, Texas
  - h) Cause No. 19-0850-C368; County of Williamson vs. Purdue Pharma, LP et al., In the District Court of Williamson County, Texas.
  - i) Civil Action No. 1:17-cv-01114-LY, Elizabeth Saucedo and Tettus Davis v. Jonathon Hodgkiss, In The United States District Court for the Western District of Texas, Austin Division.
  - j) Case No. 19-0466-CC1; Billy Baskett v. Williamson County Sheriff's Office et. al; In the County Court at Law No. 1 of Williamson County, Texas.
  - k) Cause No. 1:18-CV-0198; Officer Mary Teague v. Williamson County, Travis County and City of Giddings, In the United States District Court for the Western District of Texas, Austin Division
  - l) D-1-GN-19-005511; Brian Johns v. Williamson County, Texas; In the 53rd Judicial District Court of Travis County, Texas
  - m) Civil Action No. 1:19-CV-1163; Amanda McCoy v. Williamson County, Texas et al., In the United States District Court for the Western District of Texas Austin Division.
  - n) Claim of Regina Wright.
  - o) Cause No. 19-0406-C368; Anthony Garcia and Victoria Garcia et al. v. Stephen Wade Freeman et al. v. Wayne Finch et al.; In the 368th District Court of Williamson County, Texas.
  - p) Civil Action No. 1:20-CV-00062; Jaivonte Roberts v. Williamson County, Texas et al., In the United States District Court for the Western District of Texas Austin Division.
  - q) Case: 1:20-CV-255-LY; Jay Kreper v. Williamson County et al.; In the United States District Court for the Western District of Texas, Austin Division.
  - r) Cause No. 20-0752-C26; County of Williamson, by and through the Williamson County Commissioners Court v. Robert Chody, Individually and in his Official Capacity as Sheriff of Williamson County; In the 26th District Court of Williamson County, Texas.
  - s) Legal matters relating to Javier Ambler.
  - t) Case 1:20-cv-00927-LY; Heather Vargas v. Williamson County, Texas; In The United States District Court for the Western District Of Texas Austin Division.

- u) Case No. 1:20-CV-00842; SonWest Co. v. J. TERRON EVERSTON, in his official capacity as Williamson County Engineer, et al.; In the United States District Court for the Western District of Texas, Austin Division.
- v) Civil Action No. 1:20-cv-836; Elizabeth Firey v. Williamson County, In The United States District Court for the Western District Of Texas Austin Division.
- w) Cause No. 20-1213-C368; Michael Klier v. Williamson County; In the 368th Judicial District Court of Williamson County, Texas.
- x) Cause No. 3SC-20-0114; City Of Leander, by and through Texas Municipal League Intergovernmental Risk Pool As Subrogee, v. Williamson County; In The Justice Court Precinct 3 of Williamson County, Texas.

14. Deliberate the appointment, employment, evaluation, reassignment, duties, discipline and/or dismissal of Williamson County officers, directors, employees and/or positions, including but not limited to conducting deliberation and discussion pertaining to annual reviews of department heads and appointed officials (Executive Session as per Tex. Gov. Code Section 551.074 – Personnel Matters).

#### REGULAR AGENDA (continued)

15. Discuss and take appropriate action concerning economic development.
16. Discuss and take appropriate action concerning real estate.
17. Discuss pending or contemplated litigation, settlement matters and other confidential attorney-client legal matters (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.071 consultation with attorney.), including the following:
  - a) Litigation or claims or potential litigation or claims against the County or by the County
  - b) Status Update-Pending Cases or Claims;
  - c) Employee/personnel related matters
  - d) Other confidential attorney-client matters, including contracts and certain matters related to county defense issues in which the duty of the attorney to the governmental body within the attorney/client relationship clearly conflicts with Chapter 551 of the Texas Government Code.
  - e) Civil Action; American Stewards of Liberty, et al. v. David Bernhardt, et al., In the Western District Court, Western District of Texas, Austin Division.
  - f) Civil Action No. 1:18-CV-49, Troy Mansfield v. Williamson County, In The United States District Court for the Western District of Texas, Austin Division.
  - g) Cause No. 18-0903-C425/Court of Appeals Number: 01-19-00025-CV; Dee Hobbs, Williamson County Attorney v. Bill Gravell, Jr., Williamson County Judge, and Terry Cook, Cynthia Long, Valerie Covey and Russ Boles, County Commissioners; In the 425th District Court of Williamson County, Texas
  - h) Cause No. 19-0850-C368; County of Williamson vs. Purdue Pharma, LP et al., In the District Court of Williamson County, Texas.
  - i) Civil Action No. 1:17-cv-01114-LY, Elizabeth Saucedo and Tettus Davis v. Jonathon Hodgkiss, In The United States District Court for the Western District of Texas, Austin Division.
  - j) Case No. 19-0466-CC1; Billy Baskett v. Williamson County Sheriff's Office et. al;

In the County Court at Law No. 1 of Williamson County, Texas.

k) Cause No. 1:18-CV-0198; Officer Mary Teague v. Williamson County, Travis County and City of Giddings, In the United States District Court for the Western District of Texas, Austin Division

l) D-1-GN-19-005511; Brian Johns v. Williamson County, Texas; In the 53rd Judicial District Court of Travis County, Texas

m) Civil Action No. 1:19-CV-1163; Amanda McCoy v. Williamson County, Texas et al., In the United States District Court for the Western District of Texas Austin Division.

n) Claim of Regina Wright.

o) Cause No. 19-0406-C368; Anthony Garcia and Victoria Garcia et al. v. Stephen Wade Freeman et al. v. Wayne Finch et al.; In the 368th District Court of Williamson County, Texas.

p) Civil Action No. 1:20-CV-00062; Jaivonte Roberts v. Williamson County, Texas et al., In the United States District Court for the Western District of Texas Austin Division.

q) Case: 1:20-CV-255-LY; Jay Kreper v. Williamson County et al.; In the United States District Court for the Western District of Texas, Austin Division.

r) Cause No. 20-0752-C26; County of Williamson, by and through the Williamson County Commissioners Court v. Robert Chody, Individually and in his Official Capacity as Sheriff of Williamson County; In the 26th District Court of Williamson County, Texas.

s) Legal matters relating to Javier Ambler.

t) Case 1:20-cv-00927-LY; Heather Vargas v. Williamson County, Texas; In The United States District Court for the Western District Of Texas Austin Division.

u) Case No. 1:20-CV-00842; SonWest Co. v. J. TERRON EVERSTON, in his official capacity as Williamson County Engineer, et al.; In the United States District Court for the Western District of Texas, Austin Division.

v) Civil Action No. 1:20-cv-836; Elizabeth Firey v. Williamson County, In The United States District Court for the Western District Of Texas Austin Division.

w) Cause No. 20-1213-C368; Michael Klier v. Williamson County; In the 368th Judicial District Court of Williamson County, Texas.

x) Cause No. 3SC-20-0114; City Of Leander, by and through Texas Municipal League Intergovernmental Risk Pool As Subrogee, v. Williamson County; In The Justice Court Precinct 3 of Williamson County, Texas.

- 18.** Discuss, consider and take appropriate action regarding the appointment, employment, evaluation, reassignment, duties, discipline and/or dismissal of Williamson County officers, directors or employees, including but not limited to any necessary action pertaining to conducting annual reviews of department heads and appointed officials.

- 19.** Comments from Commissioners.

---

Bill Gravell, Jr., County Judge

This notice of meeting was posted in the locked box located on the south side of the Williamson County Courthouse, a place readily accessible to the general public at all times, on the 8th day of October 2020 at 5:00 P.M. and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.



**Commissioners Court - Regular Session****4.****Meeting Date:** 10/13/2020

Continuing Education Texas Public Funds Investment Act

**Submitted For:** Valerie Covey**Submitted By:** Debra Babcock,  
Commissioner  
Pct. #3**Department:** Commissioner Pct. #3**Agenda Category:** Regular Agenda Items

---

**Information****Agenda Item**

Acknowledge and record that Commissioner Valerie Covey successfully completed 10 hours of investment education that satisfies section 2256.008 of the Texas Public Funds Investment Act and related investment issues.

**Background**

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

Investment Act CE Valerie Covey

---

**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Debra Babcock

Final Approval Date: 10/06/2020

**Reviewed By**

Andrea Schiele

**Date**

10/06/2020 01:54 PM

Started On: 10/06/2020 08:58 AM

University of North Texas Center for Public Management  
and  
Government Treasurers' Organization of Texas

Co Sponsored by City of Abilene

Certificate of Attendance  
presented to

*Valerie R. Covey*

For completion of training on the Texas Public Funds Investment Act and related investment issues

September 10, 2020..... 5 hours  
September 11, 2020..... 5 hours

Abilene, Texas

**Commissioners Court - Regular Session****5.****Meeting Date:** 10/13/2020

Emergency Service Districts Annual Audit Reports

**Submitted For:** Bill Gravell**Submitted By:** Melissa Goins, County Judge**Department:** County Judge**Agenda Category:** Regular Agenda Items

---

**Information****Agenda Item**

Discuss, consider and take appropriate action on accepting and receiving annual audit reports from Emergency Service Districts located within Williamson County in accordance with Health & Safety Code Sec. 775.082.

**Background**

The Emergency Services Districts located in Williamson County are submitting their annual audit reports in accordance with: Health & Safety Code Sec. 775.082. Audit of District in Less Populous Counties. (b) A district shall prepare and file with the commissioners court of each county that contains any part of the district on or before June 1 of each year an audit report of the district's fiscal accounts and records. The audit shall be performed and the report shall be prepared at the expense of the district. The county auditor, with the approval of the commissioners court, shall adopt rules relating to the format of the audit and report. If a district is located in more than one county, the county auditors, with the approval of the commissioners court of each county in which the district is located, shall adopt uniform rules relating to the format of the audit and report.

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

ESD #1 - Jollyville  
ESD #2 - Sam Bass  
ESD #3 - Hutto  
ESD #4 - Liberty Hill  
ESD #5 - Jarrell  
ESD #6 - Weir  
ESD #7 - Florence  
ESD #8 - Georgetown  
ESD #9 - Round Rock  
ESD #10 - Coupand-Thrall  
ESD #11 - Cedar Park  
ESD #12 - Cedar Park

---

**Form Review****Inbox**

County Judge Exec Asst. (Originator)

**Reviewed By**

Andrea Schiele

**Date**

10/08/2020 08:14 AM



Form Started By: Melissa Goins  
Final Approval Date: 10/08/2020

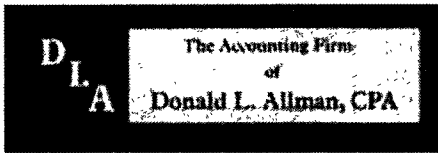
Started On: 09/03/2020 03:52 PM

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**  
**AUDITED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL SCHEDULES**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**

**TABLE OF CONTENTS**

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17- 24
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) General Fund	25
Notes to Required Supplementary Information	26
<i>Government Auditing Standards</i> Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with No Material Weaknesses, Significant Deficiencies, or Reportable Instances of Noncompliance or Other Matters Identified	27-28



Donald L. Allman, CPA, PC  
4749 Williams Dr., Ste 332  
Georgetown, Texas 78633  
Phone 512-422-3700  
Fax 512-240-5460  
Email dallman@donallmancpa.com

---

## **Independent Auditor's Report**

To the Board of Directors  
Williamson County Emergency Services District No. 1

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. 1 ("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. 1 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 7, 2020

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Our discussion and analysis of the Williamson County Emergency Services District No. 1'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 11.

**FINANCIAL HIGHLIGHTS**

Total net position increased \$70,039 from 2019.

The District had \$2,457,316 in expenses related to governmental activities with \$2,527,355 in program revenues to cover the cost of these programs. Excess funds increase the reserve balance.

**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 11-12) 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 13. 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 11. 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.

These two statements report the District's net position and changes in that. 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 13. The Fund financial statements begin on page 13 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 the 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 17-24 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 25-26 of this report.

## THE DISTRICT AS A WHOLE

The District's total net position changed from a year ago, increasing from \$8,759,545 to \$8,829,584. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

Net position of the District's activities increased 0.8% or \$70,039. 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 \$6,617,074 to \$6,147,726. Restricted Fund Balance remained \$1,000,000.

**Table 1**  
**Summary of Net Position**

	2019	2018	\$ Change	% Change
Cash and Current Assets	\$ 6,705,996	\$ 6,308,090	\$ 397,906	6.3%
Property & Sales Taxes Rec.	911,078	842,514	\$ 68,564	100.0%
Capital Assets	1,212,510	1,611,819	(399,309)	-24.8%
Total Assets	\$ 8,829,584	\$ 8,762,423	\$ 67,161	0.8%
Current Liabilities	\$ -	\$ 2,878	\$ (2,878)	-100.0%
Long-Term Obligations	-	-	-	0.0%
Total Liabilities	\$ -	\$ 2,878	\$ (2,878)	-100.0%
Net Position:				
Net Investment in Capital				
Assets	\$ 1,212,510	\$ 1,611,819	\$ (399,309)	-24.8%
Restricted	1,000,000	1,000,000	-	0.0%
Unrestricted	6,617,074	6,147,726	469,348	7.6%
Total Net Assets	\$ 8,829,584	\$ 8,759,545	\$ 70,039	0.8%



**Table 2**  
**Summary of Changes in Net Position for 2019**  
**Compared With 2018 Activity**

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Program Revenues:				
Property Taxes	\$ 1,746,976	\$ 1,659,589	\$ 87,387	5.3%
Sales Taxes	657,731	496,173	161,558	32.6%
Wilco Revenues	12,999	12,537	462	3.7%
Other income	59,784	149,352	(89,568)	-60.0%
Interest & Investment Income	49,865	22,899	26,966	117.8%
Total Revenues	<u>\$ 2,527,355</u>	<u>\$ 2,340,550</u>	<u>\$ 186,805</u>	<u>8.0%</u>
Program Expenses:				
General Government	\$ 2,453,630	\$ 1,958,362	\$ (495,268)	25.3%
Other (Income)/Expense	<u>3,686</u>	<u>7,895</u>	<u>4,209</u>	
Total Expenses	<u>\$ 2,457,316</u>	<u>\$ 1,966,257</u>	<u>\$ (491,059)</u>	<u>25.0%</u>
Net Position				
Increase / (Decrease)	<u>\$ 70,039</u>	<u>\$ 374,293</u>	<u>\$ (304,254)</u>	<u>-81.3%</u>

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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General Government	\$ 2,453,630	\$ 1,958,362	\$ 2,453,630	\$ 1,958,362
Other Expense	<u>3,686</u>	<u>7,895</u>	<u>3,686</u>	<u>7,895</u>
Total Expenses	<u>\$ 2,457,316</u>	<u>\$ 1,966,257</u>	<u>\$ 2,457,316</u>	<u>\$ 1,966,257</u>

The increase in general government expenses from 2018 to 2019 of \$491,059 can be attributed to increases in the Jollyville VFD contract.

## THE DISTRICT'S FUND'S

**Table 4**  
**Change In Year End Fund Balance**

	2019	2018	\$ Change	% Change
Net Investment in Capital Asset:	\$ 1,212,510	\$ 1,611,819	\$ (399,309)	-24.8%
Restricted	1,000,000	1,000,000	-	0.0%
Unrestricted	6,617,074	6,147,726	469,348	7.6%
Total Governmental Balances	\$ 8,829,584	\$ 8,759,545	\$ 70,039	0.8%

The 24.8% decrease in Capital Assets is due to depreciation. Restricted net assets remain \$1,000,000 due to the Board of Directors not incorporating any changes.

The 7.6% increase in the Unrestricted fund balance can be attributed to increased property tax revenues.

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**

Revenue Source	2019	% of Total	Increase or (Decrease) Over 2018	% Increase / (Decrease)
Property taxes	1,746,976	69.1%	87,387	5.3%
Sales taxes	657,731	26.0%	161,558	32.6%
Other income	59,784	2.37%	(89,568)	-714.4%
Wilco Income	12,999	0.5%	462	3.7%
Investment Income	49,865	2.0%	26,966	117.8%
Total	\$ 2,527,355	100.0%	\$ 186,805	8.0%

The 5.3% increase in Property Tax revenues is primarily due to increases in the property tax base, the tax rate did not change.

The 32.6% increase in sales taxes is primarily due to a decrease in sales revenues in the area. Interest rates decreased slightly, and continue to stay low, and did not fluctuate significantly during the year.

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>
<b>Revenues:</b>			
Property Taxes	\$ 1,635,387	\$ 1,635,387	\$ -
Sales Taxes	500,000	500,000	
Wilco Income	12,537	12,537	-
Interest Income	-	-	-
Other Income	-	-	-
<b>Total Revenues</b>	<u><u>\$ 2,147,924</u></u>	<u><u>\$ 2,147,924</u></u>	<u><u>\$ -</u></u>
<b>Expenditures:</b>			
Current:			
Contracts for EMS & Firefighting	\$ 1,535,500	\$ 1,535,500	\$ -
Insurance	48,200	48,200	-
Utilities	19,000	19,000	
Diesel, Gasoline & Oil	12,500	12,500	
Vehicle maintenance & repair	20,000	20,000	
County Appraisal District cost	9,000	9,000	
County Tax Assessor-Collector	3,000	3,000	
Audit cost & Legal fees&Sales tax	13,000	13,000	
Building repair, maintenance, equip	39,100	39,100	
Investment Advisory Agreement	1,800	1,800	
Training & other expenses	36,850	36,850	
<b>Total Expenditures</b>	<u><u>\$ 1,737,950</u></u>	<u><u>\$ 1,737,950</u></u>	<u><u>\$ -</u></u>
<b>Excess (Deficiency) of</b>			
<b>Revenues Over (Under)</b>			
<b>Expenditures</b>	<u><u>\$ 409,974</u></u>	<u><u>\$ 409,974</u></u>	<u><u>\$ -</u></u>
<b>Original versus Final Budget</b>			

There were no differences between original and final budgeted amounts for 2019.

**Final Budget versus Actual Results**

The variance in **Property Tax** revenues is due to the District decreasing its overall property value due to annexation.

The variance in **General Government** expenditures is due to the increase in the contract services.

**Table 7**

**Final Budget Versus Actual Results  
General Fund**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Property Taxes	\$ 1,635,387	\$ 1,746,976	\$ 111,589
Sales Taxes	500,000	657,731	157,731
Wilco Income	12,537	12,999	462
Investment Income	-	49,865	49,865
Other Income	-	59,784	59,784
<b>Total Revenues</b>	<u><b>\$ 2,147,924</b></u>	<u><b>\$ 2,527,355</b></u>	<u><b>\$ 379,431</b></u>

**Final Budget Versus Actual Results****Expenditures:**

Contracts for EMS & Firefighting	\$ 1,535,500	\$ 1,748,016	\$ (212,516)
Miscellaneous	31,750	7,108	\$ 24,642
Insurance	48,200	52,870	(4,670)
Utilities & communications	19,000	25,025	(6,025)
Diesel, Gasoline & Oil	12,500	16,025	(3,525)
Vehicle maintenance & repair	20,000	28,590	(8,590)
Training	\$ 5,100	9,933	(4,833)
County Appraisal District cost	\$ 9,000	9,996	(996)
County Tax Assessor-Collector	3,000	-	3,000
Audit, Legal, Sales Tax, Admin	13,000	60,087	(47,087)
Building repair, maintenance, equip	39,100	98,348	(59,248)
Depreciation	-	399,518	(399,518)
Investment Advisor, Sales Tax	1,800	1,800	-
<b>Total Expenditures</b>	<u><b>\$ 1,737,950</b></u>	<u><b>\$ 2,457,316</b></u>	<u><b>\$ (719,366)</b></u>

**Excess (Deficiency) of  
Revenues Over (Under)**

<b>Expenditures</b>	<u><b>\$ 409,974</b></u>	<u><b>\$ 70,039</b></u>	<u><b>\$ (339,935)</b></u>
---------------------	--------------------------	-------------------------	----------------------------

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At year-end, the District had \$1,212,510 invested in equipment, trucks and building. This amount represents a \$399,309, net decrease over the last year, which is due to depreciation.

### **Debt Administration**

At fiscal year-end, the District had \$0 in loans payable or long-term debt outstanding.

## **ECONOMIC FACTORS**

The District operates solely in Williamson County and has since its inception. About 69% 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. The City of Austin is annexing parts of the WCESD # 1 service area which could decrease property tax revenues.

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. The additional apparatus and equipment are vital to providing the best fire protection and EMT services to the citizens of the District.

## **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 this report or requests for additional information should be addressed to the Office of the Treasurer, 9218 Anderson Mill Road, Austin, TX 78729.

Treasurer  
Williamson County Emergency Services District # 1

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2019**

**Assets:**

Current Assets:

Cash and Cash Equivalents	\$ 6,705,996
Property Taxes & Sales Tax Receivable	911,078
	<hr/>
Total Current Assets	\$ 7,617,074

Non-Current Assets:

Capital Assets:

Building, Equipment & Trucks, Net of Accumulated Depreciation	\$ 1,212,510
	<hr/>
Total Non-Current Assets	\$ 1,212,510

<b>Total Assets</b>	<b>\$ 8,829,584</b>
---------------------	---------------------

**Liabilities:**

Current Liabilities:

Accounts Payable	\$ -
Unearned Revenue-Property Taxes	-
Payroll Taxes, Insurance & Retirement Payable	-
Current Portion of Long-Term Debt	-
	<hr/>
<b>Total Current Liabilities</b>	<b>\$ -</b>

Non-Current Liabilities:

Notes & Leases Payable	\$ -
	<hr/>
<b>Total Liabilities</b>	<b>\$ -</b>

**Net Position:**

Net Investment in Capital Assets	\$ 1,212,510
Restricted for Debt Service, Fire Station, Apparatus & Regular Reserve	1,000,000
Unrestricted	6,617,074
	<hr/>
<b>Total Net Position</b>	<b>\$ 8,829,584</b>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>	<b><u>Net Revenue and Change in Net Position Primary Government Governmental Activities</u></b>
Governmental Activities:			
General Government	2,453,630	\$ 2,464,491	\$ 10,861
Other Income/Expense	3,686	-	(3,686)
Total Governmental Activities	<u>\$ 2,457,316</u>	<u>\$ 2,464,491</u>	<u>\$ 7,175</u>
General Revenues:			
Unrestricted Interest Earnings			\$ 49,865
Wilco Revenues			<u>12,999</u>
Total General Revenues			<u>\$ 62,864</u>
Change in Net Position			\$ 70,039
Net Position - Beginning			<u>8,759,545</u>
Prior Period Adjustment			<u>-</u>
Net Position - Ending			<u>\$ 8,829,584</u>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**DECEMBER 31, 2019**

	<b>General</b>	<b>Total Governmental Funds</b>
<b><u>Assets:</u></b>		
Cash and Cash Equivalents	\$ 6,705,996	\$ 6,705,996
Property & Sales Taxes Receivable	911,078	\$ 911,078
<b>Total Assets</b>	<b>\$ 7,617,074</b>	<b>\$ 7,617,074</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ -	\$ -
Unearned Revenue Property Tax	855,158	855,158
Payroll Taxes, Insurance & Retirement Payable	-	-
<b>Total Liabilities</b>	<b>\$ 855,158</b>	<b>\$ 855,158</b>
<b>Fund Balances</b>		
Nonspendable	\$ -	\$ -
Restricted		
Unassigned	6,761,916	6,761,916
<b>Total Fund Balances</b>	<b>\$ 6,761,916</b>	<b>\$ 6,761,916</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,617,074</b>	<b>\$ 7,617,074</b>

See accompanying notes to financial statements.



**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET  
ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2019**

Total fund balance – total governmental funds	\$ 6,761,916
---	--------------

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

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	\$ 1,212,510
---	--------------

The current portion of property taxes receivable is not included in governmental activities due to receivables not being included in governmental activities.	\$ -
---	------

Unearned Revenues are not reported in governmental funds	\$ 855,158
--	------------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	\$ -
--	------

Net position of governmental activities	<u>\$ 8,829,584</u>
---	---------------------

See accompanying notes to financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS**

**DECEMBER 31, 2019**

	<b>General</b>	<b>Total Governmental Funds</b>
<b><u>Revenues:</u></b>		
Property Taxes	\$ 1,693,713	\$ 1,693,713
Sales Taxes	657,731	657,731
Wilco Revenues	12,999	12,999
Miscellaneous	59,784	59,784
Interest Earnings	49,865	49,865
<b>Total Revenues</b>	<b>\$ 2,474,092</b>	<b>\$ 2,474,092</b>
<b><u>Expenditures:</u></b>		
Current:		
General Government	\$ 2,058,007	\$ 2,058,007
Capital Outlay	-	-
Debt Service:		
Principal	-	-
Interest	-	-
<b>Total Expenditures</b>	<b>\$ 2,058,007</b>	<b>\$ 2,058,007</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 416,085</b>	<b>\$ 416,085</b>
<b>Other Expenses</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 416,085</b>	<b>\$ 416,085</b>
<b>Fund Balances - Beginning</b>	<b>\$ 6,345,831</b>	<b>\$ 6,345,831</b>
<b>Fund Balances - Ending</b>	<b>\$ 6,761,916</b>	<b>\$ 6,761,916</b>

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	\$ 416,085
---	------------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation (399,309) was more than capital outlays (0) in the current period.	\$ (399,309)
--	--------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes not collected	\$ 855,158
Less: Prior year	801,895
Balance	\$ 53,263

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	\$ -
--	------

Prior Period Adjustment	\$ -
-------------------------	------

Changes in net position of governmental activities	\$ 70,039
--	-----------

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Williamson County Emergency Services District No. 1 (the District) is a governmental unit of the State of Texas that was formed in September of 1995. The entity is responsible for providing fire and emergency services in Williamson County, Texas. The District provides fire and emergency medical services to a certain geographic portion of Williamson County including Jollyville, Texas, an unincorporated area located in Williamson County. The District was created and operates under Article III, Section 48-3, of the Texas Constitution for the protection of human life and health as provided by that Act. The District's operations are governed by the Texas Health and Safety Code, Chapter 775 Emergency Services Districts.

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.

B. Government-wide and fund financial statements

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

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 primarily consist of Ad Valorem taxes received from the County's appraisal district.

C. 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.

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 60 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. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental 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.

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. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**C. Cash and Cash Equivalents**

Y

Cash and equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. During 2018-2019, cash and cash equivalents accounts were limited to Frost Bank, and Certificates of Deposit with East West Bank. The District also has investments with TexPool, Federal Agency Coupon Securities, and Commercial Paper.

**D. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements. The District's Board of Directors voted to establish reserve and restricted accounts in 2012-2013 for Equipment and Contingencies in the amounts of \$500,000 each. Another \$500,000 is reserved for Debt Service and the Fire Station Reserve, and WCESD # 1 currently does not have any outstanding debt.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net position and in the General Fund. All capital assets are recorded at cost and updated for additions and retirements during the year. The District does possess building infrastructure. Other capital assets consist of fire-fighting & EMT equipment and fire trucks. 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.

**F. 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 Equipment and Contingencies. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

**G. Net Position**

Net Position presents the difference between assets and liabilities in the statement of net assets. Net position invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

**H. 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.

**I. Accrued Liabilities**

The District reports accrued liabilities on the statement of net assets. The District reports accounts payable of \$0 during 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 September, 1995. 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. The County provides the District with written reports necessary to keep the District advised of all financial information affecting the District. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The District pays the County for its tax collection activity in four quarterly payments, which totaled \$9,996 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 # 1 for 2019 is \$.10 per \$100 valuation of property. The total adjusted original tax roll was \$1,746,976 on \$174,697,587 valuation. Property taxes receivable at 12/31/19 total \$855,158 with \$846,854 being current and \$8,504 being delinquent.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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 or 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. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**A. Deposits**

At year-end the carrying amount of the District's deposits was \$6,705,996 and the bank balance was \$6,706,981. Federal depository insurance coverage totals \$250,000. The deposits were classified as category 1, collateralized, as defined by GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements. Securities pledged as collateral for Williamson County Emergency Services District No. 1 at December 31, 2019 totaled \$6,710,182.

**NOTE 4 - GENERAL FIXED ASSETS**

A summary of changes in general fixed assets for the year ended December 31, 2019:

Property & Equipment	At 12/31/19
Anderson Mill Renovations	1,416,163.00
Anderson Mill Station	333,076.00
Portable Building	7,508.00
Trucks & Equipment	3,633,927.00
Furniture & Fixtures	54,375.00
Land, Anderson Mill Road	10.00
Accumulated Depreciation	<u>(4,232,549.00)</u>
Net Property & Equipment	<u>1,212,510.00</u>

Depreciation expense for the year ended 12/31/19 was \$399,309.

**NOTE 5 - 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. 1**

**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 Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 1,635,387	\$ 1,635,387	\$ 1,746,976	\$ 111,589
Sales Taxes	500,000	500,000	657,731	157,731
Other Income	-	-	59,784	59,784
Wilco Income	12,537	12,537	12,999	462
Investment Earnings	-	-	49,865	49,865
<b>Total Revenues</b>	<b>\$ 2,147,924</b>	<b>\$ 2,147,924</b>	<b>\$ 2,527,355</b>	<b>\$ 379,431</b>
<b>Expenditures:</b>				
Current:				
General Government	\$ 1,737,950	\$ 1,737,950	\$ 2,457,316	\$ (719,366)
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,737,950</b>	<b>\$ 1,737,950</b>	<b>\$ 2,457,316</b>	<b>\$ (719,366)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 409,974</b>	<b>\$ 409,974</b>	<b>\$ 70,039</b>	<b>\$ (339,935)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ 409,974</b>	<b>\$ 409,974</b>	<b>\$ 70,039</b>	
<b>Fund Balances - Beginning</b>	<b>\$ 8,759,545</b>	<b>\$ 8,759,545</b>	<b>\$ 8,759,545</b>	
<b>Fund Balances - Ending</b>	<b>\$ 9,169,519</b>	<b>\$ 9,169,519</b>	<b>\$ 8,829,584</b>	

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 1**

**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.

**1. Estimated Resources**

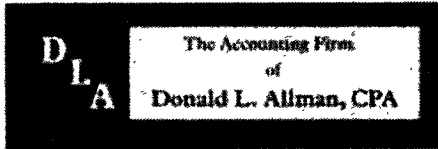
As part of the District's budgetary process, the Board approves the official estimated resources. The official estimated resources state the projected revenue for the District. The estimated revenue is calculated from information from the Williamson County Appraisal District. The budget is not revised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

**2. 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.

**3. 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. See page 14 for a reconciliation between governmental funds and GAAP basis net equity fund balance.



Donald L. Allman, CPA, PC  
205 E. University Ave. Ste 165  
Georgetown, Texas 78626  
Phone 512-422-3700  
Fax 512-240-5460  
Email: dallman@donallmancpa.com

---

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 # 1

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 # 1 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Williamson County ESD # 1's basic financial statements, and have issued our report thereon dated May 7, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Williamson County ESD # 1'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 # 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Williamson County ESD # 1'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.

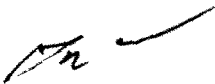
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 #1'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 7, 2020

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

**WILLIAMSON COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2019**

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
Certified Public Accountants





**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

**WILLIAMSON COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2019**



## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	10
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	11
NOTES TO THE FINANCIAL STATEMENTS	12-23
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	25
OTHER SUPPLEMENTARY INFORMATION	
COMPUTATION OF NET LONG-TERM DEBT PER CAPITA	27
LISTING OF THE NUMBER OF EMERGENCY RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT	28
SCHEDULE OF INSURANCE AND BONDING COVERAGE	29
STATEMENT OF ACTIVITIES – SAM BASS FIRE DEPARTMENT	30
TAXES LEVIED AND RECEIVABLE	31-32
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES – GENERAL FUND – FIVE YEARS	33-34
BOARD OF COMMISSIONERS AND CONSULTANTS	35-36



**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

13100 Wortham Center Drive  
Suite 235  
Houston, Texas 77065-5610  
(713) 462-0341  
Fax (713) 462-2708  
E-Mail: [mgsb@mgsbpllc.com](mailto:mgsb@mgsbpllc.com)

9600 Great Hills Trail  
Suite 150W  
Austin, Texas 78759  
(512) 610-2209  
[www.mgsbpllc.com](http://www.mgsbpllc.com)

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Williamson County Emergency  
Services District No. 2  
Williamson County, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Williamson County Emergency Services District No. 2 (the "District"), as of and for the year ended December 31, 2019, 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**

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 and major fund of the District as of December 31, 2019, 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**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

April 30, 2020





**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Management's discussion and analysis of Williamson County Emergency Services District No. 2's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective like that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all the District's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, property tax revenues, costs of assessing and collecting taxes, and general expenditures.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund financial statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). The budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$5,456,602 as of December 31, 2019.

A portion of the District's net position reflects its net investment in capital assets (buildings, vehicles and equipment less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide for firefighting and emergency services.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of government-wide changes in net position:

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2019</u>	<u>2018</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 6,369,424	\$ 6,277,489	\$ 91,935
Capital Assets (Net of Accumulated Depreciation)	<u>7,153,548</u>	<u>7,253,087</u>	<u>(99,539)</u>
Total Assets	\$ 13,522,972	\$ 13,530,576	\$ (7,604)
Long -Term Liabilities	\$ 4,477,725	\$ 4,709,668	\$ 231,943
Other Liabilities	<u>281,427</u>	<u>511,165</u>	<u>229,738</u>
Total Liabilities	\$ 4,759,152	\$ 5,220,833	\$ 461,681
Deferred Inflows of Resources	<u>\$ 3,307,218</u>	<u>\$ 3,172,410</u>	<u>\$ (134,808)</u>
Net Position:			
Net Investment in Capital Assets	\$ 2,443,880	\$ 2,873,141	\$ (429,261)
Unrestricted	<u>3,012,722</u>	<u>2,264,192</u>	<u>748,530</u>
Total Net Position	<u>\$ 5,456,602</u>	<u>\$ 5,137,333</u>	<u>\$ 319,269</u>

The following table provides a summary of the District's operations for the years ended December 31, 2019, and December 31, 2018.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 3,167,247	\$ 3,013,457	\$ 153,790
Mutual Aid Revenues	27,057	26,083	974
Other Revenues	<u>114,639</u>	<u>108,215</u>	<u>6,424</u>
Total Revenues	\$ 3,308,943	\$ 3,147,755	\$ 161,188
Expenses for Services	<u>2,989,674</u>	<u>2,500,363</u>	<u>(489,311)</u>
Change in Net Position	\$ 319,269	\$ 647,392	\$ (328,123)
Net Position, Beginning of Year	<u>5,137,333</u>	<u>4,489,941</u>	<u>647,392</u>
Net Position, End of Year	<u>\$ 5,456,602</u>	<u>\$ 5,137,333</u>	<u>\$ 319,269</u>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's General Fund fund balance as of December 31, 2019, was \$3,030,911, an increase of \$187,301 from the prior year. This increase was primarily due to property tax revenues and operating revenues exceeding operating expenditures and capital costs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Commissioners amended the budget during the current fiscal year, increasing expected other expenditures. Actual revenues were \$167,930 more than budgeted revenues. Actual expenditures were \$570,791 less than budgeted expenditures.

**CAPITAL ASSETS**

Capital assets as of December 31, 2019, total \$7,153,548 (net of accumulated depreciation) and include buildings, vehicles and equipment. Significant capital asset events during the current fiscal year included completed construction of Fire Station No. 3 and the 2019 Pierce Pumper.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2019	2018	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 209,694	\$ 209,694	\$
Construction in Progress		5,548,425	(5,548,425)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	5,999,544	1,206,749	4,792,795
Firefighting Vehicles and Equipment	944,310	288,219	656,091
Total Net Capital Assets	<u>\$ 7,153,548</u>	<u>\$ 7,253,087</u>	<u>\$ (99,539)</u>

Additional information on the District's capital assets can be found in Note 6 of this report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**LONG-TERM DEBT ACTIVITY**

At the end of the current fiscal year, the District had total long-term debt payable of \$4,709,668. The changes in the debt position of the District during the fiscal year ended December 31, 2019, are summarized as follows:

Capital Lease Payable, January 1, 2019	\$ 584,845
Less: Capital Lease Principal Paid	<u>66,591</u>
Capital Lease Payable, December 31, 2019	<u><u>\$ 518,254</u></u>
Notes Payable, January 1, 2019	\$ 4,348,725
Less: Note Principal Paid	<u>157,311</u>
Notes Payable, December 31, 2019	<u><u>\$ 4,191,414</u></u>

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Williamson County Emergency Services District No. 2, 16248 Great Oaks Drive, Round Rock, TX 78681.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2019**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash	\$ 4,500	\$	\$ 4,500
Investments	5,189,222		5,189,222
Receivables:			
Property Taxes	1,127,545		1,127,545
Penalty and Interest on Delinquent Taxes		10,915	10,915
Accrued Interest	32,338		32,338
Prepaid Costs	4,904		4,904
Land		209,694	209,694
Capital Assets (Net of Accumulated Depreciation)		6,943,854	6,943,854
<b>TOTAL ASSETS</b>	<u>\$ 6,358,509</u>	<u>\$ 7,164,463</u>	<u>\$ 13,522,972</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,648	\$	\$ 2,648
Accrued Interest Payable		46,836	46,836
Long-Term Liabilities:			
Capital Leases Payable Within One Year		68,356	68,356
Capital Leases Payable After One Year		449,898	449,898
Notes Payable Within One Year		163,587	163,587
Notes Payable After One Year		4,027,827	4,027,827
<b>TOTAL LIABILITIES</b>	<u>\$ 2,648</u>	<u>\$ 4,756,504</u>	<u>\$ 4,759,152</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ 3,324,950</u>	<u>\$ (17,732)</u>	<u>\$ 3,307,218</u>
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid Costs	\$ 4,904	\$ (4,904)	\$
Assigned to 2020 Budget	398,028	(398,028)	
Unassigned	<u>2,627,979</u>	<u>(2,627,979)</u>	
<b>TOTAL FUND BALANCE</b>	<u>\$ 3,030,911</u>	<u>\$ (3,030,911)</u>	<u>\$ - 0 -</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 6,358,509</u>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ 2,443,880	\$ 2,443,880
Unrestricted		3,012,722	3,012,722
<b>TOTAL NET POSITION</b>		<u>\$ 5,456,602</u>	<u>\$ 5,456,602</u>

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

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

Total Fund Balance - Governmental Funds	\$	3,030,911
---	----	-----------

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

Land, construction in progress and capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		7,153,548
---	--	-----------

Deferred inflows of resources related to property tax revenues and uncollected penalty and interest revenues on delinquent taxes for the 2018 and prior tax levies became part of recognized revenues in the governmental activities of the District.		28,647
---	--	--------

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:

Accrued Interest Payable	\$	46,836	
Capital Leases Payable Within One Year		68,356	
Capital Leases Payable After One Year		449,898	
Notes Payable Within One Year		163,587	
Notes Payable After One Year		<u>4,027,827</u>	<u>(4,756,504)</u>

Total Net Position - Governmental Activities	\$	<u><u>5,456,602</u></u>
--	----	-------------------------

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



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 3,164,068	\$ 3,179	\$ 3,167,247
Mutual Aid Revenues	27,057		27,057
Penalty and Interest	5,653	2,305	7,958
Investment Revenues	106,571		106,571
Miscellaneous Revenues	110		110
<b>TOTAL REVENUES</b>	<u>\$ 3,303,459</u>	<u>\$ 5,484</u>	<u>\$ 3,308,943</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
District Services - Sam Bass Fire			
Department	\$ 2,450,000	\$	\$ 2,450,000
Accounting and Auditing Fees	38,000		38,000
Appraisal District Fees	18,836		18,836
Commissioner Fees	9,800		9,800
Legal Fees-General	999		999
Legal Fees-Delinquent Tax Collections	1,149		1,149
Tax Assessor/Collector Fees	2,387		2,387
Depreciation		227,000	227,000
Other	54,612		54,612
Capital Outlay	127,461	(127,461)	
Debt Service:			
Capital Lease Principal	66,591	(66,591)	
Note Principal	157,311	(157,311)	
Capital Lease Interest	15,498	(331)	15,167
Note Interest	173,514	(1,790)	171,724
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 3,116,158</u>	<u>\$ (126,484)</u>	<u>\$ 2,989,674</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 187,301	\$ (187,301)	\$
<b>CHANGE IN NET POSITION</b>		319,269	319,269
<b>FUND BALANCE/NET POSITION -</b>			
<b>JANUARY 1, 2019</b>	<u>2,843,610</u>	<u>2,293,723</u>	<u>5,137,333</u>
<b>FUND BALANCE/NET POSITION -</b>			
<b>DECEMBER 31, 2019</b>	<u><u>\$ 3,030,911</u></u>	<u><u>\$ 2,425,691</u></u>	<u><u>\$ 5,456,602</u></u>

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

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balance - Governmental Funds	\$	187,301
---	----	---------

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

Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.		3,179
---	--	-------

Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.		2,305
--	--	-------

Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(227,000)
---	--	-----------

Governmental funds report capital asset purchases as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.		127,461
--	--	---------

Governmental funds report principal payments on long-term liabilities as expenditures. However, in the government-wide financial statements, principal payments decrease long-term liabilities and the Statement of Activities is not affected.		223,902
---	--	---------

Governmental funds report interest payments on capital leases and notes as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on leases and notes through fiscal year-end.		2,121
---	--	-------

Change in Net Position - Governmental Activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black;">319,269</div>
--	----	--

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1. CREATION OF DISTRICT**

Williamson County Rural Fire Prevention District No. 2 was created November 3, 1987, under Chapter 794 of the Health and Safety Code. At an election held on August 9, 1997, voters approved to convert the District to an emergency services district. Effective September 8, 1997, the District became Williamson County Emergency Services District No. 2 (the “District”). The District now operates under Chapter 775 of the Health and Safety Code. The District was established to provide operating and capital funds for the contracting of fire protection services to the residents of the District.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

The District is a political subdivision of the State of Texas governed by an appointed board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenues and expenses in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds

The District has one governmental fund; therefore, it is a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, costs of assessing and collecting taxes and general expenditures.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in governmental funds to be available if they are collectible within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and recorded as revenues include the 2018 tax levy collections during the period October 1, 2018, to December 31, 2019, and taxes collected from January 1, 2019, to December 31, 2019, for all prior tax levies. The 2019 tax levy has been fully deferred to meet the District’s planned expenditures in the 2020 fiscal year.

Capital Assets

Capital assets, which include land, buildings and equipment, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as an expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets (Continued)

All capital assets are capitalized if they have an original cost of \$5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Buildings and Improvements	40
Firefighting Vehicles	5-15
Equipment	4-15
Office Equipment and Furnishings	2-10

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, liabilities, and deferred inflows and outflows of resources associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Governmental Funds Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*Nonspendable:* amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted:* amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of December 31, 2019, the District assigned \$398,028 of the current balance to cover a portion of the 2020 budget.

*Unassigned:* all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting 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 amount 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 expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3.      TAX LEVY**

During the year ended December 31, 2019, the District levied an ad valorem tax at the rate of \$0.10 per \$100 of assessed valuation, which resulted in a tax levy of \$3,307,218 on the adjusted taxable valuation of \$3,306,994,660 for the 2019 tax year.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3. TAX LEVY (Continued)**

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**NOTE 4. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$1,684,500 and the bank balance was \$1,686,530. The bank balance was fully covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Funds and the Statement of Net Position at December 31, 2019, as listed below:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
GENERAL FUND	<u>\$ 4,500</u>	<u>\$ 1,680,000</u>	<u>\$ 1,684,500</u>

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield,

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Commissioners.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool. Certificates of deposit are valued at acquisition cost at the date of purchase.

As of December 31, 2019, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 3,509,222	\$ 3,509,222	\$	\$	\$
Certificates of Deposit	<u>1,680,000</u>	<u>1,680,000</u>			
TOTAL INVESTMENTS	\$ 5,189,222	\$ 5,189,222	\$ - 0 -	\$ - 0 -	\$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2019, the District's investment in TexPool was rated AAAM by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of approximately one year or less.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 5. FIRE PROTECTION SERVICES**

The District has contracted with Sam Bass Fire Department (the “Department”) to provide fire protection and suppression services to the residents of the District. The term of the current agreement is from December 25, 2013, through December 31, 2014, and will continue on a year-to-year basis unless terminated by either party upon 90 days written notice to the other party. Under the terms of the agreement, the Department agrees to provide fire prevention, protection and fighting services as well as an emergency medical first responder program to all the residents and commercial interests within the geographic area of the District and those requesting mutual aid.

The District agrees to reimburse the Department for the actual allowable costs incurred in performance of this contract. The contract amount is annually established and budgeted by the District after consultation with the Department concerning its needs. The District agrees to pay the Department on a monthly basis. The District will not reimburse the Department for costs in excess of the amount that is established and budgeted annually. During the current fiscal year, the District paid \$2,450,000 to the Department.

Title to all property owned or acquired by the Department will remain with the Department, but in the event of dissolution of the Department, any equipment or property acquired with District funds will revert to the District.

**NOTE 6. CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	January 1, 2019	Increases	Decreases	December 31, 2019
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 209,694	\$	\$	\$ 209,694
Construction in Progress	5,548,425	127,461	5,675,886	
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 5,758,119</u>	<u>\$ 127,461</u>	<u>\$ 5,675,886</u>	<u>\$ 209,694</u>
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 2,190,946	\$ 4,944,080	\$	\$ 7,135,026
Firefighting Vehicles and Equipment	2,552,636	731,806		3,284,442
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 4,743,582</u>	<u>\$ 5,675,886</u>	<u>\$ - 0 -</u>	<u>\$ 10,419,468</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ 984,197	\$ 151,285	\$	\$ 1,135,482
Firefighting Vehicles and Equipment	2,264,417	75,715		2,340,132
<b>Total Accumulated Depreciation</b>	<u>\$ 3,248,614</u>	<u>\$ 227,000</u>	<u>\$ - 0 -</u>	<u>\$ 3,475,614</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 1,494,968</u>	<u>\$ 5,448,886</u>	<u>\$ - 0 -</u>	<u>\$ 6,943,854</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u><u>\$ 7,253,087</u></u>	<u><u>\$ 5,576,347</u></u>	<u><u>\$ 5,675,886</u></u>	<u><u>\$ 7,153,548</u></u>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 8. LEASES**

Capital Lease

On October 13, 2017, the District executed a capital lease agreement with Frost Bank, in the amount of \$731,806, for the purchase of a Pierce Pumper Truck. Lease payments and related interest of \$82,089.28 are due annually each October 25 beginning October 25, 2017 and ending October 25, 2026. The District's incremental borrowing rate is 2.65%. Assets under this lease total 731,806 at December 31, 2019. Accumulated depreciation through December 31, 2019 was \$41,302.

The following is a summary of transactions regarding the capital lease for the year ended December 31, 2019:

Capital Leases Payable, January 1, 2019	\$ 584,845
Less: Capital Leases Principal Paid	<u>66,591</u>
Capital Leases Payable, December 31, 2019	<u><u>\$ 518,254</u></u>
Capital Lease Payable:	
Due Within One Year	\$ 68,356
Due After One Year	<u>449,898</u>
Capital Lease Payable, December 31, 2019	<u><u>\$ 518,254</u></u>

As of December 31, 2019, the future minimum lease payments under the capital lease are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 68,356	\$ 13,734	\$ 82,090
2021	70,167	11,922	82,089
2022	72,026	10,063	82,089
2023	73,935	8,154	82,089
2024	75,894	6,195	82,089
2025-2026	<u>157,876</u>	<u>6,303</u>	<u>164,179</u>
	<u><u>\$ 518,254</u></u>	<u><u>\$ 56,371</u></u>	<u><u>\$ 574,625</u></u>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 8. LEASES (Continued)**

Operating Leases

The land located at 16248 Great Oaks Drive, which is owned by Sam Bass Volunteer Fire Department, Inc., is leased to the District for 30 years expiring February 28, 2032. Rent is \$1.00 per year. The leased premises shall be specifically used for emergency services and related activities only.

The land located at 17503/17505 Great Oaks Drive, also known as 1001 Great Oaks Drive, which is owned by Sam Bass Volunteer Fire Department, Inc., is leased to the District for 99 years expiring November 20, 2112. Lease payments of \$1.00 are payable in advance.

**NOTE 9. NOTES PAYABLE**

On September 20, 2017, the District executed a note with Government Capital Corporation, in the amount of \$4,500,000. Proceeds will be used to construct Station No. 3. The interest rate is 3.99%. Note payments and interest of \$330,824.74 are due annually on September 25, beginning September 25, 2019 and ending September 25, 2037.

The following is a summary of transactions regarding notes payable for the year ended December 31, 2019:

Notes Payable, January 1, 2019	\$ 4,348,725
Less: Note Principal Paid	<u>157,311</u>
Notes Payable, December 31, 2019	<u><u>\$ 4,191,414</u></u>
Notes Payable:	
Due Within One Year	\$ 163,587
Due After One Year	<u>4,027,827</u>
Notes Payable, December 31, 2019	<u><u>\$ 4,191,414</u></u>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 9. NOTES PAYABLE (Continued)**

As of December 31, 2019, debt service requirements on the note are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 163,587	\$ 167,238	\$ 330,825
2021	170,114	160,710	330,824
2022	176,902	153,923	330,825
2023	183,960	146,864	330,824
2024	191,300	139,525	330,825
2025-2029	1,077,272	576,852	1,654,124
2030-2034	1,310,036	344,088	1,654,124
2035-2037	918,243	74,231	992,474
	<u>\$ 4,191,414</u>	<u>\$ 1,763,431</u>	<u>\$ 5,954,845</u>

**NOTE 10. MUTUAL AID AGREEMENT**

The District entered into an agreement with Williamson County, Texas, and the following Williamson County Emergency Services Organizations (“ESO”): Williamson County Emergency Service Districts Nos. 1, 3, 4, 5, 6, 7, 8, 9 and 10, the City of Cedar Park, Texas, the City of Georgetown, Texas, the City of Leander, Texas, the City of Round Rock, Texas, the City of Taylor, Texas, the Bartlett Volunteer Fire Department, the Coupland Volunteer Fire Department, the Florence Volunteer Fire Department, the Granger Volunteer Fire Department, the Jarrell Volunteer Fire Department, the Jollyville Volunteer Fire Department, the Sam Bass Volunteer Fire Department, the Taylor Volunteer Fire Department, the Thrall Volunteer Fire Department and the Weir Volunteer Fire Department. To ensure that the ESOs are treated equally while providing emergency services that are needed by individuals in the county, Williamson County and the ESOs agree to establish minimum services that must be provided by each agency. The initial term of this agreement is deemed to be effective as of October 1, 2010 through September 20, 2011 and shall automatically renew each year unless notice not to renew is sent to all other parties at least 90 days prior to last day of the then current term.

Each ESO agrees and acknowledges that Williamson County Emergency Medical Services will be the 911 emergency medical services provider within each ESOs jurisdiction. The ESOs will operate a first responder program under the Williamson County Medical Director; participate in jointly developed quality assurance and quality improvement programs, credentialing programs and training programs. As part of this agreement, emergency medical service supplies will be exchanged between Williamson County and the ESOs on a one for one basis used on a medical call. In consideration of this agreement, Williamson County agrees to reimburse each ESO an amount of money based on the following reimbursement formula: 1). \$200 for each square mile of an ESOs district, plus 2). \$0.70 for each person that resides in the district covered by the ESO; paid

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 10.     MUTUAL AID AGREEMENT**

annually in two installments. The amount of the reimbursement will be adjusted annually taking into account population changes. During the current year, the District received \$27,057 from Williamson County related to this agreement.

**NOTE 11.     UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which are likely to have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2019**





**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 3,092,104	\$ 3,092,104	\$ 3,164,068	\$ 71,964
Mutual Aid Revenues	20,000	20,000	27,057	7,057
Penalty and Interest	3,350	3,350	5,653	2,303
Investment Revenues	20,075	20,075	106,571	86,496
Miscellaneous Revenues			110	110
<b>TOTAL REVENUES</b>	<u>\$ 3,135,529</u>	<u>\$ 3,135,529</u>	<u>\$ 3,303,459</u>	<u>\$ 167,930</u>
<b>EXPENDITURES</b>				
Services Operations:				
District Services - Sam Bass Fire				
Department	\$ 2,940,000	\$ 2,940,000	\$ 2,450,000	\$ 490,000
Accounting and Auditing Fees	39,200	39,200	38,000	1,200
Appraisal District Fees	20,000	20,000	18,836	1,164
Commissioner Fees	6,000	6,000	9,800	(3,800)
Legal Fees-General	5,000	5,000	999	4,001
Legal Fees-Delinquent Tax Collections			1,149	(1,149)
Tax Assessor/Collector Fees	2,400	2,400	2,387	13
Other	26,435	31,435	54,612	(23,177)
Capital Outlay	230,000	230,000	127,461	102,539
Debt Service:				
Capital Lease Principal	66,591	66,591	66,591	
Note Principal	157,311	157,311	157,311	
Capital Lease Interest	15,498	15,498	15,498	
Note Interest	173,514	173,514	173,514	
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,681,949</u>	<u>\$ 3,686,949</u>	<u>\$ 3,116,158</u>	<u>\$ 570,791</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (546,420)	\$ (551,420)	\$ 187,301	\$ 738,721
<b>FUND BALANCE - JANUARY 1, 2019</b>	<u>2,843,610</u>	<u>2,843,610</u>	<u>2,843,610</u>	
<b>FUND BALANCE - DECEMBER 31, 2019</b>	<u><u>\$ 2,297,190</u></u>	<u><u>\$ 2,292,190</u></u>	<u><u>\$ 3,030,911</u></u>	<u><u>\$ 738,721</u></u>

See accompanying independent auditor's report.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2019**



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**COMPUTATION OF NET LONG-TERM DEBT PER CAPITA**  
**DECEMBER 31, 2019**  
**(UNAUDITED)**

Long-Term Debt at December 31, 2019	\$ 4,709,668
Less: Amount in Debt Service Fund	<u>                    </u>
Net Long-Term Debt at December 31, 2019	\$ 4,709,668
Estimated District Population*	<u>28,351</u>
Net Long-Term Debt Per Capita at December 31, 2019	<u><u>\$ 166.12</u></u>

\* Williamson County Office of Emergency Management - 2014

See accompanying independent auditor's report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**LISTING OF THE NUMBER OF EMERGENCY**  
**RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(UNAUDITED)**

Number of emergency responses made within the District	1,352
Number of emergency responses made outside of the District	<u>121</u>
Total emergency responses	<u><u>1,473</u></u>

See accompanying independent auditor's report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**SCHEDULE OF INSURANCE AND BONDING COVERAGE**  
**DECEMBER 31, 2019**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
TAX COLLECTOR BOND Tim Hunsberger	04/17/19 04/17/20	\$ 2,000,000	The Cincinnati Insurance Company
PUBLIC EMPLOYEE DISHONESTY BLANKET BOND Per Employee	10/28/19 10/28/20	\$ 250,000	American Alternative Insurance Corporation
GENERAL LIABILITY General Aggregate Per Occurrence	10/28/19 10/28/20	\$ 3,000,000 1,000,000	American Alternative Insurance Corporation
MANAGEMENT LIABILITY General Aggregate Per Occurrence	10/28/19 10/28/20	\$ 3,000,000 1,000,000	American Alternative Insurance Corporation
EXCESS LIABILITY General Aggregate Per Occurrence	10/28/19 10/28/20	\$ 2,000,000 1,000,000	American Alternative Insurance Corporation
HIRED AND NON-OWNED AUTOMOBILE LIABILITY Combined Single Limit	10/28/19 10/28/20	\$ 1,000,000	American Alternative Insurance Corporation
PROPERTY COVERAGE Buildings	10/28/19 10/28/20	\$ 8,339,969	American Alternative Insurance Corporation

See accompanying independent auditor's report.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**SAM BASS FIRE DEPARTMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(UNAUDITED)**

REVENUES

Williamson County Emergency Services District No. 2	\$ 2,450,000
Williamson County Emergency Services District No. 9	217,679
Grant Revenues	9,325
Inspection Fees	2,693
Rent	8,400
Interest Revenues	540
Miscellaneous Revenues	16,446
<b>TOTAL REVENUES</b>	<b><u>\$ 2,705,083</u></b>

EXPENSES

Administration	\$ 237,529
Apparatus	70,488
Building & Grounds	294,174
Communications	9,268
OPS Supply & Equipment	193,594
Payroll Expenses	1,700,224
Training	17,918
Other	103,407
<b>TOTAL EXPENSES</b>	<b><u>\$ 2,626,602</u></b>
<b>CHANGE IN NET ASSETS</b>	<b><u>\$ 78,481</u></b>
<b>NET ASSETS - January 1, 2019</b>	<b><u>1,429,145</u></b>
<b>NET ASSETS - December 31, 2019</b>	<b><u><u>\$ 1,507,626</u></u></b>

See accompanying independent auditor's report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Property Taxes</u>	
TAXES RECEIVABLE - JANUARY 1, 2019	\$ 1,130,362	
Adjustments to Beginning Balance	<u>(5,163)</u>	\$ 1,125,199
Original 2019 Tax Levy	\$ 3,305,006	
Adjustment to 2019 Tax Levy	<u>2,212</u>	<u>3,307,218</u>
TOTAL TO BE ACCOUNTED FOR		\$ 4,432,417
TAX COLLECTIONS:		
Prior Years	\$ 1,107,467	
Current Year	<u>2,197,405</u>	<u>3,304,872</u>
TAXES RECEIVABLE - DECEMBER 31, 2019		<u>\$ 1,127,545</u>
TAXES RECEIVABLE BY YEAR:		
2019		\$ 1,109,813
2018		4,086
2017		2,864
2016		2,323
2015		1,692
2014		1,545
2013		1,491
2012		741
2011		630
2010		669
2009		738
2008		602
2007		335
2006		8
2005		3
2004		<u>5</u>
TOTAL TAXES RECEIVABLE BY YEAR		<u>\$ 1,127,545</u>

See accompanying independent's auditor report.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
TOTAL PROPERTY VALUATIONS, NET	<u>\$ 3,306,994,660</u>	<u>\$ 3,172,234,750</u>	<u>\$ 3,008,387,260</u>	<u>\$ 2,768,019,000</u>
TAX RATE PER \$100 VALUATION	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>
ADJUSTED TAX LEVY*	<u>\$ 3,307,218</u>	<u>\$ 3,172,410</u>	<u>\$ 3,008,558</u>	<u>\$ 2,768,261</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>66.44 %</u>	<u>99.87 %</u>	<u>99.90 %</u>	<u>99.92 %</u>

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

See accompanying independent's auditor report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amounts		
	2019	2018	2017
<b>REVENUES</b>			
Property Taxes	\$ 3,164,068	\$ 3,010,989	\$ 2,775,600
Mutual Aid Revenues	27,057	26,083	25,138
Penalty and Interest	5,653	4,958	6,463
Investment Revenues	106,571	101,354	27,413
Miscellaneous Revenues	110	37	19
<b>TOTAL REVENUES</b>	<u>\$ 3,303,459</u>	<u>\$ 3,143,421</u>	<u>\$ 2,834,633</u>
<b>EXPENDITURES</b>			
Services Operations:			
District Services - Sam Bass Fire			
Department	\$ 2,450,000	\$ 2,044,167	\$ 1,890,592
Accounting and Auditing Fees	38,000	37,675	39,135
Appraisal District Fees	18,836	18,838	18,534
Commissioner Fees	9,800	5,050	4,450
Legal Fees-General	999	954	2,004
Legal Fees-Delinquent Tax Collections	1,149	911	807
Tax Assessor/Collector Fees	2,387	2,387	2,388
Other	54,612	32,244	30,980
Capital Outlay	127,461	4,364,973	1,080,731
Debt Service:			
Capital Lease Principal	66,591	64,872	82,089
Note Principal	157,311	151,275	61,659
Capital Lease Interest	15,498	17,217	
Note Interest	173,514	179,550	240
Debt Issuance Costs			7,750
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,116,158</u>	<u>\$ 6,920,113</u>	<u>\$ 3,221,359</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	<u>\$ 187,301</u>	<u>\$ (3,776,692)</u>	<u>\$ (386,726)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital Lease Proceeds	\$	\$	\$ 731,806
Note Proceeds			4,500,000
Proceeds from Sale of Assets			35,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 5,266,806</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 187,301	\$ (3,776,692)	\$ 4,880,080
<b>BEGINNING FUND BALANCE</b>	<u>2,843,610</u>	<u>6,620,302</u>	<u>1,740,222</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 3,030,911</u>	<u>\$ 2,843,610</u>	<u>\$ 6,620,302</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2016	2015	2019	2018	2017	2016	2015
\$ 2,510,326	\$ 2,283,611	95.8 %	95.8 %	97.9 %	98.5 %	98.4 %
24,293	23,440	0.8	0.8	0.9	1.0	1.0
5,986	8,050	0.2	0.2	0.2	0.2	0.3
8,417	6,690	3.2	3.2	1.0	0.3	0.3
<u>\$ 2,549,022</u>	<u>\$ 2,321,791</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,517,383	\$ 1,306,554	74.2 %	65.0 %	66.7 %	59.5 %	56.3 %
32,042	29,517	1.1	1.2	1.4	1.3	1.3
18,114	17,208	0.6	0.6	0.6	0.7	0.7
4,100	4,350	0.3	0.2	0.1	0.2	0.2
6,259	18,774			0.1	0.2	0.8
984	1,325					0.1
2,295	2,196	0.1	0.1	0.1		0.1
34,731	29,737	1.6	1.0	1.1	1.4	1.3
251,582	184,376	3.9	138.9	38.1	9.9	7.9
		2.0	2.1	2.9		
358,313	348,988	4.8	4.8	2.2	14.1	15.0
		0.5	0.5			
6,818	16,144	5.2	5.7		0.3	0.7
				0.3		
<u>\$ 2,232,621</u>	<u>\$ 1,959,169</u>	<u>94.3 %</u>	<u>220.1 %</u>	<u>113.6 %</u>	<u>87.6 %</u>	<u>84.4 %</u>
<u>\$ 316,401</u>	<u>\$ 362,622</u>	<u>5.7 %</u>	<u>(120.1) %</u>	<u>(13.6) %</u>	<u>12.4 %</u>	<u>15.6 %</u>
\$	\$					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 316,401	\$ 362,622					
1,423,821	1,061,199					
<u>\$ 1,740,222</u>	<u>\$ 1,423,821</u>					

See accompanying independent auditor's report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2019**

District Mailing Address           - Williamson County Emergency Services District No. 2  
16248 Great Oaks Drive  
Round Rock, TX 78681

District Telephone Number       - (512) 255-0100

<u>Commissioners</u>	<u>Term of Office Appointed Expires</u>	<u>Fees of Office for the year ended December 31, 2019</u>	<u>Expense Reimbursement for the year ended December 31, 2019</u>	<u>Title</u>
Thomas E. Nanninga	01/01/19 12/31/20	\$ 2,600	\$ 509	President
Russell Strahan	01/01/18 12/31/19	\$ 1,350	\$ -0-	Vice President
Darryl Pool	01/01/18 12/31/19	\$ 2,000	\$ -0-	Secretary
Tim Hunsberger	01/01/18 12/31/19	\$ 2,300	\$ 329	Treasurer
Jordan Baltazor	01/01/19 12/31/20	\$ 1,600	\$ 581	Assistant Secretary/ Treasurer

The limit on fees of office that a Commissioner may receive is set by the Health and Safety Code-Chapter 775. Effective September 1, 2017, a Commissioner is entitled to receive compensation in the same manner and amount as are provided by Section 49.060 of the Texas Water Code, currently \$7,200 per fiscal year. The above fees of office and expense reimbursements are the amounts paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2019**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2019*</u>	<u>Title</u>
Dietz & Jarrard, P.C.	02/26/14	\$ 1,464	Attorney
McCall Gibson Swedlund Barfoot PLLC	01/16/14	\$ 13,375	Auditor
Municipal Accounts & Consulting, L.P.	03/22/12	\$ 25,345	Bookkeeper
McCreary, Veselka, Bragg & Allen	1989	\$ 1,149	Delinquent Tax Attorney
Mark M. Burton	03/22/12	\$ -0-	Investment
Autumn Phillips		\$ -0-	Officers
Williamson County Tax Assessor/Collector	Legislative Action	\$ 2,387	Tax Assessor/ Collector

\* Accrual basis

See accompanying independent auditor's report.





**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**AUDITED FINANCIAL STATEMENTS**

**AND SUPPLEMENTAL SCHEDULES**

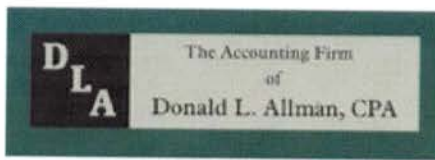
**AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**TABLE OF CONTENTS**

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17- 35
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) General Fund	37
Notes to Required Supplementary Information	38
Schedule of Changes in Net Pension Liability and Related Ratios	39
Schedule of Contributions and Related Notes	40
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	41-42



Donald L. Allman, CPA, PC  
4749 Williams Dr., Ste. 322  
Georgetown, Texas 78633  
Phone: 512-422-3700  
Fax: 512-240-5460  
Email: dallman@donallmancpa.com

## **Independent Auditor's Report**

To the Board of Directors

Williamson County Emergency Services District No. 3

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. 3 "the ESD", as of and for the year ended September 30, 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. 3 as of September 30, 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, budgetary comparison information, schedule of changes in net pension liability and related ratios, and the schedule of contributions on pages 3-10 and 38-41 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the Williamson County ESD # 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Williamson County ESD # 3's internal control over financial reporting and compliance.

  
Donald L. Allman, CPA

Georgetown, Texas  
December 12, 2019



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Our discussion and analysis of the Williamson County Emergency Services District No. 3's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 11.

**FINANCIAL HIGHLIGHTS**

Total net position increased \$1,173,920 which represents an increase from 2018.

The District expended \$46,253 on communication equipment, \$94,502 on apparatus and fire fighting equipment, \$4,055,738 in construction in progress building improvements during fiscal year ending September 30, 2019. The construction and building improvements were financed with a \$4,584,000 loan with 769,772 in construction cash still available.

The District had \$5,335,039 in expenses related to governmental activities with \$6,508,959 in program revenues to cover the cost of these programs. The excess revenues were kept to increase the cash balance and unrestricted net position.

**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 11-12) 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 13. 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 11. 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.

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 13. The Fund financial statements begin on page 13 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 the 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 17-36 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 38-39 of this report.

### **THE DISTRICT AS A WHOLE**

The District's total net position changed from a year ago, increasing from \$6,515,356 to \$7,689,276. 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**  
**Summary of Net Position**

	2019	2018	\$ Change	% Change
Cash and Current Assets	\$ 5,051,170	\$ 4,482,927	\$ 568,243	12.7%
Property & Sales Taxes Rec.	294,759	406,448	\$ (111,689)	-27.5%
Net Pension Asset	-	-	\$ -	
Capital Assets	8,920,433	5,092,594	3,827,839	75.2%
Total Assets	\$ 14,266,362	\$ 9,981,969	\$ 4,284,393	42.9%
Deferred Outflows of Resources	(222,579)	60,805	\$ (283,384)	-466.1%
Current Liabilities	\$ 725,715	\$ 621,887	\$ 103,828	16.7%
Net Pension Liability	432,769	434,525	\$ (1,756)	-0.4%
Long-Term Obligations	5,228,324	2,429,828	2,798,496	115.2%
Total Liabilities	\$ 6,386,808	\$ 3,486,240	\$ 2,900,568	83.2%
Deferred Inflows of Resources	(32,301)	41,178	\$ (73,479)	-178.4%
Net Position:				
Net Investment in Capital Assets	\$ 4,461,881	\$ 4,120,755	\$ 341,126	8.3%
Restricted	752,538	1,187,301	(434,763)	-36.6%
Unrestricted	2,474,857	1,207,300	1,267,557	105.0%
Total Net Position	\$ 7,689,276	\$ 6,515,356	\$ 1,173,920	18.0%

Net position of the District's activities increased 18% or \$1,173,920. 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 by \$1,267,557 going from \$1,207,300 up to \$2,474,857 by the end of fiscal year 2019.

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



**Table 2**  
**Summary of Changes in Net Position for 2019**  
**Compared With 2018 Activity**

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Program Revenues:				
Property Taxes	\$ 3,057,054	\$ 2,788,202	\$ 268,852	9.6%
Sales Taxes	2,806,236	2,765,176	\$ 41,060	1.5%
Other Revenues	153,640	234,583	(80,943)	-34.5%
Grant Revenues	302,935	295,296	7,639	2.6%
Interest Income	189,094	99,502	89,592	90.0%
Total Revenues	<u>\$ 6,508,959</u>	<u>\$ 6,182,759</u>	<u>\$ 326,200</u>	<u>5.3%</u>
Program Expenses:				
Total Pension Expense	\$ 208,149	\$ 377,707	\$ (169,558)	-44.9%
General Government	\$ 5,025,239	\$ 4,148,303	\$ 876,936	21.1%
Interest on L/T Debt	101,651	82,578	19,073	23.1%
Total Expenses	<u>\$ 5,335,039</u>	<u>\$ 4,608,588</u>	<u>\$ 726,451</u>	<u>15.8%</u>
Net Position				
Increase / (Decrease)	<u>\$ 1,173,920</u>	<u>\$ 1,574,171</u>	<u>\$ (400,251)</u>	<u>-25.4%</u>

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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General Government	\$ 5,025,239	\$ 4,195,509	\$ 5,025,239	\$ 4,195,509
Int of L/T Debt	101,651	82,578	101,651	82,578
Total Expenses	<u>\$ 5,126,890</u>	<u>\$ 4,278,087</u>	<u>\$ 5,126,890</u>	<u>\$ 4,278,087</u>

## THE DISTRICT'S FUND'S

**Table 4**  
**Change In Year End Fund Balance**

	2019	2018	\$ Change	% Change
Net Investment in Capital Assets	\$ 4,461,881	\$ 4,120,755	\$ 341,126	8.3%
Restricted	752,538	1,187,301	(434,763)	-36.6%
Unrestricted	2,474,857	1,207,300	1,267,557	105.0%
Total Governmental Balances	<u>\$ 7,689,276</u>	<u>\$ 6,515,356</u>	<u>\$ 1,173,920</u>	<u>18.0%</u>

The 8.3% increase in Net Investment in Capital Assets balance is due to capital asset additions being paid with unrestricted funds rather than financed with debt. Restricted net assets decreased \$(434,763) due to decreasing balances in reserved cash accounts.

The 1.6% increase in the Unrestricted fund balance can be attributed to increased revenues.

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**

Revenue Source	2019	% of Total	Increase or (Decrease) Over 2018	% Increase / (Decrease)
Property taxes	3,057,054	47.0%	268,852	9.6%
Sales taxes	2,806,236	43.1%	41,060	17.5%
Other Income	153,640	2.4%	(80,943)	-34.5%
Grant Income	302,935	4.7%	7,639	2.6%
Investment Income	189,094	2.9%	89,592	90.0%
Total	<u>\$ 6,508,959</u>	<u>100.0%</u>	<u>\$ 326,200</u>	<u>5.3%</u>

The 9.6% increase in Property Tax revenues is primarily due to increases in the property tax base, the tax rate did not change. Sales Tax revenues increased 17.5% due to rapid growth in the area. Other income decreased (34.5)% and Grant income increased 2.6%.

The 90% increase in investment earnings is primarily due to higher balances in investments in interest-bearing accounts. Interest rates decreased slightly, and continue to stay low, and did not fluctuate significantly during the year.

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>
<b>Revenues:</b>			
Property Taxes	\$ 3,048,523	\$ 3,108,244	\$ 59,721
Sales Taxes	2,085,103	2,907,952	\$ 822,849
Grant Income	-	139,951	139,951
Interest Income	16,000	178,459	162,459
Loan proceeds	-	3,976,179	3,976,179
Other Income	68,000	187,926	119,926
<b>Total Revenues</b>	<u><u>\$ 5,217,626</u></u>	<u><u>\$ 10,498,711</u></u>	<u><u>\$ 5,281,085</u></u>
<b>Expenditures:</b>			
Current:			
General Government	\$ 3,804,788	\$ 4,539,555	\$ 734,767
Capital Outlay	533,500	4,579,809	4,046,309
Debt Service	879,338	1,379,347	500,009
<b>Total Expenditures</b>	<u><u>\$ 5,217,626</u></u>	<u><u>\$ 10,498,711</u></u>	<u><u>\$ 5,281,085</u></u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Original versus Final Budget</b>			

There were material differences between original and final budgeted amounts for 2019. Large revenue increases were added for sales tax, grant income, and other income. Loan proceeds were also added and utilized for building expansion, resulting in large increases in capital outlay. Large increases in general government expenses and debt service were added also.

**Table 7**  
**Final Budget Versus Actual Results**  
**General Fund**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Property Taxes	\$ 3,108,244	\$ 3,057,054	\$ (51,190)
Sales Taxes	2,907,952	2,806,236	\$ (101,716)
Grant Income	139,951	302,935	162,984
Interest Income	178,459	189,094	10,635
Loan Proceeds	3,976,179	4,584,000	607,821
Other Income	187,926	153,640	(34,286)
<b>Total Revenues</b>	<u><u>\$ 10,498,711</u></u>	<u><u>\$ 11,092,959</u></u>	<u><u>\$ 594,248</u></u>

**Final Budget Versus Actual Results**

**Expenditures:**

Current:

General Government	\$ 4,539,555	\$ 5,025,239	\$ (485,684)
Capital Outlay	4,579,809	5,932,894	(1,353,085)
Debt Service	1,379,347	1,427,636	(48,289)
<b>Total Expenditures</b>	<u><u>\$ 10,498,711</u></u>	<u><u>\$ 12,385,769</u></u>	<u><u>\$ (1,887,058)</u></u>

**Excess (Deficiency) of  
Revenues Over (Under)**

<b>Expenditures</b>	<u><u>\$ -</u></u>	<u><u>\$ (1,292,810)</u></u>	<u><u>\$ (1,292,810)</u></u>
---------------------	--------------------	------------------------------	------------------------------

**Final Budget versus Actual Results**

The variance in **Property Tax** revenues is due to the District increasing its overall property value due to growth and new construction. Sales tax revenues increased dramatically due to rapid growth in the area.

The variance in **General Government** expenditures is due to the increase in the WCESD # 3 service area.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At year-end, the District had \$8,920,433 invested in equipment, trucks and building. This amount represents a \$1,925,662 net increase over the last year, which is due to asset additions. \$5,932,894 of communication equipment, fire-fighting equipment, Building improvements, Land, and apparatus were purchased.



### **Debt Administration**

At fiscal year-end, the District had \$5,583,145 in notes & leases payable for the building, fire trucks and fire equipment. This amount represents a net increase of \$2,978,306 a new loan in the amount of \$4,584,000 was added in fiscal year 2018-2019. The interest rates and maturity dates vary with each separate agreement. For a breakdown of the interest rates, the principal and interest payment schedules, and the maturity dates, see Note 4 of the basic financial statements.

### **ECONOMIC FACTORS**

The District operates solely in Williamson County and has since its inception. 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. The additional apparatus and equipment are vital to providing the best fire protection and EMT services to the citizens of the District.

### **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 this report or requests for additional information should be addressed to the Office of the Treasurer, 501 Exchange Blvd., Hutto, TX 78634.

Garry Guthrie, Treasurer  
Williamson County Emergency Services District # 3

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2019**

**Assets:**

Current Assets:

Cash and Cash Equivalents	\$ 5,051,170
Property Taxes Receivable	294,759
Total Current Assets	<u>\$ 5,345,929</u>

Non-Current Assets:

Net Pension Assets

-

Capital Assets:

Building, Equipment & Trucks, Net of Accumulated  
Depreciation

\$ 8,920,433

Total Non-Current Assets

\$ 8,920,433

**Total Assets**

**\$ 14,266,362**

Deferred Outflows of Resources-Pension

(222,579)

**Liabilities:**

Current Liabilities:

Accounts Payable	\$ 28,591
Unearned Revenue	117,417
Payroll Taxes, Insurance, & Retirement Payable	-
Current Portion of Long-Term Debt	<u>579,707</u>

**Total Current Liabilities**

**\$ 725,715**

Non-Current Liabilities:

Net Pension Liability

432,769

Notes, Leases and Bonds Payable

\$ 5,003,438

Sick & Vacation Leave payable

224,886

**Total Long-Term Liabilities**

5,661,093

**Total Liabilities**

**\$ 6,386,808**

Deferred Inflows of Resources - Pension

(32,301)

**Net Position:**

Net Investment in Capital Assets

\$ 4,461,881

Restricted for Debt Service, Fire Station, Apparatus & Regular  
Reserve

752,538

Unrestricted

2,474,857

**Total Net Position**

**\$ 7,689,276**

See accompanying notes to the financial statements.11

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>	<b><u>Net Revenue and Change in Net Position Primary Government Governmental Activities</u></b>
Governmental Activities:			
General Government	\$ 5,233,388	\$ 6,016,930	\$ 783,542
Interest on Long-Term Debt	101,651	-	(101,651)
Total Governmental Activities	<u>\$ 5,335,039</u>	<u>\$ 6,016,930</u>	<u>\$ 681,891</u>
General Revenues:			
Unrestricted Interest Earnings			\$ 189,094
Grant Revenues			<u>302,935</u>
Total General Revenues			<u>\$ 492,029</u>
Change in Net Position			\$ 1,173,920
Net Position - Beginning			<u>6,515,356</u>
Net Position - Ending			<u>\$ 7,689,276</u>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2019**

	<b>General</b>	<b>Reserved for Fire Station, Apparatus, &amp; Debt Service</b>	<b>Total Governmental Funds</b>
<b><u>Assets:</u></b>			
Cash and Cash Equivalents	\$ 4,259,595	\$ 752,538	\$ 5,012,133
Property Taxes & Sales Tax Receivable	294,759	-	294,759
<b>Total Assets</b>	<b>\$ 4,554,354</b>	<b>\$ 752,538</b>	<b>\$ 5,306,892</b>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 28,591	\$ -	\$ 28,591
Unearned revenue	294,759	-	294,759
Payroll Taxes, Insurance & Retirement Payable	-	-	-
<b>Total Liabilities</b>	<b>\$ 323,350</b>	<b>\$ -</b>	<b>\$ 323,350</b>
<b><u>Fund Balances</u></b>			
Restricted for Debt Service,	\$ -	\$ 752,538	\$ 752,538
Fire Station, Apparatus, Reserve			
Unassigned	4,231,004	-	4,231,004
<b>Total Fund Balances</b>	<b>\$ 4,231,004</b>	<b>\$ 752,538</b>	<b>\$ 4,983,542</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,554,354</b>	<b>\$ 752,538</b>	<b>\$ 5,306,892</b>

See accompanying notes to financial statements.



**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET  
POSITION OF GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2019**

Total fund balance – total governmental funds	\$ 4,983,542
Amounts reported for governmental activities in the statement of net assets are different because:	
Deferred Outflows of Resources for Pensions are not recognized in Gov. Funds	\$ (222,579)
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	\$ 8,920,433
Deferred Inflows of Resources for Pensions are not recognized in Gov. Funds	\$ 32,301
The current portion of leases payable for capital assets is not included in governmental activities due to capital assets not being included in governmental activities.	\$ (579,707)
Unearned property tax revenues	\$ 216,379
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	\$ (5,003,438)
Net Pension Liability is not recognized for governmental funds	\$ (432,769)
Accrued vacation and sick leave payable not included in govt. funds	\$ (224,886)
Net assets of governmental activities	<u>\$ 7,689,276</u>

See accompanying notes to financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2019**

	<b><u>General</u></b>	<b><u>Fire Station, Apparatus Debt Service</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Revenues:</u></b>			
Property Taxes	\$ 2,182,123	\$ 882,631	\$ 3,064,754
Sales Taxes	2,806,236		2,806,236
City of Hutto	-	-	-
Williamson County	32,723	-	32,723
Revenue Rescue	3,212	-	3,212
Grant Revenues	302,935	-	302,935
Miscellaneous	117,704	-	117,704
Interest Earnings	189,094	-	189,094
<b>Total Revenues</b>	<b><u>\$ 5,634,027</u></b>	<b><u>\$ 882,631</u></b>	<b><u>\$ 6,516,658</u></b>
<b><u>Expenditures:</u></b>			
Current:			
General Government	\$ 4,693,131	\$ -	\$ 4,693,131
Capital Outlay	-	5,932,894	5,932,894
Debt Service:			
Principal	-	1,571,869	1,571,869
Interest	-	101,651	101,651
<b>Total Expenditures</b>	<b><u>\$ 4,693,131</u></b>	<b><u>\$ 7,606,414</u></b>	<b><u>\$ 12,299,545</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 940,896</b>	<b>\$ (6,723,783)</b>	<b>\$ (5,782,887)</b>
 <b>Loan proceeds</b>	 <b>\$ 1,554,446</b>	 <b>\$ 4,584,000</b>	 <b>\$ 6,138,446</b>
<b>Transfers</b>	<b>\$ (1,705,020)</b>	<b>\$ 1,705,020</b>	<b>\$ -</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 790,322</b>	<b>\$ (434,763)</b>	<b>\$ 355,559</b>
<b>Fund Balances - Beginning</b>	<b>\$ 3,440,682</b>	<b>\$ 1,187,301</b>	<b>\$ 4,627,983</b>
<b>Fund Balances - Ending</b>	<b><u>\$ 4,231,004</u></b>	<b><u>\$ 752,538</u></b>	<b><u>\$ 4,983,542</u></b>

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 SEPTEMBER 30, 2019**

Net change in fund balance - total governmental funds	\$ 355,559
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlay (5,932,894) exceeded depreciation (368,655) in the current period.	\$ 5,564,239
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes not collected	\$ 31,342
Less: Prior year	(39,042)
	\$ (7,700)
Miscellaneous adjustments of differences between Govt. wide & Gov. FD funds, but the repayment reduces long-term liabilities in the statement of net assets. Loan proceeds are subtracted with the net difference reported	\$ (4,530,029)
Total Pension Expense is not recognized in Governmental Funds	\$ (208,149)
	\$ -
Changes in net position of governmental activities	<u>\$ 1,173,920</u>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Williamson County Emergency Services District No. 3 (the District) is a governmental unit of the state of Texas that was formed in November 1999. The entity is responsible for providing fire and emergency services in Williamson County, Texas. The District provides fire and emergency medical services to a certain geographic portion of Williamson County including Hutto, Texas, an incorporated city located in Williamson County. The District was created and operates under Article III, Section 48-e, of the Texas Constitution, as proposed by S.J.R. No. 37, Acts of the 70<sup>th</sup> Legislature, Regular Session, 1987, and adopted by the voters at an election held November 1999.

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 Vice-Treasurer. No board member receives compensation for serving on the Board.

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.

B. 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. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 primarily consist of Ad Valorem taxes received from the County's appraisal district.

C. 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.

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. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental 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.

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. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**C. 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 2018-2019, cash and cash equivalents accounts were limited to Union State Bank General, SAFER Payroll, and Payroll Funds and Union State Bank Regular reserve, Apparatus reserve, Fire Station reserve and Debt Service reserve. The District at times has an amount in its depository account that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation. Union State Bank collateralizes deposits by pledging securities in the District's name.

**D. 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. The District's Board of Directors voted to establish reserve and restricted accounts in 2010-2011 for debt service, fire station, apparatus, and regular reserve.

**E. Interfund Transactions**

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



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

**F. 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 General Fund. All capital assets are recorded at cost and updated for additions and retirements during the year. The District does possess building infrastructure. Other capital assets consist of fire-fighting & EMT equipment and fire trucks. 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.

**G. 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 the fire station, apparatus, and regular reserve 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.

**H. Net Assets**

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets are 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.

**I. 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.

**J. Accrued Liabilities**

The District reports accrued liabilities on the statement of net position. The District reports accounts payable of \$28,591 and \$117,417 in unearned revenue during 2018-2019.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 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 November, 1999. 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. The County provides 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 \$21,894 USD for 2018-2019. 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 # 3 for 2018 is \$.096374 per \$100 valuation of property. The M&O rate for WCESD # 3 was 0.068475 and the I&S rate was 0.027899, the total adjusted original tax roll was \$3,057,054 on \$3,172,073,381 valuation. Property taxes receivable at 9/30/19 total \$31,342, with \$7,970 being current and \$10,229 being delinquent, and \$13,143 in rollbacks.

**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 or 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:

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

- 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

**A. Deposits**

At year-end the carrying amount of the District's deposits was \$5,051,170 and the bank balance was \$5,603,225. Federal depository insurance coverage totals \$250,000. The deposits were classified as category 1, collateralized, as defined by GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements. Securities pledged as collateral for Williamson County Emergency Services District No. 3 at September 30, 2019 totaled \$10,051,869 for excess collateralization in the amount of \$4,448,644.

**NOTE 4 - GENERAL FIXED ASSETS**

A summary of changes in general fixed assets for the year ended September 30, 2019:

	Fire Station 1 & 2	CWICS Trunking System	Apparatus & Trucks	Radio Equipment	Computers & Furniture	Totals
10/1/2018	2,033,086	159,504	1,693,712	553,642	87,307	4,527,251
Additions	5,792,139	-	94,502	46,253	-	5,932,894
Deletions	-	-	-	-	-	-
9/30/2019	7,825,225	159,504	1,788,214	599,895	87,307	10,460,145
Land						\$ 895,981
CIP						-
Less:						
Acc. Depr.	\$ 830,454	\$ -	\$ 1,237,086	\$ 299,773	\$ 68,380	\$ 2,435,693
Total, Net	<u>\$ 6,994,771</u>	<u>\$ 159,504</u>	<u>\$ 551,128</u>	<u>\$ 300,122</u>	<u>\$ 18,927</u>	<u>\$ 8,920,433</u>



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 5 – GENERAL LONG-TERM DEBT**

The District has acquired buildings, vehicles and fire equipment under master governmental lease-purchase agreements dated as follows:

Note Payable to Alliance Bank, dated December 28, 2017, in the amount of \$1,860,000, annual payments from \$251,801 to \$252,347, due 3/1 and 9/1, including interest at 2.25%. Secured by land and building.	\$ 577,000
Note payable to PNC Bank dated July 20, 2017 in the amount of \$804,681, monthly payments of \$91,386, matures August 20, 2025 secured by Pierce Pumper fire truck.	\$ 669,291
Note payable to Union State Bank dated December 29, 2015 in the amount of \$200,000, annual payments of \$43,983, due 12/29, matures 12/29/2020, including interest of 3.25%, secured by radios.	\$ 84,104
Note payable to Chase Bank dated October 11, 2018 in the amount of \$4,584,000, annual payments of \$383,246, due 2/15, matures February 15, 2033, including interest of 3.26%, secured by building.	\$ 4,252,750
Total	<u>5,583,145</u>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019**

**NOTE 5 – GENERAL LONG-TERM DEBT (Continued)**

The debt service requirements on the above lease-purchase agreements are as follows:

Due Year Ending  
September 30

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	223,000	10,474	233,474
2021	228,000	5,400	233,400
2022	126,000	1,418	127,418
2023	-	-	-
Thereafter	-	-	-
Total	<u>\$ 577,000</u>	<u>\$ 17,292</u>	<u>\$ 594,292</u>

Due Year Ending  
September 30

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	41,212	2,771	43,983
2021	42,892	1,417	44,309
Total	<u>\$ 84,104</u>	<u>\$ 4,188</u>	<u>\$ 88,292</u>

Due Year Ending  
September 30

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	70,889	20,946	91,835
2021	73,108	18,728	91,836
2022	75,396	16,440	91,836
2023	77,756	14,080	91,836
2024	80,189	11,647	91,836
Thereafter	291,953	9,693	301,646
Total	<u>\$ 669,291</u>	<u>\$ 91,534</u>	<u>\$ 760,825</u>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 5 – GENERAL LONG-TERM DEBT (Continued)**

The debt service requirements on the above lease-purchase agreements are as follows:

<u>Due Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	244,606	138,640	383,246
2021	252,223	131,023	383,246
2022	260,803	122,443	383,246
2023	269,305	113,941	383,246
2024	278,084	105,162	383,246
Thereafter	2,947,729	501,483	3,449,212
Total	\$ 4,252,750	\$ 1,112,692	\$ 5,365,442

**NOTE 6 – CONTINGENCIES AND SUBSEQUENT EVENTS**

As of September 30, 2019, the District did not have any material pending litigation or non-disclosed liabilities.

**Pensions**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, District specific information about its Fiduciary Net Position in the Texas County and District Retirement System (TCDRS) and additions to/deductions from the District's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the District's Total Pension Liability is obtained from TCDRS through a report prepared for the District by TCDRS consulting actuary, Milliman, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that qualify for reporting in this category.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Pension contributions after measurement date – these contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Pension Plan**

The Williamson County ESD # 3 participates as one of the plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions. This policy documents the current funding policies in effect for the Dec. 31, 2018 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan. TCDRS funding overview TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income. • The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

adopted by the employer's governing body. • Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. • Investment income funds a large part of the benefits employees earn. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis. Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. GASB 68 Disclosure for Measurement Date December 31, 2017. Williamson County Emergency Services District #3 Texas County & District Retirement System. This work product was prepared solely for the TCDRS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs. Methodology for determining employer contribution rates The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following: • Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments. • Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits. • Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy. The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions. Actuarial cost method TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year. Amortization policy The portion of the contribution



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year. Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law. GASB 68 Disclosure for Measurement Date December 31, 2014. Williamson County Emergency Services District #3 Texas County & District Retirement System. This work product was prepared solely for the TCDRS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product. For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees. Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period. If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30-year open amortization period. Asset valuation method When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions. In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle. Actuarial assumptions Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase. Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report. Oversight The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied. Review of actuarial assumptions TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience.

TCDRS assumptions are compared to plan experience and future expectations, and changes to GASB 68 Disclosure for Measurement Date December 31, 2018. Williamson County Emergency Services District #3 Texas County & District Retirement System This work product was prepared solely for the TCDRS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product. the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study. An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results. Review of employer contribution rates In order to test accuracy and ensure that the actuarial methods and assumptions are being



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation. Review and modification of funding policy The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 – December 31, 2013 for more details. (1) Target asset allocation adopted at the April 2015 TCDRS Board meeting. (2) Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions. (3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs. (4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs. Geometric Real Rate of Return Target (Expected minus Asset Class Benchmark Allocation)(1) Inflation(2) US Equities Dow Jones U.S. Total Stock Market Index 16.50% 5.35% Private Equity Cambridge Associates Global Private Equity & Venture Capital Index(3) 12.00% 8.35% Global Equities MSCI World (net) Index 1.50% 5.65% International Equities - Developed 50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index 11.00% 5.35% International Equities - Emerging 50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index 9.00% 6.35% Investment-Grade Bonds Barclays Capital Aggregate Bond Index 3.00% 0.55% High-Yield Bonds Citigroup High-Yield Cash-Pay Capped Index 3.00% 3.75% Opportunistic Credit Citigroup High-Yield Cash-Pay Capped Index 5.00% 5.54% Direct Lending Citigroup High-Yield Cash-Pay Capped Index 2.00% 5.80% Distressed Debt Citigroup High-Yield Cash-Pay Capped Index 3.00% 6.75% REIT Equities 67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index 2.00%

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

4.00% Commodities Bloomberg Commodities Index 2.00% -0.20% Master Limited  
Partnerships (MLPs) Alerian MLP Index 2.00% 5.30% Private Real Estate Partnerships  
Cambridge Associates Real Estate Index(4) 3.00% 7.20% Hedge Funds Hedge Fund  
Research, Inc. (HFRI) Fund of Funds Composite Index 25.00% 5.15%

**Williamson County ESD # 3**  
**Schedule of Changes in Net Pension Liability and Related Ratios Current Period**  
**September 30, 2019**

<b>A. Total pension liability</b>	
1. Service Cost	\$ 273,409
2. Interest (on the Total Pension Liability)	126,095
3. Effect of Plan Changes	-
4. Effect of assumption changes or inputs	-
5. Effect of economic/demographic (gains) or losses	(42,657)
6. Benefit payments, including refunds of employee contributions	-
7. Net change in total pension liability	<u>\$ 356,847</u>
8. Total pension liability - beginning	1,283,320
9. Total pension liability - ending	<u><u>\$ 1,640,167</u></u>
<b>B. Plan fiduciary net position</b>	
1. Contributions - employer	\$ 230,778
2. Contributions - member	129,755
3. Net investment income	(11,786)
4. Benefit payments, including refunds of employee contributions	-
5. Administrative Expense	(970)
6. Other	10,826
7. Net change in plan fiduciary net position	<u>\$ 358,603</u>
8. Plan fiduciary net position - beginning	848,795
9. Plan fiduciary net position - ending	<u><u>\$ 1,207,398</u></u>
<b>C. Net pension liability [A.9-B.9]</b>	<u><u>\$ 432,769</u></u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]</b>	73.61%
<b>E. Covered-employee payroll</b>	\$ 1,853,636
<b>F. Net pension liability as a percentage of covered employee payroll [C / E]</b>	23.35%

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**WILLIAMSON COUNTY ESD # 3**  
**SCHEDULE OF PENSION EXPENSE**  
**SEPTEMBER 30, 2019**

1.	Total Service Cost	\$ 273,409
2.	Interest on the Total Pension Liability	126,095
3.	Current Period Benefit Changes	-
4.	Employee Contributions (Reduction of Expense)	(129,755)
5.	Projected Earnings on Plan Investments (Reduction of Expense)	(83,461)
6.	Administrative Expense	970
7.	Other Changes in Fiduciary Net Position	(10,826)
8.	Recognition of Investment gains or losses	22,243
9.	Recognition of economic/demographic gains or losses	9,879
10.	Recognition of assumption changes or inputs	(405)
		-
12.	Total Pension Expense	<u>\$ 208,149</u>



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**WILLIAMSON COUNTY ESD # 3**  
**SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**  
**SEPTEMBER 30, 2019**

	Recognition Period (or amortization yrs)	2018 Recognized in current pension expense	Deferred Inflow in future expense	Deferred Outflow in future expense
<u>Due to Liabilities:</u>				
Difference in expected and actual experience [actuarial (gains) or losses]	18.0000		\$ 65,108	\$ 214,576
Difference in assumption changes [actuarial (gains) or losses]	18.0000		\$ 8,371	\$ 1,301
			<u>\$ 73,479</u>	<u>\$ 215,877</u>
<u>Due to Assets:</u>				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.0000		\$ -	\$ 67,059
			<u>\$ -</u>	<u>\$ 67,059</u>
<u>Total:</u>			<u>\$ 73,479</u>	<u>\$ 148,818</u>

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

	Net deferred outflows (inflows) of resources
2019	\$ 30,478
2020	23,695
2021	22,257
2022	28,525
2023	9,474
Thereafter	<u>95,028</u>
Total	\$ 209,457

## Required Supplementary Information



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 3,048,523	\$ 3,108,244	\$ 3,064,754	\$ (43,490)
Sales Taxes	2,085,103	2,907,952	2,806,236	\$ (101,716)
Other Income	68,000	187,926	153,639	(34,287)
Grant Income	-	139,951	302,935	162,984
General Reserve	- #	- #		-
Interest Earnings	16,000	178,459	189,094	10,635
<b>Total Revenues</b>	<b>\$ 5,217,626</b>	<b>\$ 6,522,532</b>	<b>\$ 6,516,658</b>	<b>\$ (5,874)</b>
<b>Expenditures:</b>				
Current:				
General Government	\$ 3,804,788	\$ 4,539,555	\$ 4,616,264	\$ (76,709)
Capital Outlay	533,500	4,579,809	5,932,894	(1,353,085)
Debt Service	879,338	1,379,347	1,673,520	(294,173)
<b>Total Expenditures</b>	<b>\$ 5,217,626</b>	<b>\$ 10,498,711</b>	<b>\$ 12,222,678</b>	<b>\$ (1,723,967)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ (3,976,179)</b>	<b>\$ (5,706,020)</b>	<b>\$ (1,729,841)</b>
<b>Net income or (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,706,020)</b>	
Loan Proceeds			\$ 4,584,000	
<b>Fund Balances - Beginning</b>	<b>\$ 4,627,983</b>	<b>\$ 4,627,983</b>	<b>\$ 4,627,983</b>	
<b>Fund Balances - Ending</b>	<b>\$ 4,627,983</b>	<b>\$ 4,627,983</b>	<b>\$ 3,505,963</b>	
Investment in Capital Assets, Net of Related Debt			\$ 4,461,881	
Unearned Revenue			\$ (294,759)	
Long Term Debt not recognized in governmental funds			(226,300)	
Net Pension Liability not recognized in governmental funds			\$ 432,769	
Deferred Inflows of Resources not recognized in govt. funds			\$ 32,301	
Deferred Outflows of Resources not recognized in govt. funds			\$ (222,579)	
GAAP Basis Fund Balance			<b>\$ 7,689,276</b>	

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 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.

1. 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.

2. 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.

3. 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. See page 14 for a reconciliation between governmental funds and GAAP basis net equity fund balance.

**Williamson County ESD # 3**

**Schedule of Changes in Net Pension Liability and Related Ratios**

Last ten years (will ultimately be displayed)

<b>Total pension liability</b>	2014	2015	2016	2017	2018
1. Service Cost	\$ 64,198	79,227	85,432	132,527	273,409
2. Interest (on the Total Pension Liability)	22,633	29,642	36,009	61,053	126,095
3. Effect of plan changes	-	(15,298)	15,180	321,803	-
4. Effect of assumption changes or inputs	-	1,774	-	(9,417)	(42,657)
5. Effect of economic/demographic (gains) or losses	4,404	(33,847)	89,353	156,147	-
6. Benefit payments, including refunds	(10,689)	1	-	-	-
7. Net change in total pension liability	\$ 80,545	61,499	225,974	662,113	356,847
8. Total pension liability - beginning	253,189	333,734	395,233	621,207	1,283,320
9. Total pension liability - ending	\$ 333,734	395,233	621,207	1,283,320	1,640,167
<b>Plan fiduciary net position</b>					
1. Contributions - employer	\$ 45,835	49,109	58,947	106,889	230,778
2. Contributions - members	40,924	44,645	56,247	97,172	129,755
3. Net investment income	15,133	(4,464)	30,415	84,710	(11,786)
4. Benefit payments, including refunds of contributions	(10,689)	1	(1)	-	-
5. Administrative Expense	(210)	(263)	(331)	(564)	(970)
6. Other	(15)	(32)	9,045	2,729	10,826
7. Net change in plan fiduciary net position	\$ 90,978	88,996	154,322	290,936	358,603
8. Plan fiduciary net position - beginning	223,563	314,541	403,537	557,859	848,795
9. Plan fiduciary net position - ending	\$ 314,541	403,537	557,859	848,795	1,207,398
<b>Net pension liability [A.9-B.9]</b>	<b>\$ 19,193</b>	<b>(8,304)</b>	<b>63,348</b>	<b>434,525</b>	<b>432,769</b>
<b>Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]</b>	<b>94.25%</b>	<b>102.10%</b>	<b>89.80%</b>	<b>66.14%</b>	<b>73.61%</b>
<b>Covered-employee payroll</b>	<b>\$ 818,490</b>	<b>892,897</b>	<b>1,120,079</b>	<b>1,619,531</b>	<b>1,853,636</b>
<b>Net pension liability as a percentage of covered employee payroll [C / E]</b>	<b>2.34%</b>	<b>-0.93%</b>	<b>5.66%</b>	<b>26.83%</b>	<b>23.35%</b>



**Williamson County ESD # 3**

**Schedule of Contributions**

**Last 10 Fiscal Years (will ultimately be displayed)**

**September 30, 2019**

	2018	2017	2016	2015	2014	2013	2012	2011
Actually Determined Contribution	230,778	106,889	58,692	\$ 49,109	\$ 45,835	\$ 37,229	\$ 24,389	\$ 23,716
Contributions in relation to the actuarially determined contribution	230,778	106,889	58,947	49,109	45,835	37,229	24,389	23,716
Contribution deficiency (excess)					-	-	-	-
Covered employee payroll	1,853,636	1,619,531	1,120,079	892,897	818,490	663,609	614,331	605,008
Contributions as a percentage of covered employee payroll	12.50%	6.60%	5.30%	5.50%	5.60%	5.60%	4.00%	3.90%

**Notes to Schedule of Contributions**

Valuation Date determined 12/31/2017

Notes

**Valuation Date:**

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January.

**Methods and Assumptions Used to Determine Contribution Rates:**

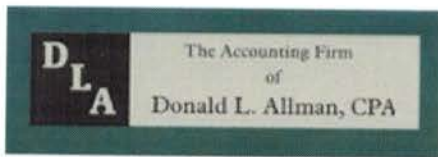
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed.
Remaining Amortization Period	13.5 years
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8%, net of administrative & investment expenses, 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males, and 110% of the RP-2014 Healthy Annuitant Mortality table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

**Other Information:**

2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.

Changes in Plan Provisions 2015 & 2016 - No changes in plan provisions are reflected in the Schedule of Employer Contributions.

Reflected in the schedule 2017: Employer contributions reflect that the member contribution rate was increased to 6% and the current service matching rate was increased to 175% for future benefits. Also, new annuity purchase rates were reflected for benefits earned after 2017.



Donald L. Allman, CPA, PC  
4749 Williams Drive., Ste. 322  
Georgetown, Texas 78633  
Phone: 512-422-3700  
Fax: 512-240-5460  
Email: dallman@donallmancpa.com

---

INDEPENDENT AUDITOR'S 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 # 3

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 # 3 as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Williamson County ESD # 3's basic financial statements, and have issued our report thereon dated December 12, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Williamson County ESD # 3'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 # 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Williamson County ESD # 3'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 #3'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, PC

Georgetown, TX  
December 12, 2019

***ANNUAL FINANCIAL REPORT***

**of the**

**WILLIAMSON COUNTY  
EMERGENCY SERVICES  
DISTRICT #4**

**For the Year Ended  
September 30, 2019**

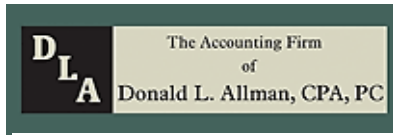
(This page intentionally left blank)



**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**TABLE OF CONTENTS**  
**September 30, 2019**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	5
 <b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Statement of Net Position and Governmental Fund Balance Sheet	13
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	15
Notes to Financial Statements	17
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Budgetary Comparison Schedule – General Fund	37
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System (TCDRS)	39
Schedule of Contributions – Texas County and District Retirement System (TCDRS)	41
 Independent Auditors Report on Internal Control	 42

(This page intentionally left blank)



Donald L. Allman, CPA, PC  
4749 Williams Dr., Ste. 322  
Georgetown, Texas 78633  
Email: dallman@donallmancpa.com

---

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Williamson County Emergency Services District #4:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Williamson County Emergency Services District #4 (the "District") as of and for the year ended September 30, 2019, 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

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 District'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 District'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 and the major fund of the District as of September 30, 2019, 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**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, 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, PC  
*Certified Public Accountant*  
Georgetown, Texas  
June 17, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

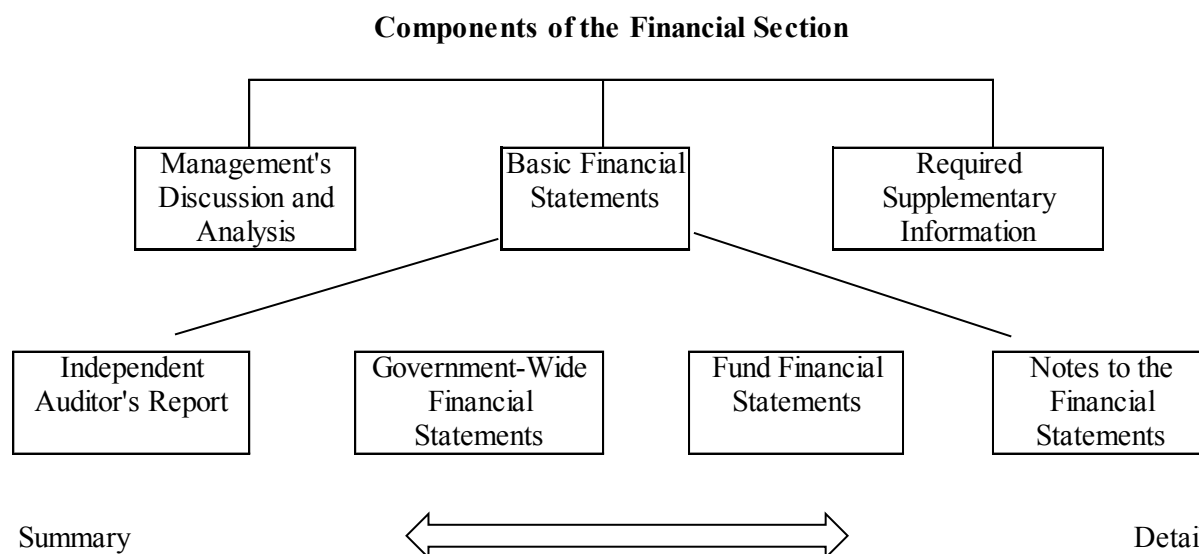


(This page is intentionally left blank)

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended September 30, 2019*

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the Williamson County Emergency Services District #4 (the "District") for the year ending September 30, 2019. The analysis is based on currently known facts, decisions, and economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

**THE STRUCTURE OF OUR ANNUAL REPORT**



The District's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-Wide Statements**

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

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



**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present the District's financials using one class of activity:

1. *Governmental Activities* – The District's activities related to emergency services are reported here. Interest payments on the District's debt are also reported here. Property tax, sales tax, and charges for services finance most of these activities.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the District. They are usually segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The single category of the District's fund is governmental.

### **Governmental Funds**

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

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

The District maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund.

The District adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

### **Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
*For the Year Ended September 30, 2019*

**Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, and schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. For the District, assets and deferred outflows exceed liabilities and deferred inflows by \$4,503,453 as of year end.

A portion of the District's net position, \$1,382,894 or 31 percent, reflects its investments in capital assets (e.g., land, building, vehicles, and equipment), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. Restricted net position is to make debt service payments during the next fiscal year.

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2019	2018
Current and other assets	\$ 7,584,907	\$ 7,073,291
Capital assets, net	2,846,075	2,492,030
<b>Total Assets</b>	<b>10,430,982</b>	<b>9,565,321</b>
Deferred outflows - pensions	94,445	86,986
Long-term liabilities	5,548,555	5,366,830
Other liabilities	444,447	421,700
<b>Total Liabilities</b>	<b>5,993,002</b>	<b>5,788,530</b>
Deferred inflows pensions	28,972	1,727
<b>Net Position:</b>		
Net investment in capital assets	1,382,894	1,244,500
Restricted	643,054	
Unrestricted	2,477,505	2,617,550
	<b>\$ 4,503,453</b>	<b>\$ 3,862,050</b>

The balance of unrestricted net position, \$ 2,477,505 may be used to meet the District's ongoing obligations to citizens and creditors. The District's net position increased during the year by \$641,403.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2019**

**Statement of Activities**

The following table provides a summary of the Districts changes in net position:

		<b>Governmental Activities</b>	
		<b>2019</b>	<b>2018</b>
<b>Revenues</b>			
Property taxes		\$ 3,180,250	\$2,658,611
General sales tax		749,896	584,917
Grants		-	7,610
Charges for inspections		7,647	4,189
Plan reviews		64,796	53,026
Interest income		7,034	5,221
Other income		109,405	66,145
<b>Total Revenues</b>		<b>4,119,028</b>	<b>3,379,719</b>
<b>Expenses for services</b>			
<b>Operating</b>			
Fleet maintenance		22,298	32,316
Fire prevention		49,333	18,457
Emergency medical services		6,075	5,163
Professional fees		70,170	83,559
Office expenses		7,104	5,812
Insurance		72,208	57,880
Appraisal district / tax collector fees		22,298	16,083
Bunker gear		24,310	22,611
Communications		56,589	49,730
Fire fighting equipment & expenses		41,313	85,840
Building expenses		20,054	22,715
Travel and training		56,022	37,571
Utilities		20,398	17,561
Personnel		2,584,026	1,834,147
Depreciation expense		185,181	191,936
Miscellaneous expense		14,636	16,784
<b>Debt Service</b>			
Interest and fiscal charges		225,610	47,350
<b>Total Expenses</b>		<b>3,477,625</b>	<b>2,545,515</b>
<b>Change in Net Position</b>		<b>641,403</b>	<b>834,204</b>
Beginning net position		3,862,050	3,027,846
<b>Ending Net Position</b>		<b>\$ 4,503,453</b>	<b>\$3,862,050</b>

For the year, revenues from governmental activities totaled \$4,119,028. During the year, the District reported an increase in property and sales tax revenues. Property taxes increased primarily due to an increase in property valuations and growth in the area.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***  
***For the Year Ended September 30, 2019***

year mainly due to increases in personnel expense and fire fighting equipment. The District increased staff and equipment to better serve the area and the growth it is experiencing.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUND**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Fund** – The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the district's net resources available for spending at the end of the year. The ending fund balance for the general fund as of year end was \$1,447,163.

The general fund reported a decrease in fund balance of \$(133,249) due to an increase in expenses

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual general fund revenue was higher than original and final budgeted revenues by \$124,914 primarily due to the District not anticipating an increase in revenue from property tax & sales tax. General fund expenditures were under the final budget by 440,220 mainly due to expenses being less than the budgeted amount.

**CAPITAL ASSETS**

At the end of fiscal year 2019, the District's governmental activities fund had invested \$2,846,075 in a variety of capital assets and infrastructure, net of accumulated depreciation. This represents a net increase of \$354,045 due to added Land to the District's capital assets.

More detailed information about the District's capital assets is presented in note 5 to the financial statements.

**LONG-TERM DEBT**

At the end of the current year, the District had outstanding capital lease and bond obligations in the amount of 5,944,069.

More detailed information about the District's long-term liabilities is presented in note 6 to the financial statements.

**ECONOMIC FACTORS**

The District is located in Williamson County, Texas. The District remains financially viable allowing the District to continue providing quality services to its residents.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning this report or requests for additional financial information should be directed to the District's Chief, Anthony Lincoln at (512) 515-5165.

(This page is intentionally left blank)

## **BASIC FINANCIAL STATEMENTS**

(This page is intentionally left blank)

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
*STATEMENT OF NET POSITION AND*  
*GOVERNMENTAL FUND BALANCE SHEET*  
September 30, 2019

	<u>General</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,279,583	\$ 4,500,000	\$ 6,779,583
Receivables:			
Property taxes	58,598	-	58,598
Sales taxes	64,282	-	64,282
Customer service accounts	2,963	-	2,963
Prepaid expenses	13,264		13,264
Net pension asset	-	23,163	23,163
Restricted Cash	643,054		643,054
Capital assets (net of accumulated depreciation):			-
Nondepreciable	-	387,834	387,834
Depreciable	-	2,458,241	2,458,241
<b>Total Assets</b>	<u><u>\$ 3,061,744</u></u>	<u><u>\$ 7,369,238</u></u>	<u><u>\$ 10,430,982</u></u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions	-	94,445	94,445
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 29,821	\$ -	\$ 29,821
Wages payable	-	-	-
Accrued interest	-	-	-
Long-term liabilities:			
Net Pension Liability		-	-
Due within one year	-	414,626	\$ 414,626
Due in more than one year	-	5,548,555	\$ 5,548,555
<b>Total Liabilities</b>	<u><u>29,821</u></u>	<u><u>5,963,181</u></u>	<u><u>5,993,002</u></u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows of Resources Pensions		28,972	28,972
Unavailable revenue - property taxes	53,478	(53,478)	-
Total Deferred Inflows of Resources	<u>53,478</u>	<u>(24,506)</u>	<u>28,972</u>
<b>Fund Balance / Net Position</b>			
<b>Fund Balance:</b>			
Unassigned	2,978,445	(2,978,445)	-
<b>Total Fund Balance</b>	<u><u>2,978,445</u></u>	<u><u>(2,978,445)</u></u>	<u><u>-</u></u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u><u>\$ 3,061,744</u></u>		
<b>Net Position:</b>			
Net investment in capital assets		1,382,894	1,382,894
Restricted		643,054	643,054
Unrestricted		2,477,505	2,477,505
<b>Total Net Position</b>		<u><u>\$ 4,503,453</u></u>	<u><u>\$ 4,503,453</u></u>



(This page intentionally left blank)

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
*STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND*  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Year Ended September 30, 2019**

	<u>General</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Property taxes	\$ 3,180,250	\$ -	\$ 3,180,250
General sales tax	749,896	-	749,896
Grants	-	-	-
Charges for inspections	7,647	-	7,647
Plan reviews	64,796	-	64,796
Interest income	7,034	-	7,034
Other income	109,405	-	109,405
<b>Total Revenues</b>	<u>4,119,028</u>	<u>-</u>	<u>4,119,028</u>
<b>Expenditures/Expenses</b>			
<b>Operating</b>			
Fleet maintenance	22,298	-	22,298
Fire prevention	49,333		49,333
Emergency medical services	6,075		6,075
Professional fees	70,170	-	70,170
Office expenses	7,104		7,104
Insurance	72,208		72,208
Appraisal district / tax collector fees	22,298		22,298
Bunker gear	24,310		24,310
Communications	56,589		56,589
Fire fighting equipment	41,313	-	41,313
Building expenses	20,054		20,054
Travel and training	56,022		56,022
Utilities	20,398		20,398
Personnel	2,605,668	(21,642)	2,584,026
Depreciation expense	-	185,181	185,181
Miscellaneous expense	14,636	-	14,636
Capital Outlay	539,226	(539,226)	
<b>Debt Service</b>			
Principal	398,965	(398,965)	-
Interest and fiscal charges	225,610	-	225,610
<b>Total Expenditures / Expenses</b>	<u>4,252,277</u>	<u>(774,652)</u>	<u>3,477,625</u>
<b>Change in Fund Balance / Net Position</b>	(133,249)	774,652	641,403
Beginning fund balance / net position	<u>1,580,412</u>	<u>2,281,638</u>	<u>3,862,050</u>
<b>Ending Fund Balance / Net Position</b>	<u>\$ 1,447,163</u>	<u>\$ 3,056,290</u>	<u>\$ 4,503,453</u>

See Notes to Financial Statements.

(This page is intentionally left blank)

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**NOTE 1 – CREATION OF DISTRICT**

Williamson County Emergency Services District #4 (the “District”) was created by Article III, Section 48-e of the Constitution of Texas as proposed by Senate Joint Resolution, No. 27 Acts of the 70<sup>th</sup> Legislature, Regular Session 1987, and adopted by the voters at an election held in May 2000, to protect life and property from fire and to conserve natural and human resources.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and equipment necessary to service the citizens of its jurisdiction in all matters related to emergency and nonemergency services.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements and accounting policies of the District are prepared in conformity with generally accepted accounting principles for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

**A. Reporting Entity**

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statement No. 14 and No. 34*, modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. GASB Statement No. 61 has been applied as required in the preparation of these basic financial statements. There are no component units that are legally separate for which the District is considered financially accountable.

The District is governed by a Board of Directors (the “Board”) consisting of five individuals who are residents or owners of property within the District and are appointed by the Williamson County’s Commissioner from Precinct 2. As required by generally accepted accounting principles, these basic financial statements present the activities of the District, which is considered to be the primary government, as well as the reporting entity. There are no other organizations that meet the criteria for inclusion herein as part of the financial reporting entity.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the District's fund. Separate statements for each fund category, governmental, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following governmental fund:

The *general fund* is used to account for the operations of the District's emergency response services and all other financial transactions not properly includable in other funds. The principal sources of revenue are related to property tax and sales tax collections. Expenditures include all costs associated with the daily operations of the District. The general fund is always considered a major fund for reporting purposes.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

Temporary investments consist of certificates of deposit and time deposits and are stated at cost.

**3. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<b>Asset Description</b>	<b>Estimated Useful Life</b>
Building and structures	15-35 years
Vehicles	15 years
Furniture and fixtures	7 years
Other equipment	5-10 years

**4. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience and for the changes in actuarial assumptions related to the District's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**5. Compensated Employee Absences**

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. As of the year end, the liability for accrued vacation reflects that time earned by the employees in the current year. Administrative employees may roll over 40 hours of vacation accrual and Operations employees may roll over 60 hours of vacation accrual.

**6. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**7. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
***NOTES TO FINANCIAL STATEMENTS (Continued)***  
**For the Year Ended September 30, 2019**

**8. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**9. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**10. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.



**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**11. Pensions**

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

**G. Revenues and Expenditures / Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes are levied during October of each year and are due upon receipt of the District's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the District's Council prior to the beginning of the year. The legal level of control in the approved budget, as defined by the charter, is at the department level for the general operating fund. All annual appropriations lapse at the end of the year.

**NOTE 4 – CASH AND TEMPORARY INVESTMENTS**

As of September 30, 2019, the District had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	<u>\$ 527,310</u>	0.11

Applicable state laws and regulations allow the District to invest its funds in direct or indirect obligations of the United States, the State, or any county, district, school district, or other political subdivision of the State. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) domiciled within the State. Related state statutes and provisions included in the District's bond

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

resolutions require that all funds invested in depository institutions be guaranteed by federal depository insurance and/or be secured in the manner provided by law for the security of public funds.

*Custodial credit risk – deposits.* 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. The District requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2019, the District had \$305,824 in excess pledged collateral.

**NOTE 5 – PROPERTY TAXES**

Property taxes, that are levied for debt payments are based on rates adopted for the year of the levy. For the current year, the District levied property taxes of \$0.0961 per \$100 of assessed valuation. The resulting tax levy was \$3,180,250 for the 2019 tax year.

Property taxes receivable at year end consisted of the following levy balances:

<u><b>Tax Year</b></u>	<u><b>Amounts</b></u>
2019	38,927
2018	5,306
2017	2,731
2016	2,047
2015	1,970
2014	1,458
2013	1,366
2012	1,162
2011	1,007
2010	687
2009	785
2008 and prior	1,152
	<u>\$ 58,598</u>

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended September 30, 2019

**NOTE 6 – CAPITAL ASSETS**

A summary of changes in capital assets for the year ended is as follows:

	<u>Beginning Balance*</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 12,000	\$ 375,834	\$ -	\$ 387,834
Construction in progress	-	-	-	-
<b>Total Capital Assets not Being Depreciated</b>	<u>12,000</u>	<u>375,834</u>	<u>-</u>	<u>387,834</u>
Other capital assets				
Vehicles	2,191,091	-	-	2,191,091
Furniture and fixtures	22,866	-	-	22,866
Equipment	805,830	14,205	-	820,035
Building and structures	1,088,110	149,187	-	1,237,297
<b>Total Capital Assets</b>	<u>4,107,897</u>	<u>163,392</u>	<u>-</u>	<u>4,271,289</u>
Less accumulated depreciation for:				
Vehicles	(1,097,538)	(57,859)	-	(1,155,397)
Furniture and fixtures	(23,787)	-	-	(23,787)
Equipment	(284,045)	(98,198)	-	(382,243)
Building and structures	(222,497)	(29,124)	-	(251,621)
<b>Total Accumulated Depreciation</b>	<u>(1,627,867)</u>	<u>(185,181)</u>	<u>-</u>	<u>(1,813,048)</u>
Other capital assets, net	<u>2,480,030</u>	<u>(21,789)</u>	<u>-</u>	<u>2,458,241</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 2,492,030</u>	<u>\$ 354,045</u>	<u>\$ -</u>	<u>\$ 2,846,075</u>
<b>Less debt associated with capital assets</b>				<u>(986,761)</u>
<b>Net investment in capital assets</b>				<u>1,859,314</u>

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**NOTE 7 – LONG-TERM DEBT**

Long-term debt consists of capital lease obligations, net pension liability, and compensated absences payable. Payments of principal and interest on the leases are to be provided from tax levies on properties within the District. The following is a summary of changes in long-term liabilities for the year ended September 30, 2018:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Capital lease obligations	\$ 1,228,418	\$ -	\$ (241,657)	\$ 986,761	\$ 232,095
Bonds payable	4,500,000	300,000	(157,308)	4,957,308	182,531
Other liabilities:					
Compensated absences	19,112	-	-	19,112	-
<b>Total Governmental     Activities</b>	<u>\$ 5,747,530</u>	<u>\$ 300,000</u>	<u>\$ (398,965)</u>	<u>\$ 5,963,181</u>	<u>\$ 414,626</u>
Long-term debt due in more than one year					<u>\$ 5,548,555</u>
<b>*Debt associated with capital assets</b>					<u>\$ 986,761</u>

Capital lease obligations as of year end are comprised of the following lease agreements:

<b>Description</b>	<b>Interest Rates</b>	<b>Balance</b>
<b>Capital Leases</b>		
Government Capital Corporation	4.475%	986,761
<b>Total Governmental Activities Long-Term Debt</b>		<u>\$ 986,761</u>

As of year end, the debt service requirements on leases outstanding are as follows:

<b>Year Ending Sept 30</b>	<b>Governmental Activities Capital Lease Station 1</b>	
	<b>Principal</b>	<b>Interest</b>
2020	83,213	3,724
2021	-	-
2022	-	-
2023	-	-
	<u>\$ 83,214</u>	<u>\$ 3,725</u>

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended September 30, 2019

**NOTE 7 – LONG-TERM DEBT**

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>Government Cap Corp Loan</b>	
	<b>Principal</b>	<b>Interest</b>
2020	151,644	188,907
2021	158,241	182,311
2022	165,124	175,427
2023	172,307	168,244
2024	179,803	160,749
2025-2028	800,901	561,304
2029-2033	1,213,389	489,368
2034-2038	1,501,283	201,476
	<u>\$ 4,342,692</u>	<u>\$ 2,127,786</u>

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>Capital Lease Equip Chassis</b>	
	<b>Principal</b>	<b>Interest</b>
2020	40,620	5,187
2021	41,859	3,948
2022	43,135	2,671
2023	44,450	1,355
	<u>\$ 170,065</u>	<u>\$ 13,162</u>

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>Capital Lease 2013 Pumper</b>	
	<b>Principal</b>	<b>Interest</b>
2020	38,534	4,971
2021	39,721	3,784
2022	40,944	2,561
2023	42,205	1,300
	<u>\$ 161,405</u>	<u>\$ 12,617</u>

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>GCCC Land Purchase</b>	
	<b>Principal</b>	<b>Interest</b>
2020	30,887	5,548
2021	31,458	4,977
2022	32,040	4,395
2023	32,632	3,803
2024	33,236	3,199
2025-2029	139,746	6,546
	<u>\$ 300,000</u>	<u>\$ 28,469</u>

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended September 30, 2019

**NOTE 7 – LONG-TERM DEBT**

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>Capital Lease 2018 Pumper</b>	
	<b>Principal</b>	<b>Interest</b>
2020	44,021	13,991
2021	45,566	12,446
2022	47,166	10,847
2023	48,821	9,191
2024	50,535	7,477
2025-2028	162,499	11,539

	\$ 398,608	\$ 65,491
--	------------	-----------

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>Capital Lease Command 1</b>	
	<b>Principal</b>	<b>Interest</b>
2020	10,052	916
2021	10,349	620
2022	10,654	314
2023	-	-
	\$ 31,056	\$ 1,851

<b>Year Ending Sept 30</b>	<b>Governmental Activities</b>	
	<b>Capital Lease Patrol</b>	
	<b>Principal</b>	<b>Interest</b>
2020	15,655	5,184
2021	16,225	4,614
2022	16,815	4,023
2023	17,428	3,411
2024	18,062	2,777
2025-2028	58,227	4,289

	\$ 142,412	\$ 24,298
--	------------	-----------

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
***NOTES TO FINANCIAL STATEMENTS (Continued)***  
**For the Year Ended September 30, 2019**

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

Various governmental entities within the District have the right to annex property within the District, which could result in a future reduction of the total value of property within the District and a reduction in the total tax revenue to be collected. For the year ending September 30, 2018, the District has not been made aware of any annexation.

**NOTE 9 – PENSION PLAN**

**Texas County and District Retirement System**

**Plan Description**

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public employee retirement system. TCDRS serves 700 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Board of each employer, within the options available in the TCDRS Act. Because of that, the District has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available Comprehensive Annual Financial Report that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees (except temporary staff) of the District must be enrolled in TCDRS.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

**Benefits Provided**

TCDRS provides retirement, disability, and death benefits. The benefits provisions are adopted by the Board within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with five or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after five years of service, but must leave their accumulated contributions in TCDRS to receive any District-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the district.

Benefit amounts are determined by the sum of the employee's contribution to TCDRS, with interest, and District-financed monetary credits. The level of these monetary credits is adopted by the Board within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the District's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the District-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

The Board adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2018. The Board may change the employee contribution rate and the District contribution rate within the options available in the TCDRS Act.

**Employees Covered by Benefit Terms**

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving, benefits	-
Active employees	30
<b>Total</b>	<b><u>33</u></b>

**Contributions**

A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.



**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
***NOTES TO FINANCIAL STATEMENTS (Continued)***  
**For the Year Ended September 30, 2019**

Net Pension Liability (Asset)

Employees for the District were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the District were 8.92 percent in calendar year 2018 and 2019. The District's contributions to TCDRS for the fiscal year ended September 30, 2019 were \$135,926 and were equal to the required contributions.

The District's Net Pension Liability Asset (NPL(A)) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2018 were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

Key assumptions used in the December 31, 2018 actuarial valuation are as follows:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percentage of payroll, closed
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation.
Investment Rate of Return	8.00%
Cost-of-Living Adjustments	Cost-of-living adjustments for the District are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation</b>	<b>Geometric Real Rate of Return (Expected minus Inflation)</b>
US Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed	MSCI World EX USA (net)	10.00%	5.40%
International Equities - Emerging	MSCI World EX USA (net)	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associated Distressed Securities	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index +33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.15%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	6.30%
Hedge Funds	Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

**Discount Rate**

The discount rate used to measure the TPL was 8.1 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, TCDRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2019**

Changes in the NP(A)

		<b>Increase (Decrease)</b>		
		<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
		<b>(A)</b>	<b>(B)</b>	<b>(A) - (B)</b>
Changes for the year:				
Service cost		23,421	-	23,421
Interest		26,050	-	26,050
Change in benefit terms		140	-	140
Difference between expected and actual experience		(2,350)	-	(2,350)
Refund of contribution		(5,725)	(5,725)	-
Contributions - employer		-	103,145	(103,145)
Contributions - employee		-	48,239	(48,239)
Net investment income		-	(63,100)	63,100
Benefit payments, including refunds of employee contributions		(195,372)	(195,372)	-
Administrative expense		-	(291)	291
Other changes		-	696	(696)
	Net changes	(153,836)	(112,408)	(41,428)
Balance at December 31, 2017		493,394	475,129	18,265
	<b>Balance at December 31, 2018</b>	<b>\$ 339,558</b>	<b>\$ 362,721</b>	<b>\$ (23,163)</b>

Sensitivity of the NP(A) to Changes in the Discount Rate

The following presents the NP(A) of the District, calculated using the discount rate of 8.1 percent, as well as what the District's NP(A) would be if it were calculated using a discount rate that is one percentage point lower (7.1%) or one percentage point higher (9.1%) than the current rate.

	<b>1% Decrease in Discount Rate (7.1%)</b>	<b>Discount Rate (8.1%)</b>	<b>1% Increase in Discount Rate (9.1%)</b>
District's Net Pension Liability (Asset)	\$ 25,279	\$ (23,163)	\$ (63,384)

Pension Plan Fiduciary Net Position

Detailed information about TCDRS' fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

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

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$(21,642).

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
**For the Year Ended September 30, 2019**

At September 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 7,459	\$ -
Changes in actuarial assumptions	-	462
Differences between projected and actual investments earnings	-	23,038
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 7,459</b>	<b>\$ 23,500</b>

\$ 82,569 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 fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ended September 30</b>	
2019	4,908
2020	1,168
2021	2,934
2022	7,031
2023	-
Thereafter	-
<b>Total</b>	<b>\$ 16,041</b>

**NOTE 10 – AGREEMENT WITH THE CITY OF LIBERTY HILL**

The District entered into an agreement with the City of Liberty Hill for providing accounting services. During the fiscal year ending September 30, 2019, the District paid \$26,000 for these services.

(This page is intentionally left blank)

## **REQUIRED SUPPLEMENTARY INFORMATION**

(This page is intentionally left blank)

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
For the Year Ended September 30, 2019

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 3,106,672	\$ 3,106,672	\$3,180,250	\$ 73,578
General sales tax	-	774,204	749,896	(24,308)
Grants	-	-	-	-
Charges for inspections	17,500	17,500	7,647	(9,853)
Plan reviews	37,188	37,188	64,796	27,608
Interest income	3,000	3,000	7,034	4,034
Other income	38,170	55,550	109,405	53,855
<b>Total Revenues</b>	<u>3,202,530</u>	<u>3,994,114</u>	<u>4,119,028</u>	<u>124,914</u>
<b>Expenditures</b>				
<b>Operating</b>				
Fleet maintenance	25,500	29,800	22,298	7,502
Fire prevention	16,840	49,333	49,333	-
Emergency medical services	7,050	8,450	6,075	2,375
Professional fees	82,300	90,399	70,170	20,229
Office expenses	3,900	7,104	7,104	-
Insurance	82,750	113,077	72,208	40,869
Appraisal district / tax collector fees	21,000	22,819	22,298	521
Bunker gear	38,081	43,162	24,310	18,852
Communications	24,790	26,956	56,589	(29,633)
Fire fighting equipment	77,268	92,777	41,313	51,464
Building expenses	26,500	30,000	20,054	9,946
Travel and training	50,403	60,743	56,022	4,721
Utilities	41,000	55,820	20,398	35,422
Personnel	2,565,444	3,665,287	2,605,668	1,059,619
Miscellaneous expense	-	-	14,636	(14,636)
Capital Outlay	202,135	-	539,226	(539,226)
<b>Debt Service</b>				
Principal	624,575	396,770	398,965	(2,195)
Interest and fiscal charges	-	-	225,610	(225,610)
<b>Total Expenditures</b>	<u>3,889,536</u>	<u>4,692,497</u>	<u>4,252,277</u>	<u>440,220</u>
<b>Change in Fund Balance</b>	<u>\$ (687,006)</u>	<u>(698,383)</u>	<u>(133,249)</u>	<u>\$ 565,134</u>
Beginning fund balance		<u>1,580,412</u>	<u>1,580,412</u>	
<b>Ending Fund Balance</b>		<u>\$ 882,029</u>	<u>\$1,447,163</u>	

Notes to Required Supplementary Information

- Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



(This page is intentionally left blank)

**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**September 30, 2019**

	Measurement Year*
<b>Total Pension Liability</b>	
Service costs	23,421
Interest (on the total pension liability)	26,050
Changes in benefit terms	140
Difference between expected and actual experience	(2,350)
Changes in assumptions	(5,725)
Benefit payments, including refunds of employee contributions	(195,372)
<b>Net change in Total Pension Liability</b>	<b>(153,836)</b>
Beginning total pension liability	493,394
<b>Ending Total Pension Liability</b>	<b>\$ 339,558</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	103,145
Contributions - employee	48,239
Net investment income	(63,100)
Benefit payments, including refunds of employee contributions	(5,725)
	(195,372)
Administrative expense	(291)
Other	696
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(112,408)</b>
Beginning plan fiduciary net position	475,129
<b>Ending Plan Fiduciary Net Position</b>	<b>\$ 362,721</b>
<b>Net Pension Liability</b>	<b>\$ (23,163)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>10673.32%</b>
<b>Covered Employee Payroll</b>	<b>\$ 1,971,805</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>-1.17%</b>

\*Only one year of information is currently available. The District will build this schedule over the next nine-year period.



**WILLIAMSON COUNTY**  
**EMERGENCY SERVICES DISTRICT #4**  
***SCHEDULE OF CONTRIBUTIONS***  
***TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM***  
**September 30, 2019**

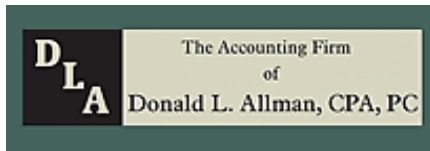
	<u><b>Fiscal Year*</b></u>
	<u><b>2019</b></u>
Actuarially determined contribution	\$ 151,384
Contributions in relation to the actuarially determined contribution	<u>151,384</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
 Covered employee payroll	 \$ 1,971,805
 Contributions as a percentage of covered employee payroll	 7.7%

\*Only one year of information is currently available. The District will build this schedule over the next nine-year period.

Notes to Schedule:

There were not benefit changes during the year.

(This page is intentionally left blank)



---

**CERTIFIED PUBLIC ACCOUNTANT**

**INDEPENDENT AUDITOR'S 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 # 4

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 the Williamson County ESD # 4, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Williamson County ESD # 4, Texas' basic financial statements, and have issued our report thereon dated June 17, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Williamson County ESD # 4, Texas' 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 the Williamson County ESD # 4, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Williamson County ESD # 4, Texas' 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 the Williamson County ESD # 4, Texas' 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, PC  
Georgetown, TX  
June 17, 2020

**Williamson County  
Emergency Services District #5  
Financial Statements  
September 30, 2019**

**Williamson County Emergency Services District #5  
For the Year Ending September 30, 2019**

**TABLE OF CONTENTS**

<b>Independent Auditor's Report.....</b>	<b>1-2</b>
<b>Management's Discussion and Analysis (unaudited).....</b>	<b>3-8</b>
<b>Basic Financial Statements:</b>	
Governmental Fund Balance Sheet and Statement of Net Position.....	9
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities .....	10
Notes to Basic Financial Statements .....	11-31
<b>Required Supplemental Information:</b>	
Governmental Fund Revenues, Expenditures and Budget to Actual Comparison – General Fund .....	32
Schedule of Changes in Net Pension Liability and Related Ratios .....	33
Schedule of Employer Contributions .....	34
Notes to the Schedule of Employer Contributions.....	35





**MEDACK & OLTMANN, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**PARTNERS**

James E. Medack, CPA  
Melodi J. Oltmann, CPA

**PROFESSIONAL STAFF**

Remington O'Dell, CPA  
Ashton McGonagle

**MEMBERS**

American Institute of  
Certified Public Accountants

Texas Society of  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Williamson County Emergency Services District No. 5

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Williamson County Emergency Services District No. 5, as of and for the year ended September 30, 2019, 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**

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 misstatements 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, and each major fund, of Williamson County Emergency Services District No. 5, as of September 30, 2019, and the respective changes in financial position 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, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of employer contributions on pages 3 through 8 and pages 32 through 35 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.

A handwritten signature in black ink that reads "Medack & Oltmann, LLP". The script is cursive and fluid, with the letters connected. The "LLP" is written in a slightly more formal, blocky style at the end of the signature.

Medack & Oltmann, LLP  
Giddings, TX  
March 3, 2020



**Williamson County Emergency Services District No. 5**  
**P.O. Box 88 Jarrell, Texas 76537**  
*"Serving Northern Williamson County, Texas"*

---

This is the discussion and analysis of the Williamson County Emergency Services District No. 5 (the District) for fiscal year ending September 30, 2019. We encourage readers to consider it in conjunction with the additional information presented in the accompanying basic financial statement and the notes to the financial statements.

### **Financial Highlights**

- The net position of the District increased by \$360,983 as a result of the current year's operations.
- As of year-end, the District's governmental fund reported an ending fund balance of \$1,262,348, an increase of \$307,313.

### **Using This Annual Report**

This annual report consists of a series of financial statements. GASB Statement No. 34 provides that for governments engaged in a single governmental program, the fund financial statements and the government-wide statements may be combined. The District presents the governmental funds in the first two columns and a total in the third column. The next column is an adjustments column, reconciling the amounts reported in the governmental funds to show how each would change when reported on the full-accrual basis of accounting. The last column of these combination statements shows the amounts that normally would appear in the government-wide statements. For governmental activities, this last column tells how these services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

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

The Statement of Net Position and the Statement of Activities present information about the District as a whole. These statements (as reported in the last column of each of the statements) include all of the District's assets and liabilities, utilizing the accrual basis of accounting which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two columns report the District's net position and changes in them. The difference between assets and liabilities, net position, are one way to measure the District's financial health. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other non-financial factors such as changes in the District's property tax base must also be considered in an assessment of the overall financial health of the District.

The statement of activities presents information showing how the District's net position changed during the most recent twelve-month period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

### **Reporting the District's Funds**

A fund is a grouping of related accounts that is used to maintain control over 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 requirements. The District may establish other funds to help in control and manage money for particular purposes or to show that it is meeting its legal responsibilities for using certain taxes, grants, and other money. These funds are reported using an accounting method called the Modified Accrual accounting which measures cash and all other financial assets that can be readily converted to cash.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare that information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

The ESD maintains only one governmental fund – the General Fund. Information is presented in the Balance Sheets and in the Revenues, Expenditures, and Changes in Fund Balances.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## The District as a Whole

Governmental activities increased the Department's net position by \$385,125. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the Department's governmental activities:

**Table 1**  
**Governmental Activities**  
**Net Position**

	9/30/2019	9/30/2018
<b>Assets:</b>		
Current Assets	\$ 1,307,731	\$ 1,011,767
Capital Assets	<u>1,798,859</u>	<u>1,907,474</u>
Total Assets	\$ 3,106,590	\$ 2,919,241
 Deferred Outflows of Resources	 \$ 44,372	 \$ 15,923
<b>Liabilities</b>		
Current Liabilities	\$ 280,618	\$ 231,574
Long Term Liabilities	<u>1,668,237</u>	<u>1,860,955</u>
Total Liabilities	<u>\$ 1,948,855</u>	<u>\$ 2,092,529</u>
 Deferred Inflows of Resources	 \$ 6,570	 \$ 8,081
<b>Net Position:</b>		
Net Investment in Capital Assets	\$ 50,889	\$ 13,561
Unrestricted	1,144,648	820,993
Restricted	<u>-0-</u>	<u>-0-</u>
Total Net Position	\$ 1,195,537	\$ 834,554

**Table 2**  
**Changes in Net Position**

<b>Revenues:</b>		
	<b>9/30/2019</b>	<b>9/30/2018</b>
Operating Grants and Contributions	\$ 27,358	\$ 10,535
Property Taxes	762,301	653,427
Sales Taxes	753,595	602,809
Interlocal Agreement	20,003	19,815
Miscellaneous Income	-	-
Fire Recovery	13,553	12,084
Interest Income	9,379	1,434
Plan Review & Inspections	<u>13,653</u>	<u>18,453</u>
<b>Total Revenues</b>	<b>\$ 1,599,842</b>	<b>\$ 1,318,557</b>
 <b>Expenses:</b>		
General Government	<u>\$ 1,255,631</u>	<u>\$ 933,432</u>
<b>Total Expenses</b>	<b>\$ 1,255,631</b>	<b>\$ 933,432</b>
 Gain from Sale of Assets	 \$ 16,772	 \$ -
 <b>Change in Net Position:</b>		
Increase (decrease) in Net Position	\$ 360,983	\$ 385,125
Net Position – Beginning (as restated)	834,554	449,429
<b>Net Position – Ending</b>	<b><u>\$ 1,195,537</u></b>	<b><u>\$ 834,554</u></b>

#### **Financial Analysis of the Government's Funds**

As noted earlier, the Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the year ending September 30, 2019, the District's total fund balance was \$1,262,348 which reflects an increase of \$307,313.

49.8% of all Department funds come from Ad Valorem taxes. The remaining revenues come from sources such as grants and contributions.

## Budgetary Highlights

The Department's annual budget includes estimated revenues and expenditures. The annual budget is a line-item document that allows the Board of Commissioners a high degree of control over Department expenditures. Estimates of taxable value for the forthcoming year are provided by the Williamson County Tax Appraiser's Office. That estimate, combined with an estimate of historical tax collection rates for the Department is used with the proposed tax rate to estimate Ad Valorem Revenue. The District Commissioners amended the budget during the year ended September 30, 2019. Changes are reflected in the final/amended columns of the budget to actual report found on page 32.

## Capital Asset and Debt Administration

### Capital Assets:

At the end of the fiscal year September 30, 2019, capital assets are as follows:

**Table 3**  
**Capital Assets at Year-end**

	<u>9/30/18</u>	<u>9/30/19</u>
Land	\$ 77,989	\$ 77,989
Vehicles	925,969	896,579
Machinery & Equipment	225,530	254,680
Building	<u>1,439,106</u>	<u>1,439,106</u>
Total capital assets	\$ 2,668,593	\$ 2,668,354

Depreciation expense charged to the general fund was \$ 128,409.

More detailed information about the District's Capital Assets is presented in Note 3 of the financial statements.

### Debt:

As of September 30, 2018, and 2019, the District was obligated on the following debt:

	<u>9/30/2018</u>	<u>9/30/2019</u>
Notes Payable	\$ 1,991,686	\$ 1,802,389
Capital Lease Obligation	52,225	45,579
Compensated Absences	<u>9,645</u>	<u>17,750</u>
Total	\$ 2,053,556	\$ 1,865,718

The District incurred interest expense of \$ 62,622 for the year ending September 30, 2019, and \$50,061 for the year ending September 30, 2018. More detailed information about the District's notes payable is presented in the *Notes to Basic Financial Statements*.

## **Currently Known Facts, Decisions, or Conditions**

The district's tax revenues continue to increase as the district experiences the rapid increase in residential and commercial properties. These revenues are supplemented by the addition of funds derived from the allocation of a 2% sales tax in areas within our district that lie outside of the limits of the City of Jarrell. The district began receiving revenues from the sales tax in April of 2017 and received an average monthly accrual of \$59,582 for the fiscal year beginning October 1, 2018 and ending September 30, 2019.

The number of requests for services continues to climb along with the population growth.

The district has developed a policy for the allocation part of the sales tax funds received each month. These allocations are directed toward the monthly building payment as well as annual payments on purchases such as an additional fire engine, radios, a new squad vehicle which replaced our 18-year-old squad truck. There are also funds allocated monthly for the purpose of repaying the City of Jarrell for a \$150,000 loan given to assist with the addition of fire fighter staffing in 2016. The WCESD 5 board of commissioners approved a procedure of placing these funds allocated each month into the money market account. These funds will be transferred back to the operations account when the notes for which they are allocated become due for payment each year.

In addition to these allocations, the district has transferred \$5000 each month into the money market for the purpose of building the emergency reserve funds. Beginning October 2019, this amount was increased to \$7500 per month.

The board has been able to set aside emergency reserve funds to support three months of operating expenses as well as have funds set aside for future needs, such as adding another fire station or funding additional fire apparatus. These funds are maintained in a Certificate of Deposit (CD) account.

The remaining sales tax funds will be directed at providing improved pay and benefits for employees and adding 3 additional employees.

The district expects continued growth by the addition of residential and commercial structures.

The district will be adding three more employees within the 2019/2020 fiscal year.

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

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

Williamson County Emergency Services District #5  
P.O. Box 88  
Jarrell, Texas 76537



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
GOVERNMENTAL FUND BALANCE SHEET AND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 11)	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 1,165,766	\$ -	\$ 1,165,766
Taxes Receivable - Property Taxes	10,873	-	10,873
Taxes Receivable - Sales Taxes	127,888	-	127,888
Receivables-Other	3,204	-	3,204
Pension Asset	-	-	-
Capital Assets (net of accumulated depreciation)	<u>-</u>	<u>1,798,859</u>	<u>1,798,859</u>
TOTAL ASSETS	<u>\$ 1,307,731</u>	<u>\$ 1,798,859</u>	<u>\$ 3,106,590</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Amounts		\$ 44,372	\$ 44,372
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>\$ 44,372</u>	<u>\$ 44,372</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 10,194	\$ -	\$ 10,194
Accrued Interest Payable	-	11,118	11,118
Accrued Payroll	24,316	-	24,316
Pension Liability	-	37,509	37,509
Long Term Liabilities - Due within one year	-	197,483	197,483
Long Term Liabilities - Due after one year	<u>-</u>	<u>1,668,235</u>	<u>1,668,235</u>
TOTAL LIABILITIES	<u>\$ 34,510</u>	<u>\$ 1,914,345</u>	<u>\$ 1,948,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 10,873	\$ (10,873)	\$ -
Deferred Pension Amounts	<u>-</u>	<u>6,570</u>	<u>6,570</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 10,873</u>	<u>\$ (4,303)</u>	<u>\$ 6,570</u>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Non-Spendable	-	-	-
Spendable	-	-	-
Unassigned	<u>1,262,348</u>	<u>(1,262,348)</u>	<u>-</u>
Total fund balances	<u>1,262,348</u>	<u>(1,262,348)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,307,731</u>	<u>\$ -</u>	
<b>Net Position:</b>			
Net Investment in Capital Assets		50,889	50,889
Unrestricted		1,144,648	1,144,648
Restricted		-	-
Total Net Position		<u>\$ 1,195,537</u>	<u>\$ 1,195,537</u>

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 11)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Personnel Expense	\$ 789,454	\$ 25,362	\$ 814,816
Fleet Expense	37,253	-	37,253
Repairs & Maintenance	31,691	-	31,691
Emergency Equipment/Supplies	15,892	-	15,892
Professional Fees	26,276	-	26,276
Office Expenses/Postage	2,749	-	2,749
Computer Expense	7,623	-	7,623
Insurance	26,668	-	26,668
Appraisal District & Tax Collector Fees	4,485	-	4,485
Utilities	13,422	-	13,422
Communications	8,987	-	8,987
Miscellaneous	6,131	-	6,131
Personal Protective Equipment	39,980	-	39,980
Professional Development	16,499	-	16,499
Uniforms	8,088	-	8,088
Capital Outlay	33,190	(29,150)	4,040
Depreciation	-	128,409	128,409
Debt Service:			
Principal	195,944	(195,944)	-
Interest	67,240	(4,618)	62,622
Total expenditures/expenses	<u>\$ 1,331,572</u>	<u>\$ (75,941)</u>	<u>\$ 1,255,631</u>
<b>PROGRAM REVENUES</b>			
Grants/Contributions	<u>27,358</u>	<u>-</u>	<u>27,358</u>
Net program expense			1,228,273
<b>GENERAL REVENUES</b>			
Ad valorem taxes	775,219	(12,918)	762,301
Sales taxes	753,595	-	753,595
Interlocal Agreements	20,003	-	20,003
Fire Recovery	13,553	-	13,553
Interest Income	9,379	-	9,379
Plan Review & Inspections	13,653	-	13,653
Total general revenues	<u>\$ 1,585,402</u>	<u>\$ (12,918)</u>	<u>\$ 1,572,484</u>
Excess (Deficiency) of revenues over expenditures	\$ 281,188	\$ (281,188)	\$ -
<b>OTHER FINANCING SOURCES/(USES):</b>			
Proceeds from Sale of Assets	<u>26,125</u>	<u>(26,125)</u>	<u>-</u>
Total Other Financing Sources/(Uses):	<u>26,125</u>	<u>(26,125)</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over expenditures	\$ 307,313	(307,313)	
Gain from Sale of Assets		\$ 16,772	\$ 16,772
Change in Net Position		\$ 360,983	\$ 360,983
Fund Balance/Net Position			
Beginning of the year (as restated)	<u>955,035</u>	<u>(120,481)</u>	<u>834,554</u>
End of the year	<u>\$ 1,262,348</u>	<u>\$ (66,811)</u>	<u>\$ 1,195,537</u>

See Accompanying Notes to the Financial Statements

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with GASB pronouncements, in which case, GASB prevails. The District currently reports under the financial reporting requirements of GASB Statement No. 34. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

**Financial Reporting Entity**

Williamson County Emergency Services District #5 (hereafter referred to as the District) was formed in November 2001. With few exceptions, all powers of the District are vested in a board of commissioners (the Board), which adopts budgets and determines policies. The District receives its revenues from the Williamson County Tax Office, which collects property taxes from the county's property-owners.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units appear to exist.

**Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the reporting entity. Governmental activities generally are financed through taxes, intergovernmental and non-exchange revenues. The District currently does not have any business-type activities.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues,

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- A. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- B. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund* – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined in item A below.

In the fund financial statements, the “current financial resources” measurement focus is used as appropriate. All government funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**Assets, Liabilities, and Equity**

**Cash**

Cash deposits and investments are reported at the carrying amount, which reasonably estimates fair value.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Property taxes are the District's only major receivable.

**Capital Assets**

All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is allocated over the assets' estimated useful lives using the straight-line method of depreciation.

The District currently maintains a policy of capitalizing all items that meet or exceed \$5,000, individually. All items that meet this policy are capitalized. Those items that do not meet the capitalization requirements are expenses accordingly.

The range of estimated useful lives by type of assets is as follows:

Buildings	40 years
Fire Trucks	10 years
Vehicles	10 years
Equipment	5 years

The District does not own any infrastructure assets.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of capital leases and notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Source of Funds

Ad valorem taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Property taxes accounted for approximately 49.8% of the District's revenue for the year ended September 30, 2019.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components.

- A. Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements.
- B. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- C. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "Net Investment in capital assets."

The District currently does not carry any restricted position.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable or spendable with spendable being further classified into restricted, committed, assigned or unassigned.

**Compensated Absences**

Compensated absences represent the estimate liability for employees' accrued vacation for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund.

**Revenue**

**Property Taxes**

Property taxes are collected by the Williamson County Tax Assessor Collector, and are forwarded to the District through bank transfer. The tax rate held by the District was \$0.10/\$100 for 2018. Property tax revenues are considered available when they become due or past due and are considered receivable within the current period, including those property taxes expected to be collected during a sixty-day period after the close of the District's fiscal year.

**Other**

**Use of 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

**Pensions**

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

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows And Inflows Of Resources**

The District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**Budgets**

The District follows these procedures in establishing the budget reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the District prepares a budget. The operating budget includes proposed expenditures and the means of financing those expenditures and is prepared in accordance with the basis of accounting utilized by that fund.

Public meetings are conducted at which all interested persons' comments concerning the budget are heard. After such meetings, the Board of Commissioners formally adopts the budget through passage of a motion in a public meeting.

2. The District amends the budget throughout the year approving such additional expenses. The amended budget is used in presenting the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.
3. All annual appropriations lapse at fiscal year end.



**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 2: CASH**

*Deposits*

It is the policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at the fiscal year-end. As of year-end, deposits exceed FDIC coverage by \$ 507,420. However, securities were pledged to cover this excess (Category 2) with a market value of \$1,488,757. At September 30, 2019, the carrying amount of the District's deposits was \$757,420 and the bank balance was \$ 1,172,531.

The categories are described below:

Category 1 – Insured or collateralized by securities held by the District or by its agent in the District's name.

Category 2 – Collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Category 3 – Uncollateralized.

Deposits categorized by risk:

	1	Category 2	3	Deposit Balance	Carrying Amount
<i>Governmental Activities</i>					
Major Funds:					
2019 General Fund					
And Total Deposits	<u>\$ 250,000</u>	<u>\$ 922,531</u>	<u>\$ -0-</u>	<u>\$1,172,531</u>	<u>\$757,420</u>

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balance 10/1/2018	Additions/ Completions	Retirements/ Adjustments	Balance 9/30/2019
Governmental Activities:				
Capital Assets, not depreciated				
Land	77,989	-	-	77,989
Capital assets, being depreciated				
Vehicles	925,968	-	(29,389)	896,579
Equipment	225,530	29,150	-	254,680
Building	1,439,106	-	-	1,439,106
Total capital assets being depreciated	2,590,604	29,150	(29,389)	2,590,365
Total Assets	2,668,593	29,150	(29,389)	2,668,354
Accumulated Depreciation:				
Vehicles	363,790	67,483	(20,036)	411,237
Equipment	73,532	24,949	-	98,481
Building	323,798	35,978	-	359,776
Total Accumulated Depreciation	761,120	128,410	(20,036)	869,494
Total capital assets, net of depreciation	1,907,473	(99,260)	(9,353)	1,798,860

In prior years, the District entered into capital leases for a truck, equipment, and radios (see Note 4). At September 30, 2019, the gross amount of the asset was \$71,773 and accumulated amortization was \$57,280. Amortization expense is included in depreciation expense.

Depreciation expense charged to the government wide statements was \$128,409.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 4: CAPITAL LEASE OBLIGATIONS**

The District maintains the following capital leases:

Loan Amount: \$30,000  
Maturity Date: January 30, 2025  
Interest Rate: 3.92% annum  
Payment Terms: Payments are due and payable in annual installments of \$3,733 beginning January 30, 2016 and ending January 30, 2025. The lease is collateralized with a vehicle, equipment and tax revenue. The total outstanding balance at September 30, 2019, was \$19,535.

Loan Amount: \$40,000  
Maturity Date: January 30, 2025  
Interest Rate: 3.92% annum  
Payment Terms: Payments are due and payable in annual installments of \$4,977 beginning January 30, 2016 and ending January 30, 2025. The lease is collateralized with equipment and tax revenue. The total outstanding balance at September 30, 2019, was \$26,046.

The future debt service for capital leases payable is as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ 6,915	\$ 1,794	\$ 8,709
2021	7,186	1,523	8,709
2022	7,468	1,242	8,710
2023	7,760	949	8,709
2024	8,065	645	8,710
2025	8,185	329	8,514
<b>Total</b>	<b>\$ 45,579</b>	<b>\$ 6,481</b>	<b>\$ 52,060</b>

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 5: DEBT**

*Changes in Outstanding Debt*

Transactions for the year ended September 30, 2019, are summarized as follows:

	Balance October 1	Additions	Reductions	Balance September 30	Due within one year
<u>Governmental Activities:</u>					
Notes Payable	\$ 1,991,686	-	\$ 189,297	\$ 1,802,389	\$ 190,568
Capital Lease Obligations	52,225	-	6,646	45,579	6,915
Compensated Absences	9,645	8,105	-	17,750	-
Net Pension Liability	-	37,509	-	37,509	-
Total Governmental Activities	\$ 2,053,556	45,614	\$ 195,943	\$ 1,903,227	\$ 197,483

The District has a loan with Eagle Bank, a note for the fire station at a fixed rate of 3.25% with monthly payments of \$7,775, maturing September 30, 2033. The balance due as of September 30, 2019, is \$1,045,061.

The District entered into a promissory note agreement with Government Capital Corporation on December 21, 2017 for \$252,945 at 3.05%, maturing February 5, 2025. The note is secured by an interest in the District's ad valorem tax revenues.

The District entered into a promissory note agreement with Government Capital Corporation on December 21, 2017 for \$92,791 at 3.261%, maturing February 5, 2025. The note is secured by an interest in the District's ad valorem tax revenues.

The District entered into a promissory note agreement with Government Capital Corporation on June 18, 2018 for \$389,150 at 3.887%, maturing June 25, 2028. The note is secured by an interest in the District's ad valorem tax revenues.

The District entered into an agreement with the City of Jarrell to repay funds received in February 2016 of \$150,000. The District will pay \$50,000 annually with no interest.

The future principal payments for these notes are as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ 190,568	\$ 56,152	\$ 246,720
2021	195,315	51,405	246,720
2022	150,223	46,497	196,720
2023	155,300	41,421	196,721
2024	160,548	36,172	196,720
2025-2029	606,763	106,257	713,020
2030-2033	343,672	22,349	366,021
Total	\$ 1,802,389	\$ 360,253	\$ 2,162,642

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 6: PROPERTY TAXES**

The District property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real property located in the District. The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. An enforceable lien is attached to the property as of January 1. The assessed value of the roll as of January 1, 2018, upon which the 2018 levy was based, was \$771,408,627 as certified by the Williamson County Central Appraisal District.

Taxes are due by January 31 following the October 1 levy date. The total 2018 levy was \$ 771,409 and the tax rate was \$ 0.10 per \$100 assessed valuation. Property taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. The appraisal of property within the District is the responsibility of the Williamson County Central Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 10% of its appraisal value and is prohibited from applying any assessment ratios.

**NOTE 7: RISK MANAGEMENT**

During the ordinary course of business, the District becomes exposed to various risks of loss related to torts, theft of, damage and destruction of assets; business interruption; error and omissions; and natural disasters, for which it carries commercial insurance at levels consistent with that of prior years. Risk retention is substantially confined to customarily nominal policy deductibles. Resulting risk management liabilities, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There are no risk management liabilities that have been made known to management, or are reported in these financial statements.

**NOTE 8: RELATED PARTY TRANSACTIONS**

During the course of the year, the District conducted related party transactions. The Commissioners of the District analyzed the transactions, and prior to initiating it was determined the transactions to be arm's length transactions. There are not any related party receivables or payables at year end.

**NOTE 9: DATE OF MANAGEMENT'S REVIEW**

Management has evaluated all subsequent events for disclosure and/or recognition through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued. No events occurred that would impact the financial statements.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 10: FUND BALANCE CLASSIFICATION**

The District complies with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

**Nonspendable** - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

**Committed** - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

**Assigned** - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

**Unassigned** - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated the authority to assign fund balance for a specific purpose to the District's Chief or Assistant Chief.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

As of September 30, 2019, the District has not adopted a minimum fund balance policy.

The detail of the fund balance is included in the Governmental Fund Balance Sheet on page 9.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 11: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS**

Differences between the Governmental Fund Balance Sheet and the Statement of Net Position:

The differences (as reflected in the adjustments column) primarily result from the long-term economic resources focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 2,668,354
Accumulated Depreciation	<u>(869,495)</u>
	<u>\$ 1,798,859</u>

The statement of net position includes as Deferred Outflows of Resources amounts that are permitted to be recognized as part of pension expense over a period of years in the governmental funds.

Deferred Outflows of Resources	\$ 44,372
--------------------------------	-----------

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Accrued interest payable	\$ 11,118
--------------------------	-----------

Net pension liability is not payable in the current period and, therefore, is not reported in the funds.

Net Pension Liability	\$ 37,509
-----------------------	-----------

Long-term liabilities applicable to the district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term—are reported in the statement of net position.

Due within one year	\$ 197,483
Due after one year	1,668,235

Taxes receivable are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred revenue	\$ (10,873)
------------------	-------------

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deferred Inflows of Resources	\$ 6,570
-------------------------------	----------

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 11: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS (Continued)**

Differences between the Governmental Fund Operating Statement and the Statement of Net Activities:

The differences (as reflected in the adjustments column) arise primarily from the long-term economic resources focus of the statement of activities versus the current financial resources focus of the governmental funds.

Some expenses reporting the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Adjustment for Compensated Leave	\$ 8,104
Adjustment for Pension Asset	47,218
Change in Deferred Inflows/Outflows related to Pension	<u>(29,960)</u>
	\$ 25,362

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ (29,150)
Depreciation Expense	\$ 128,409

Repayment of capital lease obligations is reported as an expenditure in governmental funds. For the district as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Payment of Principal	\$ (195,944)
----------------------	--------------

Interest expense in the statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for capital lease obligations.

Change in Accrued interest	\$ (4,618)
----------------------------	------------

Because some property taxes will not be collected for several months after the district's year end, they are not considered as "available" revenues in the governmental funds.

Adjustment for property taxes collected after year-end	\$ (12,918)
--	-------------

In the statement of activities, only the net gain/(loss) on the sale of equipment is reported, whereas in the governmental funds, only the gross proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment less any accumulated depreciation.

Proceeds from sale of assets	\$ (26,125)
Gain from Sale/Disposal of Assets	\$ 16,772



**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 13: PENSION PLAN**

*Plan Description.* Williamson County Emergency Services District #5 participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.

a. A brief description of benefit terms:

- 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
- 2) The plan provides retirement, disability and survivor benefits.
- 3) TCDRS is a savings-based plan. For the district's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 100%) and is then converted to an annuity.
- 4) There are no automatic COLAs. Each year, the district may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
- 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.

b. The district's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Williamson County Emergency Services District #5 contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the district and are currently 4%. Contributions to the pension plan from the district for 2018 are shown in the Schedule of Employer Contributions.

c. The most recent comprehensive annual financial report for TCDRS can be found at [www.tcdrs.org](http://www.tcdrs.org).

Employee membership data related to the Plan, as of the valuation date of December 31, 2018, was as follows:

Members	Dec. 31, 2018	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits	7	4
Number of active employees	16	8
Average monthly salary:	\$3,055	\$3,268
Average age:	32.05	37.41
Average length of service in years:	3.75	6.78
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	1	0
Average monthly benefit:	\$79	\$0

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 13: PENSION PLAN (continued)**

**Net Pension Liability**

The District's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	2.75%

**Salary Increases** The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. (See Table 1 for Merit Salary Increases.)

**Investment Rate of Return** 8.10%

**Cost-of-Living Adjustments** Cost-of-Living Adjustments for Williamson County Emergency Services District #5 are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

**Retirement Age** Deferred members are assumed to retire (100% probability) at the later of:  
a) age 60 b) earliest retirement eligibility.  
*(For all eligible members ages 75 and later, retirement is assumed to occur immediately.)*

**Turnover** New employees are assumed to replace any terminated members and have similar entry ages.

**Mortality**

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 13: PENSION PLAN (continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 – December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
US Equities	Dow Jones US Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	10.00%	5.40%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index +33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

<sup>(1)</sup> Target asset allocation adopted at the April 2019 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.70%, per Cliffwater's 2019 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 13: PENSION PLAN (continued)**

**Net Pension Liability / (Asset)**

<b>Net Pension Liability / (Asset)</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Total pension liability	\$147,636	\$73,754
Fiduciary net position	110,127	83,464
Net pension liability / (asset)	37,509	(9,709)
Fiduciary net position as a % of total pension liability	113.16%	113.16%
Pensionable covered payroll <sup>(1)</sup>	\$322,512	\$322,512
Net pension liability as a % of covered payroll	(3.01%)	(3.01%)

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

*Note: Rounding differences may exist above or in other tables in this report.*

*(1) Payroll is calculated based on contributions as reported to TCDRS.*

**Discount Rate**

Discount rate <sup>(2)</sup>	8.10%	8.10%
Long-term expected rate of return, net of investment expense <sup>(2)</sup>	8.10%	8.10%
Municipal bond rate <sup>(3)</sup>	Does not apply	Does not apply

(2) This rate reflects the long-term rate of return funding valuation assumption of 8.00%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

(3) The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 13: PENSION PLAN (continued)**

**Changes in Net Pension Liability / (Asset)**

<b>Changes in Net Pension Liability/(Asset)</b>	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (a) - (b)</b>
Balances as of December 31, 2017	\$ 73,754	\$ 83,464	\$ (9,709)
<i>Changes for the year:</i>			
Service cost	19,185		19,185
Interest on total pension liability <sup>(1)</sup>	7,364		7,364
Effect of plan changes <sup>(2)</sup>	44,933		44,933
Effect of economic/demographic gains or losses	6,534		6,534
Effect of assumptions changes or inputs	0		0
Refund of contributions	(3,264)	0	(3,264)
Benefit payments	(870)	(870)	0
Administrative expenses		(88)	88
Member contributions		19,901	(19,901)
Net investment income		(1,251)	1,251
Employer contributions		11,418	(11,418)
Other <sup>(3)</sup>	0	818	(818)
Balances as of December 31, 2018	\$ 147,636	\$ 110,127	\$ 37,509

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> Reflects plan changes adopted effective in 2019.

<sup>(3)</sup> Relates to allocation of system-wide items.

**Sensitivity Analysis**

The following presents the net pension liability of the district, calculated using the discount rate of 8.10%, as well as what the ESD 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.

	<b>1% Decrease 7.10%</b>	<b>Current Discount Rate 8.10%</b>	<b>1% Increase 9.10%</b>
Total Pension Liability	\$ 179,934	\$ 147,636	\$ 121,980
Fiduciary Net Position	110,127	110,127	110,127
Net pension liability/(asset)	\$ 69,807	\$ 37,509	\$ 11,853

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 13: PENSION PLAN (continued)**

As of September 30, 2019, the deferred inflows and outflows of resources are as follows:

**Deferred Inflows/Outflows of Resources**

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 5,897	\$ 12,286
Changes of assumption	673	121
Net difference between projected and actual earnings	0	0
Contributions made subsequent to measurement date	<u>N/A</u>	<u>25,702</u>
Totals	\$ 6,570	\$ 44,372

The \$ 25,702 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. The remaining amounts currently reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended September 30:

2020	\$2,223
2021	1,802
2022	1,608
2023	2,222
2024	398
Thereafter <sup>(1)</sup>	3,847

<sup>(1)</sup> Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

**Payable to the Pension Plan**

At September 30, 2019, the District reported a payable of \$8,951 for the outstanding amount of employer and employee contributions to the pension plan required for the year ended September 30, 2019.

**Williamson County Emergency Services District #5**  
**Notes to the Basic Financial Statements**  
**For the Year Ended September 30, 2019**

**NOTE 14: PRIOR PERIOD ADJUSTMENT**

During the current year, it was discovered that a liability arose to the City of Jarrell regarding funds received during the fiscal year ending September 30, 2016. Management has determined that these funds were to be repaid to the City of Jarrell. It was previously reported as revenue in the governmental funds and on the statement of activities. Therefore, Net Position should be restated to reflect this change.

Net Position as of September 30, 2018 (as previously reported):	\$ 984,554
Correction to include liability	<u>(150,000)</u>
Net Position as of September 30, 2018 (as restated):	\$834,554

**NOTE 15: POTENTIAL TAX REFUND**

There was a deallocation of sales tax collections causing a potential refund in excess of \$35,000 to a taxpayer. Once the final refund amount has been determined, a refund will be issued.

## Required Supplementary Information



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
BUDGET TO ACTUAL COMPARISON - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	Budget		Actual Amounts	Variance
	Original	Final	Budgetary Basis	Favorable/ (Unfavorable)
<b>GENERAL REVENUES</b>				
Ad Valorem Taxes	\$ 750,000	\$ 750,000	\$ 775,219	25,219
Sales Taxes	550,000	550,000	753,595	203,595
Interlocal Agreement	19,815	19,815	20,003	188
Fire Recovery	-	-	13,553	13,553
Interest Income	-	-	9,379	9,379
Grants/Contributions	-	-	27,358	27,358
Plan Review/Inspections	-	-	13,653	13,653
Total General Revenues	\$ 1,319,815	\$ 1,319,815	\$ 1,612,780	292,945
<b>EXPENDITURES/EXPENSES</b>				
Personnel Expense	\$ 860,417	\$ 860,417	\$ 789,454	70,963
Supplies-Fleet	30,450	30,450	37,253	(6,803)
Supplies-Emergency Equipment	31,300	11,300	15,892	(4,592)
Maintenance	35,250	35,250	31,691	3,559
Professional Fees	13,500	13,500	26,276	(12,776)
Office Expense/Postage	2,900	2,900	2,749	151
Computer Expense	9,500	9,500	7,623	1,877
Insurance	39,149	39,149	26,668	12,481
Appraisal District & Tax Collector Fees	7,000	7,000	4,485	2,515
Utilities	16,250	16,250	13,422	2,828
Communications	9,500	9,500	8,987	513
Miscellaneous	11,250	11,250	6,131	5,119
Personal Protective Equipment	28,250	28,250	39,980	(11,730)
Professional Development	21,900	21,900	16,499	5,401
Uniforms	8,200	8,200	8,088	112
Capital Outlay	24,000	24,000	33,190	(9,190)
Debt Service:				
Principal	-	192,042	195,944	(3,902)
Interest	-	63,392	67,240	(3,848)
Total expenditures/expenses	\$ 1,148,816	\$ 1,384,250	\$ 1,331,572	52,678
Excess (Deficiency) of revenues over expenditures	170,999	(64,435)	281,188	345,623
Net Change in Fund Balance	\$ 170,999	\$ (64,435)	\$ 281,188	(64,435)
<b>OTHER FINANCING SOURCES/(USES):</b>				
Proceeds from Sale of Assets			26,125	
Total Other Financing Sources/(Uses):			26,125	
Net Change in Fund Balance			307,313	
Fund Balance Beginning of the year			955,035	
End of the year			\$ 1,262,348	

**Williamson County Emergency Services District #5**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

	Year Ended December 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Pension Liability</b>										
Service cost	19,185	17,677	12,952	16,088	18,202	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	7,364	5,488	2,778	2,131	723	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	44,933	-	(215)	(1,239)	-	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or Inputs	-	(785)	-	166	-	N/A	N/A	N/A	N/A	N/A
	6,534	1,296	6,518	(8,041)	17	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses										
Benefit payments/refunds of contributions	(4,134)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	73,882	23,676	22,033	9,105	18,943	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	73,757	50,081	28,048	18,943	-	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	147,639	73,757	50,081	28,048	18,943	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	11,418	7,353	8,708	7,224	7,060	N/A	N/A	N/A	N/A	N/A
Member contributions	19,901	12,900	10,793	8,757	8,558	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	(1,251)	8,308	2,407	(178)	62	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(4,134)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(88)	(56)	(26)	(18)	(6)	N/A	N/A	N/A	N/A	N/A
Other	818	271	1,349	(2)	-	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	26,664	28,776	23,231	15,783	15,673	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	83,463	54,687	31,456	15,673	-	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	110,127	83,463	54,687	31,456	15,673	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a) - (b)	37,512	(9,706)	(4,606)	(3,408)	3,270	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	74.59%	113.16%	109.20%	112.15%	82.74%	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	497,513	322,512	269,821	218,921	213,948	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	7.54%	-3.01%	-1.71%	-1.56%	1.53%	N/A	N/A	N/A	N/A	N/A

**Williamson County Emergency Services District #5**  
**Schedule of Employer Contributions**

<b>Year Ending September 30</b>	<b>Actually Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2010	Not Available	Not Available	Not Available	Not Available	Not Available
2011	**	**	**	**	**
2012	**	**	**	**	**
2013	**	**	**	**	**
2014	**	**	**	**	**
2015	7,060	7,060	-	213,948	3.3%
2016	72	72	-	218,921	3.3%
2017	8,688	8,708	(20)	269,821	3.2%
2018	7,353	7,353	-	322,512	2.3%
2019	11,393	11,418	(25)	497,513	2.3%

Williamson County Emergency Services District No. 5  
Notes to the Schedule of Employer Contributions  
For the year ending September 30, 2019

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:	Entry Age
Actuarial Cost Method	Level percentage of payroll, closed
Amortization Method	0.00 (based on contribution rate calculated in 12/31/2018 valuation)
Remaining Amortization Period	5-year smoothed market
Asset Valuation Method	2.75%
Inflation	Varies by age and service. 4.9% average over career including inflation.
Salary Increases	8.00%, net of investment expenses, including inflation
Investment rate of Return	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.
Retirement Age	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Mortality	2015: New inflation, mortality and other assumptions were reflected. 2017: new Mortality assumptions were reflected.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	
Changes in Plan Provisions Reflected in the Schedule	2015: No changes in plan provisions were reflected in the Schedule.  2016: No changes in plan provisions were reflected in the Schedule.  2017: New Annuity Purchase Rates were reflected for benefits earned after 2017  2018: No changes in plan provisions were reflected in the Schedule.

*\*Only changes effective 2015 and later are shown in the Notes to Schedule.*

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**

**AUDITED FINANCIAL STATEMENTS**

**AND SUPPLEMENTAL SCHEDULES**

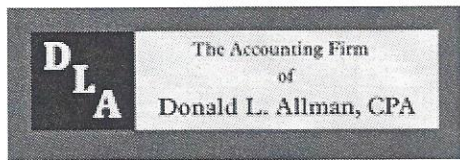
**AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**

**TABLE OF CONTENTS**

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17- 24
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) General Fund	26
Notes to Required Supplementary Information	27
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	28-29



Donald L. Allman, CPA, PC  
4749 Williams Dr., Ste.322  
Georgetown, Texas 78633  
Phone: 512-422-3700  
Fax: 512-240-5460  
Email: dallman@donallmancpa.com

## Independent Auditor's Report

To the Board of Directors  
Williamson County Emergency Services District No. 6

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. 6 as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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. 6 as of September 30, 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, budgetary comparison information, schedule of changes in net pension liability and related ratios, and the schedule of contributions on pages 3 – 10 and 26 - 27 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report date, November 30, 2019, on our consideration of the Williamson County ESD # 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Williamson County ESD # 6's internal control over financial reporting and compliance



Donald L. Allman, CPA

Georgetown, Texas  
September 21, 2020



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Our discussion and analysis of the Williamson County Emergency Services District No. 6's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 11.

**FINANCIAL HIGHLIGHTS**

Total net position increased \$84,797 which represents an increase from 2018.

The District had \$302,455 in expenses related to governmental activities with \$387,252 in program revenues to cover the cost of these programs. The excess revenues were kept to increase the cash balance and unrestricted net position.

**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 11-12) 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 13. 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 11. 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.

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 13. The Fund financial statements begin on page 13 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 the 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 17-36 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 38-39 of this report.

## THE DISTRICT AS A WHOLE

The District's total net position changed from a year ago, increasing from \$834,439 to \$919,236. 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**  
**Summary of Net Position**

	2019	2018
Cash and Current Assets	\$ 444,748	\$ 396,657
Property Taxes Rec.	115,692	73,949
Capital Assets, net of deprec.	454,658	505,726
Total Assets	\$ 1,015,098	\$ 976,332
Current Liabilities	\$ 47,194	\$ 46,031
Long-Term Obligations	48,668	95,862
Total Liabilities	\$ 95,862	\$ 141,893
Net Position:		
Net Investment in Capital		
Assets	\$ 358,796	\$ 364,098
Restricted	50,187	50,187
Unrestricted	510,253	420,154
Total Net Position	\$ 919,236	\$ 834,439

Net position of the District's activities increased 10% or \$84,797. 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 \$420,154 to \$510,253 by the end of fiscal year 2019.

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



**Table 2**  
**Summary of Changes in Net Position for 2019**

	2019	2018
Program Revenues:		
Property Taxes	\$ 371,825	\$ 333,400
Wilco Revenues	12,000	12,000
Other income	5	-
Interest & Investment Income	3,422	1,818
Total Revenues	\$ 387,252	\$ 347,218
Program Expenses:		
General Government	\$ 302,455	\$ 219,115
Other (Income)/Expense		
Total Expenses	\$ 302,455	\$ 219,115
Net Position		
Increase / (Decrease)	\$ 84,797	\$ 128,103

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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	2019	2018	2019	2018
General Government	\$ 302,455	\$ 219,115	\$ 302,455	\$ 219,115
Other Expense	-	-	-	-
Total Expenses	\$ 302,455	\$ 219,115	\$ 302,455	\$ 219,115

## THE DISTRICT'S FUND'S

**Table 4**  
**Change In Year End Fund Balance**

	2019	2018
Capital Assets	\$ 358,796	\$ 364,098
Restricted	50,187	50,187
Unrestricted	510,253	420,154
Total Governmental Balances	<u>\$ 919,236</u>	<u>\$ 834,439</u>

The 2% decrease in Net Investment in Capital Assets balance is due to depreciation. Restricted net position stayed the same due to current loan payment obligations not changing.

The 21% increase in the Unrestricted fund balance can be attributed to more income.

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**

Revenue Source	2019	% of Total
Property taxes	371,825	96.0%
Other income	5	0.00%
Wilco Income	12,000	3.1%
Investment Income	3,422	0.9%
Total	<u>\$ 387,252</u>	<u>100.0%</u>

The 12% increase in Property Tax revenues is due to increases in the property tax rate, the tax rate did increase to .1.

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>
<b>Revenues:</b>			
Property Taxes	\$ 330,000	\$ 330,000	\$ -
Wilco Income	12,000	12,000	-
Interest Income	-	-	-
Other Income	-	-	-
<b>Total Revenues</b>	<u><u>\$ 342,000</u></u>	<u><u>\$ 342,000</u></u>	<u><u>\$ -</u></u>
<b>Expenditures:</b>			
Current:			
Contracts for EMS & Firefighting	\$ 120,000	\$ 120,000	\$ -
Insurance	-	-	-
Debt service	50,000	50,000	
Administrative	32,000	32,000	
Communications	12,000	12,000	
Equipment	20,000	20,000	
Fuel	4,000	4,000	
Repairs & Maintenance	10,000	10,000	
County Tax Assessor-Collector	2,000	2,000	
ESD Audit & Legal fees	9,000	9,000	
Contingency Fund	-	-	
Miscellaneous	3,000	3,000	
Training	-	-	
<b>Total Expenditures</b>	<u><u>\$ 262,000</u></u>	<u><u>\$ 262,000</u></u>	<u><u>\$ -</u></u>
<b>Excess (Deficiency) of</b>			
<b>Revenues Over (Under)</b>			
<b>Expenditures</b>	<u><u>\$ 80,000</u></u>	<u><u>\$ 80,000</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**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Property Taxes	\$ 330,000	\$ 371,825	\$ 41,825
Wilco Income	12,000	12,000	-
Investment Income	-	3,422	3,422
Other Income	-	5	5
<b>Total Revenues</b>	<u><u>\$ 342,000</u></u>	<u><u>\$ 387,252</u></u>	<u><u>\$ 45,252</u></u>

**Final Budget Versus Actual Results**

<b>Expenditures:</b>			
Contracts for EMS & Firefighting	\$ 120,000	\$ 175,120	\$ (55,120)
Miscellaneous	3,000	1,886	\$ 1,114
Insurance	-	-	-
Utilities	-	11,368	(11,368)
Interest expense	50,000	4,422	45,578
Communications	12,000	1,968	10,032
Equipment	20,000	16,982	3,018
Fuel	4,000	1,403	2,597
Repairs & Maintenance	10,000	3,837	6,163
Salary & payroll expense	32,000	20,781	11,219
Training	-	-	-
County Tax Assessor-Collector	2,000	1,975	25
ESD Audit & Legal fees	9,000	7,980	1,020
Depreciation	-	54,968	(54,968)
<b>Total Expenditures</b>	<u><u>\$ 262,000</u></u>	<u><u>\$ 302,690</u></u>	<u><u>\$ (40,690)</u></u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u><u>\$ 80,000</u></u>	<u><u>\$ 84,562</u></u>	<u><u>\$ 4,562</u></u>

**Final Budget versus Actual Results**

The variance in **Property Tax** revenues is due to the District increasing its overall property value due to growth and new construction.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At year-end, the District had \$821,726 invested in equipment, trucks and computers. The net amount is \$454,658 and represents a \$(51,068) net decrease over the last year, which is due to depreciation.

### **Debt Administration**

At fiscal year-end, the District had \$95,862 in notes payable for the fire truck. This amount represents a net decrease of \$45,766.

## **ECONOMIC FACTORS**

The District operates solely in Williamson County and has since its inception. Almost 99% 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. The additional apparatus and equipment are vital to providing the best fire protection and EMT services to the citizens of the District.

## **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 this report or requests for additional information should be addressed to the Office of the Treasurer, P.O. Box 53, Weir, TX 78674.

Dave Schumacher, Treasurer  
Williamson County Emergency Services District # 6



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2019**

**Assets:**

Current Assets:

Cash and Cash Equivalents	\$ 444,748
Property Taxes Receivable	<u>115,692</u>
Total Current Assets	\$ 560,440

Non-Current Assets:

Capital Assets:

Building, Equipment & Trucks, Net of Accumulated Depreciation	\$ 454,658
Total Non-Current Assets	<u>\$ 454,658</u>

<b>Total Assets</b>	<b><u>\$ 1,015,098</u></b>
---------------------	----------------------------

**Liabilities:**

Current Liabilities:

Accounts Payable	\$ -
Current Portion of Long-Term Debt	<u>47,194</u>
<b>Total Current Liabilities</b>	<b><u>\$ 47,194</u></b>

Non-Current Liabilities:

Notes & Leases Payable	\$ 48,668
<b>Total Liabilities</b>	<b><u>\$ 95,862</u></b>

**Net Position:**

Net Investment in Capital Assets	\$ 358,796
Restricted	50,187
Unrestricted	<u>510,253</u>
<b>Total Net Position</b>	<b><u>\$ 919,236</u></b>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>	<b><u>Net Revenue and Change in Net Position Primary Government Governmental Activities</u></b>
Governmental Activities:			
General Government	302,455	\$ 371,825	\$ 69,370
Other Income/Expense	0	5	5
Total Governmental Activities	<u>\$ 302,455</u>	<u>\$ 371,830</u>	<u>\$ 69,375</u>
General Revenues:			
Unrestricted Interest Earnings			\$ 3,422
Wilco Revenues			<u>12,000</u>
Total General Revenues			<u>\$ 15,422</u>
Change in Net Position			\$ 84,797
Net Position - Beginning			<u>834,439</u>
Net Position - Ending			<u>\$ 919,236</u>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2019**

	<b>General</b>	<b>Total Governmental Funds</b>
<b><u>Assets:</u></b>		
Cash and Cash Equivalents	\$ 444,748	\$ 444,748
Property Taxes Receivable	115,692	115,692
<b>Total Assets</b>	<b>\$ 560,440</b>	<b>\$ 560,440</b>
 <b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Unearned Revenue Property Taxes	115,692	115,692
<b>Total Liabilities</b>	<b>\$ 115,692</b>	<b>\$ 115,692</b>
 <b>Fund Balances</b>		
Nonspendable	\$ -	\$ -
Restricted		
Unassigned	444,748	444,748
<b>Total Fund Balances</b>	<b>\$ 444,748</b>	<b>\$ 444,748</b>
 <b>Total Liabilities and Fund Balances</b>	<b>\$ 560,440</b>	<b>\$ 560,440</b>

See accompanying notes to financial statements.

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET  
POSITION OF GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2019**

Total fund balance – total governmental funds \$ 444,748

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

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. \$ 454,658

The current portion of property taxes receivable is not included in governmental activities due to receivables not being included in governmental activities. \$ 115,692

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. \$ (95,862)

Net assets of governmental activities \$ 919,236

See accompanying notes to financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**- GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2019**

	<b><u>General</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Revenues:</u></b>		
Property Taxes	\$ 330,082	\$ 330,082
Wilco Revenues	12,000	12,000
Miscellaneous	5	5
Interest Earnings	3,422	3,422
<b>Total Revenues</b>	<b><u>\$ 345,509</u></b>	<b><u>\$ 345,509</u></b>
<b><u>Expenditures:</u></b>		
Current:		
General Government	\$ 247,487	\$ 247,487
Capital Outlay	3,900	3,900
Debt Service:		
Principal	45,766	45,766
Interest	-	-
<b>Total Expenditures</b>	<b><u>\$ 297,153</u></b>	<b><u>\$ 297,153</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 48,356</b>	<b>\$ 48,356</b>
<b>Loan Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 48,356</b>	<b>\$ 48,356</b>
<b>Fund Balances - Beginning</b>	<b><u>\$ 396,392</u></b>	<b><u>\$ 396,392</u></b>
<b>Fund Balances - Ending</b>	<b><u>\$ 444,748</u></b>	<b><u>\$ 444,748</u></b>

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 SEPTEMBER 30, 2019**

Net change in fund balance - total governmental funds	\$ 48,356
---	-----------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation (54,968) was more than capital outlays (3,900) in the current period.	\$ (51,068)
---	-------------

Various differences in government wide and government funds	\$ -
---	------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes not collected	\$ 115,692
Less: Prior year	73,949
Balance	\$ 41,743

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	\$ 45,766
--	-----------

Loan Proceeds not included in government wide funds	\$ -
---	------

Changes in net position of governmental activities	\$ 84,797
--	-----------

See accompanying notes to the financial statements.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Williamson County Emergency Services District No. 6 (the District) is a governmental unit of the State of Texas that was formed in September of 1995. The entity is responsible for providing fire and emergency services in Williamson County, Texas. The District provides fire and emergency medical services to a certain geographic portion of Williamson County including Weir, Texas, an unincorporated area located in Williamson County. The District was created and operates under Article III, Section 48-3, of the Texas Constitution for the protection of human life and health as provided by that Act. The District's operations are governed by the Texas Health and Safety Code, Chapter 775 Emergency Services Districts.

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.

B. Government-wide and fund financial statements

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

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 primarily consist of Ad Valorem taxes received from the County's appraisal district.

C. 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.

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. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental 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.

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. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**C. 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 the First Texas Bank checking account, and a Money Market account with United Heritage Credit Union.

**D. Restricted Assets**

Williamson County ESD # 6 currently does not have any restricted assets.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net position and in the General Fund. All capital assets are recorded at cost and updated for additions and retirements during the year. The District does possess building infrastructure. Other Capital assets consist of computers, trucks and fire trucks. 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.

**F. Reservations of Fund Balance**

The District currently does not have any reservations of fund balance amounts.

**G. Net Position**

Net position present the difference between assets and liabilities in the statement of net position. Net Investment in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets are 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.

**H. 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.

**I. Accrued Liabilities**

The District reports accrued liabilities on the statement of net position. The District reports accounts payable of \$0 during 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 September, 1995. 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. The County provides the District with written reports necessary to keep the District advised of all financial information affecting the District. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The District pays the County for its tax collection activity in four quarterly payments, which totaled \$1,975 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 # 6 for 2019 is \$.10 per \$100 valuation of property. The total adjusted original tax roll was \$371,825 on \$371,825,123 valuation. Property taxes receivable at 9/30/19 total \$115,692 with \$41,743 being current and \$73,949 being delinquent.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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 or 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

**A. Deposits**

At year-end the carrying amount of the District’s deposits was \$444,778 and the bank balance was \$444,778. \$248,825 was with First Texas Bank and \$195,953 was with United Heritage. Federal depository insurance coverage totals \$500,000. The deposits were fully covered by FDIC insurance.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 4 - GENERAL FIXED ASSETS**

A summary of changes in general fixed assets for the year ended September 30, 2019:

Property & Equipment	At 9/30/19	Estimated Useful Lives
Fire Truck	476,914	10 year
Pumper Tanker	158,400	7 years
Trucks	79,219	5 years
Computers	20,694	7 years
Equipment	82,599	7 years
Fence	3,900	7 years
Accumulated Depreciation	(367,068)	
Net Property & Equipment	<u>454,658</u>	

Depreciation expense for the year ended 9/30/19 was \$54,968.

**NOTE 5 – GENERAL LONG-TERM DEBT**

Note payable to Government Capital Corporation, dated May 18, 2018, in the amount of \$236,914, with annual payments of \$50,187 including interest of 3.122%, secured by Fire Truck.

<u>Due Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	47,194	2,993	50,187
2021	48,668	1,519	50,187
2022	-	-	-
Thereafter	-	-	-
Total	<u>\$ 95,862</u>	<u>\$ 4,512</u>	<u>\$ 100,374</u>

**NOTE 6 – CONTINGENCIES**

As of September 30, 2019, the District did not have any material pending litigation or potential non-disclosed liabilities.

Required Supplementary Information



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 6**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 330,000	\$ 330,000	\$ 330,082	\$ 82
Other Income	-	-	5	5
Wilco Income	12,000	12,000	12,000	-
Investment Earnings	-	-	3,422	3,422
<b>Total Revenues</b>	<b>\$ 342,000</b>	<b>\$ 342,000</b>	<b>\$ 345,509</b>	<b>\$ 3,509</b>
 <b>Expenditures:</b>				
Current:				
General Government	\$ 262,000	\$ 262,000	\$ 247,487	\$ 14,513
Capital Outlay	-	-	3,900	(3,900)
Debt Service	-	-	45,766	(45,766)
<b>Total Expenditures</b>	<b>\$ 262,000</b>	<b>\$ 262,000</b>	<b>\$ 297,153</b>	<b>\$ (35,153)</b>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ 48,356</b>	<b>\$ (31,644)</b>
 Loan Proceeds			-	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ 48,356</b>	
Fund Balances - Beginning	\$ 396,392	\$ 396,392	\$ 396,392	
Fund Balances - Ending	\$ 476,392	\$ 476,392	\$ 444,748	

See accompanying notes to the financial statements.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 3**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 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.

1. Estimated Resources

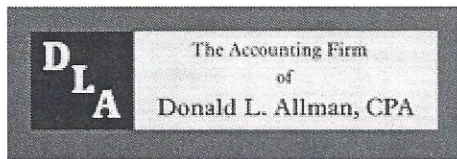
As part of the District's budgetary process, the Board approves the official estimated resources. The official estimated resources state the projected revenue for the District. The estimated revenue is calculated from information from the Williamson County Appraisal District. The budget is not revised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

2. 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.

3. 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. See page 14 for a reconciliation between governmental funds and GAAP basis net equity fund balance.



Donald L. Allman, CPA, PC  
4749 Williams Drive, Ste. 322  
Georgetown, Texas 78633  
Phone: 512-422-3700  
Fax: 512-240-5460  
Email: dallman@donallmancpa.com

---

INDEPENDENT AUDITOR'S 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 # 6

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 # 6 as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Williamson County ESD # 6's basic financial statements, and have issued our report thereon dated September 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Williamson County ESD # 6'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 # 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Williamson County ESD # 6'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 #6'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, PC

Georgetown, TX  
September 21, 2020

**Williamson County  
Emergency Services District No. 7  
Financial Statements  
September 30, 2019**

Williamson County Emergency Services District No. 7  
For the Year Ending September 30, 2019

TABLE OF CONTENTS

Independent Auditor's Report.....	1-2
Management's Discussion and Analysis (unaudited).....	3-8
Basic Financial Statements:	
Governmental Fund Balance Sheet and Statement of Net Position .....	9
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities .....	10
Notes to Basic Financial Statements .....	11-24
Required Supplemental Information:	
Governmental Fund Revenues, Expenditures and Budget to Actual Comparison – General Fund .....	25





# MEDACK & OLTSMANN, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

### PARTNERS

James E. Medack, CPA  
Melodi J. Oltmann, CPA

### PROFESSIONAL STAFF

Remington O'Dell, CPA  
Ashton McGonagle

### MEMBERS

American Institute of  
Certified Public Accountants

Texas Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Williamson County Emergency Services District No. 7

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Williamson County Emergency Services District No. 7, as of and for the year ended September 30, 2019, 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

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 misstatements 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.

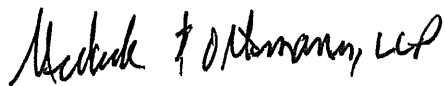
### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of Williamson County Emergency Services District No. 7, as of September 30, 2019, and the respective changes in financial position 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 the budgetary comparison information on pages 3 through 8 and page 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.

A handwritten signature in black ink, appearing to read "Medack & Olthmann, LLP".

Medack & Olthmann, LLP  
Giddings, TX  
February 13, 2020

As management of the Williamson County Emergency Services District #7 (the District), we are pleased to offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended September 30, 2019. We encourage readers to consider it in conjunction with the additional information presented in the accompanying basic financial statements and the notes to the financial statements.

**Financial Statements**

- The net position of the District increased by \$280,402 in part the result of funding from Williamson County of \$300,000 to assist in the construction of the Andice Station. Net position at year end consisted of net investment in capital assets of \$1,193,780 and unrestricted net position of \$138,475, for a total of \$1,332,255.
- Total revenues from all sources were \$905,761 which represents an increase of \$187,907 from the prior year, which includes the County funding of \$300,000.
- Total expenditures from operations were \$625,359 which was an increase of \$126,811 from the prior year.
- The District received funding from Williamson County of \$300,000 to assist in the construction of the Andice fire station.
- As of September 30, 2019, the District's governmental fund reported an ending fund balance of \$140,294, a decrease of \$790,362 from the prior fiscal year.

**Using this Annual Report**

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the District as a whole.
2. Fund financial statements provide detailed information for the District's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. This information includes a management's discussion and analysis as well as a budgetary comparison schedule.

**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.



## Williamson County Emergency Services District #7

Management's Discussion and Analysis

September 30, 2019

The *Statement of Net Position* presents information on all of the assets and liabilities of the District. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information on how the District's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all of the current year revenues and expenses are taken into account regardless of when the cash is received or paid.

Both the Statement of Net Position and the Statement of Activities present information for the following:

- Government activities – This includes all of the District's emergency protection services which are primarily supported by property taxes.

The government-wide financial statements begin on page 9. The following is a summary of net position as of September 30, 2019, and September 30, 2018.

**Table 1**  
**Net Position**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<b>Assets:</b>		
Current & Other Assets	\$ 168,841	\$ 945,380
Capital Assets, Net	<u>1,918,246</u>	<u>864,642</u>
Total Assets	\$ <u>2,087,087</u>	\$ <u>1,810,022</u>
<b>Deferred Outflows of Resources</b>	\$ 0	\$ 0
<b>Liabilities:</b>		
Current Liabilities	\$ 46,523	\$ 33,709
Long term liabilities	<u>708,309</u>	<u>724,460</u>
Total Liabilities	\$ <u>754,832</u>	\$ <u>758,169</u>
<b>Deferred Inflows of Resources</b>	\$ 0	\$ 0
<b>Net Position:</b>		
Net Investment in Capital Assets	\$ 1,193,780	\$ 113,591
Unrestricted	<u>138,475</u>	<u>938,262</u>
Total Net Position	\$ <u>1,332,255</u>	\$ <u>1,051,853</u>

The following table is a summary of changes in net position for the year ended September 30, 2019 and 2018.

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2019	2018
Revenues		
Operating Grants & Contributions	\$ 47,955	\$ 28,144
Property Taxes	460,881	401,640
Penalty/Interest	4,411	3,874
Sales Tax	81,161	96,340
Interest	1,274	2,004
Miscellaneous	10,079	1,241
County Contribution	300,000	184,611
Total Revenues	\$ 905,761	\$ 717,854
Expenses:		
General Government	\$ 625,359	\$ 498,548
Total Expense	\$ 625,359	\$ 498,548
Change in Net Position	\$ 280,402	\$ 219,306
Net Position-Beginning of Year	1,051,853	832,547
Net Position-End of Year	\$ 1,332,255	\$ 1,051,853

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over 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 requirements.

The fund financial statements provide detailed information about the District's significant funds – not the District as a whole. The District's funds fall into one category – governmental funds.

The focus of the District's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The *governmental funds statements* provide a detailed short-term view of the government operations and the basic services it provided, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the District's short-term financing requirements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to the government-wide financial statements.

The District adopts an annual budget for the general fund. A budgetary comparison statement has been provided to demonstrate compliance. The governmental fund financial statements begin on page 9, and the budgetary comparison schedule is on page 25.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 through 24 of this report.

### **General Fund Budgetary Highlights**

The budgeted revenues were \$314,679 less than actual revenues and budgeted expenses were \$1,105,041 more than actual expenses for the year ended September 30, 2019. Actual results for expenditures were 187.5% more than budgeted expenditures, while the District's overall actual revenue were 0.53% more than budgeted.

### **Capital Assets**

The District's investment in capital assets for its governmental activities as of September 30, 2019, amounts to \$1,918,246 (net of accumulated depreciation). This investment in capital assets includes vehicles, machinery, equipment and buildings.

**Capital Assets  
Governmental Activities  
(net of depreciation)**

	Balance 09/30/2019	Balance 09/30/2018
Land	111,969	111,969
Construction in Progress	-	369,699
Vehicles	581,183	581,183
Furniture & Fixtures	1,926	-
Equipment	225,721	225,721
Buildings and Structures	1,619,923	150,124
Accumulated Depreciation	(622,476)	(574,054)
Governmental activities capital assets, net	<u>1,918,246</u>	<u>864,642</u>

Additional information on the District's capital assets can be found in Note 4 of this report.

**Debt Administration**

As of September 30, 2019, and September 30, 2018, the District was obligated on the following debt:

**Outstanding Debt at Year End**

	9/30/2019	9/30/2018
Capital Lease-Government Capital Corp	\$ 724,466	\$ 751,051
Compensated Absences	\$ 11,454	\$ -
Total	<u>735,920</u>	<u>751,051</u>

The District incurred \$ 28,284 in interest expense as of September 30, 2019.

Additional information on the District's non-current liabilities can be found in Note 5 of this report.

## **Williamson County Emergency Services District #7**

*Management's Discussion and Analysis*

September 30, 2019

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

Williamson County ESD #7 tax revenues are expected to increase with continued growth in the District. This continued growth of residential property, while good for revenue, will also put a burden on the District to provide the services. The time between when development of property starts and tax revenue is received can be as much as two years. Parts of the District are rapidly changing from an agriculture base to a suburban community with large lots and ranchettes with limited water supply. These areas are called the wildland interface. These areas pose a significant issue in providing fire service. During periods of rapid growth and high property values this can make it difficult to keep up.

Much of the growth is taking place in the Southwestern part of the District from Andice to Ronald Reagan Blvd. The new station in Andice is a start to better serve the area, but additional staffing will be needed due to increasing call volume. Station 2 (Andice) needs several items to be completed, parking area, additional outside lighting and furnishings will make it more functional.

Replacement of aging equipment and apparatus, as well as municipal annexation of areas within WCESD7 boundaries that could reduce tax revenues in the future will need to be monitored closely.

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

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives from the citizens of the Williamson County Emergency Services District #7. If you have any questions about this report or need further information, contact the Williamson County Emergency Services District #7, P.O. Box 523, Florence, TX 76527, or call 254-793-2591.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
GOVERNMENTAL FUND BALANCE SHEET AND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 8)	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 133,999	\$ -	\$ 133,999
Property Taxes Receivable	16,501	-	16,501
Accounts Receivable	18,341	-	18,341
Other Asset	-	-	-
Capital Assets (net of accumulated depreciation)	<u>-</u>	<u>1,918,246</u>	<u>1,918,246</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>168,841</u></b>	<b>\$ <u>1,918,246</u></b>	<b>\$ <u>2,087,087</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 4,211	\$ -	\$ 4,211
Accrued Interest Payable	-	6,866	6,866
Accrued Payroll/Liabilities	7,835	-	7,835
Long Term Liabilities - Due within one year	-	27,611	27,611
Long Term Liabilities - Due after one year	<u>-</u>	<u>708,309</u>	<u>708,309</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>12,046</u></b>	<b>\$ <u>742,786</u></b>	<b>\$ <u>754,832</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ 16,501</u>	<u>\$ (16,501)</u>	<u>\$ -</u>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Non-Spendable	-		
Committed	-		
Assigned	-		
Unassigned	<u>140,294</u>		
Total fund balances	<u>140,294</u>		
Total liabilities and fund balances	<u>\$ 168,841</u>	<u>\$</u>	<u>\$</u>
Net Position:			
Net investment in capital assets		1,193,780	1,193,780
Unrestricted		138,475	138,475
Restricted		-	-
Total net position		<u>\$ 1,332,255</u>	<u>\$ 1,332,255</u>

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 8)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
VFD Contract	147,370	-	147,370
Apparatus	37,747	-	37,747
Utilities	12,047	-	12,047
Maintenance and Repairs	1,466	-	1,466
Professional Fees	11,357	-	11,357
Office Expenses/Postage	9,553	-	9,553
Insurance	26,147	-	26,147
Appraisal District & Tax Collector Fees	2,751	-	2,751
Fire Equipment & Supplies	34,050	-	34,050
Communications	7,776	-	7,776
EMS	1,609	-	1,609
Training	3,940	-	3,940
Miscellaneous	2,630	-	2,630
Personnell	239,008	11,454	250,462
Capital Outlay	1,102,026	(1,102,026)	-
Depreciation	-	48,422	48,422
Debt Service:			-
Principal	26,585	(26,585)	-
Interest	28,284	(252)	28,032
Total expenditures/expenses	\$ 1,694,346	\$ (1,068,987)	\$ 625,359
<b>PROGRAM REVENUES</b>			
Grants/Contributions	47,955	-	47,955
Net program expense			577,404
<b>GENERAL REVENUES</b>			
Ad valorem taxes	459,104	1,777	460,881
Penalties and Interest	4,411	-	4,411
Sales Tax	81,161	-	81,161
Interest income	1,274	-	1,274
Miscellaneous	10,079	-	10,079
County Contribution	300,000	-	300,000
Total general revenues	\$ 856,029	\$ 1,777	\$ 857,806
Excess (Deficiency) of revenues over expenditures	\$ (790,362)	\$ 790,362	\$ -
Net Change in Fund Balance	(790,362)	790,362	-
Change in Net Position	-	\$ 280,402	\$ 280,402
Fund Balance/Net Position			
Beginning of the year	930,656	121,197	1,051,853
End of the year	\$ 140,294	\$ 1,191,961	\$ 1,332,255

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements for the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. More significant of these accounting policies are described below.

**REPORTING ENTITY**

The Williamson County Emergency Services District No. 7 (the District) was created by Article III, Section 48-e of the Constitution of Texas as proposed by SJR, No. 27, Acts of the 70<sup>th</sup> Legislature, Regular Session 1987, and adopted by the voters at an election held on February 15, 2005, to protect life and property from fire and to conserve natural and human resources. The District's governing body consist of a Board of Commissioners appointed by the Williamson County Commissioners Court.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units appear to exist.



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF PRESENTATION**

*Basic Financial Statements*

GASB sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures/expenses or either fund category or governmental and enterprise combined. Due to the fund structure of the District, all funds have been classified as major funds. As a part of this Statement, there is a reporting requirement regarding the local government's infrastructure (road, bridges, etc.) The District does not own any infrastructure assets and therefore is unaffected by this requirement.

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District does not have any business-type activities.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. However, the District does not have any program revenues for this fiscal period.

The net cost by function is normally covered by general revenues (intergovernmental revenues, interest income, etc). The District does not currently employ indirect cost allocation systems.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the District's actual experience conforms to the budget or fiscal plan.

GASB provides that for governments engaged in a single governmental program, the fund financial statements and the government-wide statements may be combined. The District presents the general fund in the first column. The next column is an adjustments column. It reconciles the amounts reported in the governmental funds to show how each would change

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

when reported on the full-accrual basis of accounting. The last column of these combination statements shows the amounts that normally would appear in the government-wide statements.

Expenses are reported by category, rather than by function since the District has only one function – providing emergency services to the residents of the District.

**BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

In applying the “susceptible to accrual” concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BUDGETS**

The District follows these procedures in establishing the budget reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the District prepares a budget. The operating budget includes proposed expenditures and the means of financing those expenditures and is prepared in accordance with the basis of accounting utilized by that fund.
2. Public meetings are conducted at which all interested persons' comments concerning the budget are heard. After such meetings, the Board of Commissioners formally adopts the budget through passage of a motion in a public meeting.
3. The District amends the budget throughout the year approving such additional expenses. The original and final amended budgets are used in presenting the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.
4. All annual appropriations lapse at fiscal year end.

**CAPITAL ASSETS**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The range of estimated useful lives by type of asset is as follows:

Vehicles	5-10 years
Other Equipment	5-20 years

The District does not own any infrastructure assets.

**EQUITY CLASSIFICATIONS**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets– Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other government; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable or spendable with spendable being further classified into restricted, committed, assigned or unassigned.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District purchases its insurance from regular commercial companies. As of September 30, 2019, no claims or losses have been incurred that were not covered by insurance. There is no liability due to any claim or suit having ever been filed.

**USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Operating results in the future could vary from the amounts derived from management's estimates.

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2021.

**NOTE 2: PROPERTY TAXES**

The District property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real property located in the District. The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. An enforceable lien is attached to the property as of January 1. The assessed value of the roll as of January 1, 2018, upon which the 2018 levy was based, was \$489,776,158 as certified by the Williamson County Central Appraisal District.

Taxes are due by January 31 following the October 1 levy date. The total 2018 levy was \$461,165 and the tax rate was \$ 0.094257 per \$100 assessed valuation. Property taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

**NOTE 3: DEPOSITS, SECURITIES AND INVESTMENTS**

Deposits were with a contracted depository bank, Union State Bank. As of year-end, deposits did not exceed FDIC coverage. At September 30, 2019, the carrying amount of the District's deposits was \$133,999 and the bank balance was \$ 140,392.

The collateral pledged is represented by specific identifiable investment securities and classified as to credit risk by the three categories described below:

- Category 1 - Insured by FDIC or collateralized with securities held by the District or by its agent in its name.
- Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3 - Uncollateralized.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balance 10/1/2018	Additions/ Completions	Retirements/ Adjustments	Balance 9/30/2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	111,969	-	-	111,969
Construction in Progress	369,699	-	(369,699)	-
Total capital assets not being depreciated	481,668	-	(369,699)	111,969
Capital assets, being depreciated:				
Vehicles	581,183	-	-	581,183
Equipment	225,721	1,926	-	227,647
Building	150,124	1,469,799	-	1,619,923
Total capital assets being depreciated	957,028	1,471,725	-	2,428,753
Total capital assets	1,438,696	1,471,725	(369,699)	2,540,722
Less accumulated depreciation:	(574,054)	(48,422)	-	(622,476)
Total capital assets, net of depreciation	382,974	1,423,303	-	1,806,277
Governmental activities capital assets, net	864,642	1,423,303	-	1,918,246

Current year depreciation expense was \$48,422.

The District received a donation of land and building from the City of Florence. In the terms of the agreement the property will revert back to the City if the District discontinues use of the property from its primary purpose; a fire station and secondary purpose as District offices.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 5: LIABILITIES**

Transactions for the year ended September 30, 2019, are summarized as follows:

	Balance 9/30/2018	Additions	Payments	Balance 09/30/2019	Due within one year
Government Capital Corp	751,051	-	26,585	724,466	27,611
Total Capital Leases	\$ 751,051	\$ -	\$ 26,585	\$ 724,466	\$ 27,611
Compensated Absences	-	11,454	-	11,454	-
Total Governmental	\$ 751,051	\$ 11,454	\$ 26,585	\$ 735,920	\$ 27,611

Annual Payments required to amortize lease obligation outstanding as of September 30, 2019, including interest payments, are as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ 27,611	\$ 27,269	\$ 54,880
2021	28,670	26,210	54,880
2022	29,770	25,110	54,880
2023	30,912	23,968	54,880
2024	32,097	22,783	54,880
2025-2029	179,928	94,472	274,400
2030-2034	217,191	57,209	274,400
2035-2038	178,287	13,804	192,091
Total	\$ 724,466	\$ 290,825	\$ 1,015,291

The District entered into a loan agreement for the financing of the construction of a new fire station (Andice Station), pledging tax revenue as security, for \$765,000, at 3.8% for 20 years. Payments \$27,440 are made semi-annual beginning July 1, 2018 until January 1, 2038.

Compensated absences represent the estimate liability for employees' accrued vacation for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund.



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 6: DATE OF MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**NOTE 7: FUND BALANCE CLASSIFICATION**

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Non-spendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for a specific purpose pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as non-spendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balance is included in the Governmental Fund Balance Sheet on page 9.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated the authority to assign fund balance for a specific purpose to the District's Chief or Assistant Chief.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 7: FUND BALANCE CLASSIFICATION (continued)**

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

As of September 30, 2019, the District has not adopted a minimum fund balance policy.

**NOTE 8: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS**

Differences between the Governmental Fund Balance Sheet and the Statement of Net Position:

The differences (as reflected in the adjustments column) primarily result from the long-term economic resources focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 2,540,722
Accumulated Depreciation	(622,476)
	<u>\$1,918,246</u>

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Accrued interest payable	\$ 6,866
--------------------------	----------

Long-term liabilities applicable to the district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term—are reported in the statement of net assets.

Due within one year	\$ 27,611
Due after one year	708,309

Taxes receivable are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred revenue	\$ (16,501)
------------------	-------------

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 8: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS (continued)**

Differences between the Governmental Fund Operating Statement and the Statement of Net Activities:

The differences (as reflected in the adjustments column) arise primarily from the long-term economic resources focus of the statement of activities versus the current financial resources focus of the governmental funds.

Some expenses reporting in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Adjustment for Compensated Leave	\$ 11,454
----------------------------------	-----------

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ (1,102,026)
Depreciation Expense	48,422

Repayment of capital lease obligations is reported as an expenditure in governmental funds. For the district as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Payment of Principal	\$ (26,585)
----------------------	-------------

Interest expense in the statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for capital lease obligations.

Change in accrued interest payable	\$ (252)
------------------------------------	----------

Because some property taxes will not be collected for several months after the district's year end, they are not considered as "available" revenues in the governmental funds.

Adjustment for property taxes collected after year-end	\$ 1,777
--	----------

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 9: LINE OF CREDIT**

The District has obtained a line of credit with Vera Bank of Florence, Texas. The total credit line was for \$50,000. The District had not drawn any amounts as of September 30, 2019.

**NOTE 10: COMMITMENT**

The District entered into an agreement with Williamson County whereby the County paid \$300,000 towards the construction cost of the Andice station. Under this agreement the District will provide to the County housing bay for one EMS response vehicle and housing (bedroom, office and storage) for EMS personnel for an unspecified time at no additional future cost. The County may terminate this agreement without cause upon a 90-day notice. The District may terminate this agreement after 5 years from the date of final completion of the station with or without cause with 180 days written notice. Under the terms of the agreement should the District terminate this agreement prior to the 5-year period the District would have to repay the \$300,000. If beginning in the sixth year the District terminates only \$150,000 would be repaid and a credit of \$30,000/year would be granted for years 7-10, that after the 10<sup>th</sup> year no repayment would be required. The District currently does not expect to terminate this agreement, and no liability has been established.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 11: PENSION**

Williamson County Emergency Services District No. 7 (WCESD 7) began participation in the Texas County & District Retirement System (TCDRS) as of July 1, 2019, and therefore did not have any participation employees as to the TCDRS measurement date, December 31, 2018. A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

1. WCESD 7 participated in TCDRS, which is a statewide, agent multiple-employer, public employee retirement plan.
2. A brief description of the benefit terms:
  - a) All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
  - b) The plan provides retirement, disability and survivor benefits.
  - c) TCDRS is a saving-based plan. For the WCESD 7 plan, 4% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest per year on beginning of the year balances. At retirement, the account is matched at an employer set percentage(s) (current match is 100%) and is then converted to a lifetime annuity.
  - d) There are no automatic COLAs. Each year, WCESD 7 may elect as ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
  - e) Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.
3. As of the measurement date (December 31, 2018), WCESD 7 had no employees covered in TCDRS.
4. WCESD 7's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The WCESD 7 contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by WCESD 7 and are currently 4%. The actuarially determined employer contribution rate for 2019 was 1.67%. Contribution to the pension plan from WCESD 7 was \$2,579 (employer) and \$3,112 (employee), for the fiscal year ended September 30, 2019.
5. The most recent comprehensive annual financial report for TCDRS can be found at, [www.tcdrs.org](http://www.tcdrs.org).

## Required Supplemental Information

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
BUDGET TO ACTUAL COMPARISON - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	Budget		Actual Amounts	Variance
	Original	Final	Budgetary Basis	Favorable/ (Unfavorable)
<b>GENERAL REVENUES</b>				
Ad Valorem Taxes	\$ 457,305	\$ 457,305	\$ 459,104	1,799
Penalty & Interest	2,500	2,500	4,411	1,911
Sales Tax	83,000	83,000	81,161	(1,839)
Interest Income	-	1,200	1,274	74
Grants/Contributions	43,000	43,000	47,955	4,955
Donations	-	-	300,000	300,000
Miscellaneous	100	2,300	10,079	7,779
Total General Revenues	\$ 585,905	\$ 589,305	\$ 903,984	314,679
<b>EXPENDITURES/EXPENSES</b>				
VFD Contract	\$ 418,518	\$ 126,391	\$ 147,370	(20,979)
Apparatus	-	32,138	37,747	(5,609)
Utilities	-	8,023	12,047	(4,024)
Maintenance and Repairs	-	1,466	1,466	-
Professional Fees	16,000	16,000	11,357	4,643
Office Expense/Postage	-	7,322	9,553	(2,231)
Insurance	15,100	24,940	26,147	(1,207)
Appraisal District & Tax Collector Fees	2,800	2,800	2,751	49
Fire Equipment & Supplies	-	11,748	34,050	(22,302)
Communications	1,000	10,449	7,776	2,673
EMS	-	3,098	1,609	1,489
Training	-	4,526	3,940	586
Miscellaneous	5,800	1,300	2,630	(1,330)
Personnell	-	217,729	239,008	(21,279)
Capital Outlay	18,000	18,000	1,102,026	(1,084,026)
Debt Service:			-	-
Principal	108,687	103,375	26,585	76,790
Interest	-	-	28,284	(28,284)
Total expenditures/expenses	\$ 585,905	\$ 589,305	\$ 1,694,346	(1,105,041)
Excess (Deficiency) of revenues over expenditures	-	-	(790,362)	(790,362)
Net Change in Fund Balance	-	-	(790,362)	
Fund Balance Beginning of the year			930,656	
End of the year			\$ 140,294	

See Accompanying Notes to the Financial Statements

**Williamson County  
Emergency Services District No. Eight  
Financial Statements  
September 30, 2019**



Williamson County Emergency Services District No. 8  
For the Year Ending September 30, 2019

TABLE OF CONTENTS

Independent Auditor's Report.....	1-2
Management's Discussion and Analysis (unaudited).....	3-9
Basic Financial Statements:	
Governmental Funds Balance Sheet and Statement of Net Position .....	10
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities .....	11
Notes to Basic Financial Statements .....	12-22
Required Supplemental Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund .....	23



**BILL GRAVELL JR.**  
County Judge  
WILLIAMSON COUNTY TEXAS

**April 15, 2020**

**Bobby Bunte, President  
Williamson County ESD #8  
3500 D.B. Wood Rd.  
Georgetown, Texas 78628**

**By Regular US Mail**

**RE: Reminder to File an Audit or Compiled Financial Statements with the Williamson County Commissioners Court**

Dear Mr. Bunte,

I am writing this letter to you as courtesy reminder that Emergency Services Districts (ESDs) are required to file either an Audit or Compiled Financial Statements with the Williamson County Commissioners Court on or before June 1<sup>st</sup> each year. I have enclosed copies of the two statutes that set out the requirements relating to your ESD's filing requirements and I encourage you to discuss them with your legal counsel should you have questions.

You may mail or deliver your ESD's Audit or Compiled Financial Statements to my office and I will provide them to the Williamson County Commissioners Court. Please mail or deliver them prior to the June 1<sup>st</sup> deadline so that they can be provided to the Williamson County Commissioners Court on time. If you should have any questions or comments relating to this matter, please do not hesitate to contact my office to discuss them. I want to thank you for the service you provide to the citizens of Williamson County and I look forward to working with you in the future.

Sincerely,

Judge Bill Gravelle, Jr.  
Williamson County Judge

## **Health & Safety Code Section 775.082. Audit of District in Less Populous Counties.**

(a) The county auditor of a county that contains any part of the district shall have access to the books, records, officials, and assets of the district.

(b) A district shall prepare and file with the commissioners court of each county that contains any part of the district on or before June 1 of each year an audit report of the district's fiscal accounts and records. The audit shall be performed and the report shall be prepared at the expense of the district. The county auditor, with the approval of the commissioners court, shall adopt rules relating to the format of the audit and report. If a district is located in more than one county, the county auditors, with the approval of the commissioners court of each county in which the district is located, shall adopt uniform rules relating to the format of the audit and report.

(c) The person who performs the audit and issues the report must be an independent certified public accountant or firm of certified public accountants licensed in this state, unless the commissioners court by order requires the audit to be performed by the county auditor at least 120 days before the end of the district's fiscal year.

(d) The commissioners court, on application made to the commissioners court by the district, may extend up to an additional 30 days the deadline for filing the audit report.

(e) If the district fails to complete and file the audit report within the time provided by Subsection (b) or (d), the commissioners court may order the county auditor to perform the audit and issue the report. If a district is located in more than one county, the commissioners court of each county in which the district is located shall designate by joint order a county auditor of one of the counties to perform the audit and issue the report.

(e-1) When a district located wholly in one county fails to complete and file the audit report by September 1 of each year and a county auditor is not ordered to prepare the report, the president and treasurer of the board are removed from the board and the commissioners court shall fill the vacancies as provided by Section 775.034.

(f) The district shall pay all costs incurred by the county auditor to perform an audit and issue the report required by this section, unless otherwise ordered by the commissioners court or by joint order of the commissioners courts, if the district is located in more than one county.

(g) This section does not apply to a district located wholly in a county with a population of more than three million.

Added by Acts 1993, 73rd Leg., ch. 195, Sec. 2, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 392, Sec. 5, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 120 (S.B. [1436](#)), Sec. 2, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 900 (H.B. [2653](#)), Sec. 6, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. 900 (H.B. [2653](#)), Sec. 7, eff. September 1, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 639 (S.B. [917](#)), Sec. 12, eff. June 17, 2011.



**Health & Safety Code Section 775.0821. Alternative to Audit of District in less Populous Counties.**

- (a) This section applies only to a district to which Section 775.082 applies that:
- (1) did not have any outstanding bonds secured by ad valorem taxes or any outstanding liabilities secured by ad valorem taxes having a term of more than one year during the previous fiscal year;
  - (2) did not receive more than a total of \$250,000 in gross receipts from operations, loans, taxes, or contributions during the previous fiscal year; and
  - (3) did not have a total of more than \$250,000 in cash and temporary investments during the previous fiscal year.
- (b) Instead of filing an audit report under Section 775.082, a district to which this section applies may file compiled financial statements with the commissioners court of each county in which any part of the district is located.
- (c) The district must file with the compiled financial statements an affidavit signed by an authorized district representative attesting to the accuracy and authenticity of the statements.
- (d) The provisions of Section 775.082 relating to deadlines for filing an audit and the procedures and penalties relating to the failure of a district to file an audit apply to the filing of compiled financial statements under this section.
- (e) A district that files compiled financial statements in accordance with Subsection (b) and that maintains an Internet website shall have posted on the district's website the compiled financial statements for the most recent three years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 719 (H.B. [3764](#)), Sec. 1, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1068 (H.B. [2257](#)), Sec. 1, eff. September 1, 2015.



# MEDACK & OLTMANN, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

### PARTNERS

James E. Medack, CPA  
Melodi J. Oltmann, CPA

### PROFESSIONAL STAFF

Remington O'Dell, CPA  
Ashton McGonagle

### MEMBERS

American Institute of  
Certified Public Accountants

Texas Society of  
Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Williamson County Emergency Services District No. 8

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Williamson County Emergency Services District No. 8, as of and for the year ended September 30, 2019, 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

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 misstatements 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, and each major fund, of Williamson County Emergency Services District No. 8, as of September 30, 2019, and the respective changes in financial position 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 through 9 and 23 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.

A handwritten signature in black ink that reads "Medack & Oltmann, LLP". The signature is written in a cursive, flowing style.

Medack & Oltmann, LLP  
Giddings, Texas  
March 9, 2020

3500 D.B. Wood Rd.  
78628  
512/930-FIRE (3473)



Georgetown, TX

## Management's Discussion and Analysis

This is the discussion and analysis of the Williamson County ESD #8 for fiscal year ending September 30, 2019.

Citizens and taxpayers want a clear picture of the financial health of their governments, which includes Emergency Services Districts. They also want to know how their tax dollars were spent and how much it costs to provide major services such as firefighting, fire prevention and rescue services. The concept of financial accountability of elected or appointed officials is reflected in the standards adopted by the Governmental Accounting Standards Board (GASB) for annual financial reporting.

This Management Discussion and Analysis (MD&A) is composed with the GASB concepts in mind. Please read it in conjunction with the District's financial statements, which follow this section.

### Financial Highlights

- *The Districts total net position for the fiscal year exceeded the liabilities of \$410 by \$5,194,498.*
- *Change in net position from current operations was \$(358,545) resulting in cash reserves of \$4,449,367 at the end of the fiscal year.*
- *The District continued the Fire Protection Services contract with the City of Georgetown at an annual cost of \$3,587,662.*

### Using This Annual Report

This annual report consists of two financial statements. GASB Statement No. 34 provides that for governments engaged in a single government program, the fund financial statements and the government-wide statements may be combined. These combined statements appear on pages 10 and 11. The second column is an adjustments column, reconciling the amounts reported in the government funds to show how each would change when reported on the full-accrual basis of accounting. The last column of these combination statements shows the amounts that normally would appear in the government-wide statements.

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

The Statement of Net Position and the Statement of Activities present information about the District as a whole. These statements (as reported in the last column of each of the statements) include all of the District's assets and liabilities, utilizing the accrual basis of accounting which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two columns report the District's net position and changes in them. The difference between assets and liabilities, net assets, are one way to measure the District's financial health. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other non-financial factors such as changes in the District's property tax base must also be considered in an assessment of the overall financial health of the District.

The Statement of Activities, also included on page 11, presents information showing how the District's net position changed during the most recent twelve-month period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

## **Reporting the District's Funds**

A fund is a grouping of related accounts that is used to maintain control over 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 requirements. The District may establish other funds to help in control and manage money for particular purposes or to show that it is meeting its legal responsibilities for using certain taxes, grants and other money. 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.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spend-able resources, as well as on balances of spend-able resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare that information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The District only reports using one fund that being the General Fund.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



## The District as a Whole

Governmental activities decreased the District's net position by \$358,545, approximately 6.5%. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the District's governmental activities:

**Table 1**  
**Government Activities**  
**Net Position**

<b>Assets</b>	<b>9/30/2019</b>	<b>9/30/2018</b>
Current Assets	\$ 4,506,129	\$ 4,832,304
Other Assets	-	-
Capital Assets	688,779	723,110
<b>Total Assets</b>	<b>\$ 5,194,908</b>	<b>\$ 5,555,414</b>
<b>Liabilities</b>		
Current Liabilities	\$ 410	\$ 2,371
Long-Term Liabilities		
<b>Total Liabilities</b>	<b>\$ 410</b>	<b>\$ 2,371</b>
<b>Net Position</b>		
Investment in capital assets	\$ 688,779	\$ 723,110
Restricted	-	-
Unrestricted	4,505,719	4,829,933
<b>Total Net Position</b>	<b>\$ 5,194,498</b>	<b>\$ 5,553,043</b>

**Table 2**  
**Government Activities**  
**Changes in Net Position**

	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>General Revenues</b>		
Ad Valorem Taxes	\$ 3,252,130	\$ 2,704,079
Penalties & Interest on Taxes	10,992	8,787
Interest	61,079	12,749
Other	-	15,250
<b>Total General Revenues</b>	<b>\$ 3,324,201</b>	<b>\$ 2,740,865</b>
<b>Expenditures/Expenses</b>		
Legal Notices	\$ 1,180	\$ 1,609
Tax Collector/Appraisal District Fees	21,509	19,311
Insurance & Bonds	4,202	4,197
Professional Services	30,067	33,401
Contracted Services	3,587,662	1,615,535
Miscellaneous	652	562
Training Prevention Staffing Study	1,796	1,381
Association Dues	1,100	1,100
Office Supplies	247	-
Hydrant Project	-	76,627
Election Expense	-	14,781
Depreciation Expense	34,331	34,331
Debt Service		
Principal	-	-
Interest	-	-
<b>Total Expenditures/Expenses</b>	<b>\$ 3,682,746</b>	<b>\$ 1,802,835</b>
<b>Change in Net Postion</b>	<b>\$ (358,545)</b>	<b>\$ 938,030</b>
 Net Position - Fund Balance Beginning of Year	 \$ 5,553,043	 \$ 4,615,013
Net Position - Fund Balance Ending of Year	\$ 5,194,498	\$ 5,553,043
 Change in Net Position		
 Percent Increase or (decrease)	 -6.46%	 20.33%

## Capital Assets:

At the end of the fiscal year September 30, 2019, capital assets are as follows:

	2019	2018
Land	-	271,706
Construction in Progress	-	382,820
Vehicles	342,528	342,528
Equipment	392	392
Accumulated Depreciation	(308,667)	(274,336)
Intangible - Right to Occupy	654,526	-
Accumulated Amortization	-	-
Governmental activities capital assets, net	688,779	723,110

Depreciation expense charged to the general fund was \$ 34,331.

More detailed information about the District's Capital Assets is presented in Note 5 of the financial statements.

## Financial Analysis of the Government's Funds

As noted earlier the District uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the year ending 09/30/19, the District's total fund balance was \$ 4,457,853 which reflects a net combined decrease of \$ 333,571.

Approximately 98% of the District's FY 2019 income is derived from Ad Valorem property taxes, while the remainder is primarily Money Market Interest income. Interest rates have remained extremely low in the last year and the District received only about 1.84% of its total income on its cash investments.

Revenues	October 2018 to September 2019	
Property Taxes	\$ 3,242,773	97.83%
Penalties & Interest	10,992	0.33%
Interest Income	61,079	1.84%
Total	\$ 3,314,844	100.00%

## Budgetary Highlights

The District's annual budget includes estimated revenues and expenditures for fiscal year that begins each October 1. The annual budget is a "line-item" document that helps guide the Board of Commissioners through the year with a high degree of financial control over District expenditures.

Estimates of taxable value for the year are provided by the Williamson County Tax Appraisal Office. That estimate, combined with an estimate of historical tax collection rates for the District is used to estimate Ad Valorem Revenues and Establish a Tax Rate for the District.

In the fiscal year ending September 30, 2019, the Net Taxable (Assessed) Valuation of the District was \$3,234,335,232 resulting in a total tax levy of \$3,234,355 based on a tax rate of \$0.10 per \$100 valuation.

The District's 2018/2019 Budget resulted in actual expenditures of \$3,648,415 vs the budget of \$3,683,969.

Total revenues were \$3,314,844 or \$76,351 greater than the final budgeted amount. Ad Valorem tax revenue was \$3,242,773 or \$20,780, greater than the budgeted amounts. This resulted in an overall favorable variance of \$111,905.

Review of the financial operations of the District during the year yielded several Board directed changes to policy and operations. The district continues to be a low tax rate District with the lowest tax rate of current Districts in Williamson County. The contract with the City of Georgetown Fire Services Division is one of the primary reasons for that low cost and exceptional level of service delivery.

### **Currently Known Facts, Decisions and Economic Conditions**

For the 2019 fiscal year, the tax rate for Williamson County Emergency Services District No. 8 was set at \$0.10/\$100 of assessed property value, which was the same tax rate as the previous year, and a property valuation increase of 12.91%. For the same period, the contract price with the City of Georgetown for fire and emergency services increased by 122.07%. The contract price for 2019 is no longer based solely on the percentage of call volume in the ESD compared to the City. The contract price is now based on a new cost model that has been developed to take into consideration elements of the cost of service that were not included in the old cost model. These considerations include factors such as area covered, property values, risk factors, population served, and call volume compared to the City. This has resulted in a substantial increase in the contract price. To validate and justify the new cost, the Board of Commissioners utilized the services of a consultant, ESCI, to develop the cost model specific for ESD8. Based on the recommendations of ESCI, the Board adopted the new cost model. The ESD8 Board of Commissioners strives to provide the highest level of service, and adopting a tax rate of \$0.10/\$100 of assessed property value is a reflection of the increasing cost of that service. ESD8 currently has a tax rate that is equal to the majority of the ESD's in Williamson County.

The construction of Fire Station 6 is progressing on schedule. Once completed, the station will include ESD8 office space and a meeting room that will also be available for community use. The Board has completed the transfer of the project in total to the City of Georgetown. In exchange for funds the ESD has already spent, a long term agreement of approximately 50 years has been put into place that guarantees the ESD full use of the office space and meeting room at no cost. Should the agreement be terminated prior to the 50 years, and an alternate location or method of amortization is not found, the City will pay the full remaining unamortized balance. This new agreement will be beneficial for the ESD and the community it serves as well as the City. The location of the new station near the intersection of FM3405 and Andice Road will greatly improve the coverage and response times in both the ESD and the City, and may also serve to reduce homeowner's insurance premiums for residents in that area.

ESD8 continues to fund the installation of fire hydrants, where feasible, in areas of the district that have minimal or no coverage. All planned installations have been completed in the Jonah water district and work continues on the portion of the City of Georgetown water system that is

located in the ESD. Additionally, the City of Georgetown has capped the cost of each hydrant installed on their system at \$5,000.

Financial management of funds and payment for services continue to be handled through a contracted CPA firm with oversight and approvals by the Treasurer and President. The board retains this CPA firm to perform their bookkeeping which results in improvements in account organization, reserve accounting, and management of disbursements. All of these improvements are made without sacrificing checks and balances. The ESD's financial policy includes financial guidelines and firm practices related to capital financing, debt service coverage, reserve balances, cash management, and investing of public funds in compliance with Governmental Accounting Standards Board accounting principles.

The ESD Board's meeting schedule is the third Wednesday of each month at 6:00 pm to provide a consistent date and time which facilitates attendance by Commissioners, Fire Department personnel, and visitors. Also, ESD8 holds special meetings and workshops, as needed, to meet needs that cannot be achieved during monthly sessions.

The Emergency Services District's administration is located in dedicated office space at 3500 D B Wood Road, in Georgetown's Public Safety Operations and Training Center. This physical space provides security for our documents, contracts, and financial records.

Administratively, the ESD Policies and Procedures are current, comprehensive and comprehensible. ESD8 has a fire code that is in sync with that of the City of Georgetown. In an effort to help taxpayers stay informed about the ESD's activities, we continue to maintain and enhance our website as well as pursue other actions to increase public awareness.

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

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

#### **Williamson County ESD #8**

Bobby Bunte - ESD 8 President  
3500 D B Woods Rd.  
Georgetown, TX 78628  
Phone: 512-819-3104

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
GOVERNMENTAL FUNDS BALANCE SHEET AND  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 8)	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 4,449,367	\$ -	\$ 4,449,367
Property Taxes Receivable	47,866	-	47,866
Due from Other Governments	-	-	-
Prepaid Expenses	8,896	-	8,896
Capital Assets (net)	-	688,779	688,779
<b>TOTAL ASSETS</b>	<u><u>\$ 4,506,129</u></u>	<u><u>\$ 688,779</u></u>	<u><u>\$ 5,194,908</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 410	\$ -	\$ 410
Deferred Revenues	-	-	-
Accrued Interest Payable	-	-	-
Long Term Liabilities-Due within one year	-	-	-
Long Term Liabilities-Due after one year	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ 410</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ 47,866</u>	<u>\$ (47,866)</u>	<u>\$ -</u>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Non-Spendable	\$ 8,896	\$ (8,896)	\$ -
Spendable			
Assigned	2,762,977	(2,762,977)	
Unassigned	1,685,980	(1,685,980)	
Total fund balances	<u>4,457,853</u>	<u>(4,457,853)</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 4,506,129</u></u>	<u><u>\$ -</u></u>	<u><u>\$</u></u>
Net Position:			
Net Investment in Capital Assets		\$ 688,779	688,779
Unrestricted		4,505,719	4,505,719
Restricted		-	-
Total Net Position		<u><u>\$ 5,194,498</u></u>	<u><u>\$ 5,194,498</u></u>

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 8)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Legal Notices	\$ 1,180	\$ -	\$ 1,180
Tax Collector/Appraisal District Fees	21,509	-	21,509
Insurance & Bonds	4,202	-	4,202
Professional Services	30,067	-	30,067
Contracted Services	3,587,662	-	3,587,662
Miscellaneous	652	-	652
Training	1,796	-	1,796
Association Dues	1,100	-	1,100
Office Supplies	247	-	247
Depreciation Expense	-	34,331	34,331
Total expenditures/expenses	\$ <u>3,648,415</u>	\$ <u>34,331</u>	\$ <u>3,682,746</u>
<b>GENERAL REVENUES</b>			
Ad valorem taxes	3,242,773	9,357	3,252,130
Penalties and Interest	10,992	-	10,992
Interest income	61,079	-	61,079
Miscellaneous	-	-	-
Total general revenues	\$ <u>3,314,844</u>	\$ <u>9,357</u>	\$ <u>3,324,201</u>
Excess (Deficiency) of revenues over expenditures	(333,571)	333,571	-
Change in net position	-	(358,545)	(358,545)
Fund Balance/Net Position			
Beginning of the year	<u>4,791,424</u>	<u>761,619</u>	<u>5,553,043</u>
End of the year	\$ <u><u>4,457,853</u></u>	\$ <u><u>736,645</u></u>	\$ <u><u>5,194,498</u></u>

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements for the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. More significant of these accounting policies are described below.

**REPORTING ENTITY**

The Williamson County Emergency Services District No. Eight (the District) was created by Article III, Section 48-e of the Constitution of Texas as proposed by SJR, No. 27, Acts of the 70<sup>th</sup> Legislature, Regular Session 1987, and adopted by the voters at an election held May 7, 2005, to protect life and property from fire and to conserve natural and human resources.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units appear to exist.

**BASIS OF PRESENTATION**

*Basic Financial Statements*

GASB sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures/expenses or either fund category or governmental and enterprise combined. Due to the fund structure of the District, all funds have been classified as major funds. As a part of this Statement, there is a reporting requirement regarding the local government's infrastructure (road, bridges, etc.) The District does not own any infrastructure assets and therefore is unaffected by this requirement.



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). In the government-wide Statement of Net Position both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District does not have any business-type activities.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. However, the District does not have any program revenues for this fiscal period.

The net cost by function is normally covered by general revenues (intergovernmental revenues, interest income, etc). The District does not currently employ indirect cost allocation systems.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the District's actual experience conforms to the budget or fiscal plan.

GASB provides that for governments engaged in a single governmental program, the fund financial statements and the government-wide statements may be combined. The District presents the general fund in the first column. The next column is an adjustments column. It reconciles the amounts reported in the governmental funds to show how each would change when reported on the full-accrual basis of accounting. The last column of these combination statements shows the amounts that normally would appear in the government-wide statements.

Expenses are reported by category, rather than by function since the District has only one function – fire-fighting.

**BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The government-wide financial statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

**BUDGETS**

The District follows these procedures in establishing the budget reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the District prepares a budget. The operating budget includes proposed expenditures and the means of financing those expenditures and is prepared in accordance with the basis of accounting utilized by that fund.
2. Public meetings are conducted at which all interested persons' comments concerning the budget are heard. After such meetings, the Board of Commissioners formally adopts the budget through passage of a motion in a public meeting.
3. The District amends the budget throughout the year approving such additional expenses. The amended budget is used in presenting the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.
4. All annual appropriations lapse at fiscal year end.

The General Fund did not have expenditures in excess of appropriations.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CAPITAL ASSETS**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The range of estimated useful lives by type of asset is as follows:

Buildings and Structures	40 years
Vehicles	7-20 years
Other Equipment	10-20 years

The District does not own any infrastructure assets.

*Fund Financial Statements*

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**EQUITY CLASSIFICATIONS**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other government; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable or spendable with spendable being further classified into restricted, committed, assigned or unassigned.

**COMPENSATED ABSENCES**

The District had no employees as of year-end.

**RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases its insurance from regular commercial companies. As of September 30, 2019, no claims or losses have been incurred that were not covered by insurance. There is no liability due to any claim or suit having ever been filed.

**USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Operating results in the future could vary from the amounts derived from management's estimates.

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement no. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2021.

**NOTE 2: CASH**

Deposits were with a contracted depository bank, Union State Bank. As of year-end, deposits exceeded FDIC coverage. Therefore, in accordance with the depository contract, Union State Bank has pledged additional collateral. This collateral consisted of U.S. Government Securities, having a market value of \$8,138,792 (Category 2). At September 30, 2019, the carrying amount of the District's deposits was \$4,449,367, and the bank balance was \$4,448,903.

The collateral pledged is represented by specific identifiable investment securities and classified as to credit risk by the three categories described below:

- Category 1 - Insured by FDIC or collateralized with securities held by the District or by its agent in its name.
- Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3 - Uncollateralized.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 2: CASH (continued)**

	<u>Carrying Value</u>	<u>Bank Balance</u>
Category 1	\$ 250,000	\$ 250,000
Category 2	4,199,367	4,198,903
Category 3	<u>-0-</u>	<u>-0-</u>
	<u>\$4,449,367</u>	<u>\$ 4,448,903</u>

**NOTE 3: PROPERTY TAXES**

The District uses the Williamson County Tax Assessor Collector to bill and collect its property tax. The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. An enforceable lien is attached to the property as of January 1. The assessed value of the roll as of January 1, 2018, upon which the 2018 levy was based, was \$3,234,335,232 as certified by the Williamson County Central Appraisal District.

Taxes are due by January 31 following the October 1 levy date. The total 2018 levy was \$3,234,355 and the tax rate was \$ .10 per \$100 assessed valuation. Property taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

**NOTE 4: COMMITMENTS**

The District has entered into an agreement with the City of Georgetown Fire Department to provide fire protection and suppression, fire prevention, hazardous material control, emergency rescue and other assistance to the public as necessary. Payments are made quarterly and totaled \$3,587,662 for the year. This contract and the related fee are renegotiated annually.

The District purchased a fire engine and has leased it to the City of Georgetown Fire Department. The lease agreement is the same term as the agreement for fire protection services. The lease payment is \$1.00 per year.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balance 10/1/2018	Additions/ Completions	Retirements/ Adjustments	Balance 9/30/2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	271,706	-	(271,706)	-
Construction in Progress	382,820	-	(382,820)	-
Total capital assets not being depreciated	654,526	-	(654,526)	-
Capital assets, being depreciated				
Vehicles	342,528	-	-	342,528
Equipment	392	-	-	392
Total capital assets being depreciated	342,920	-	-	342,920
Less accumulated depreciation for:				
Vehicles	(274,023)	(34,253)	-	(308,276)
Equipment	(313)	(78)	-	(391)
Total accumulated depreciation	(274,336)	(34,331)	-	(308,667)
Total capital assets, being depreciated, net	68,584	(34,331)	-	34,253
Capital assets, being amortized				
Intangible - right to occupy	-	654,526	-	654,526
Total capital assets being amortized	-	654,526	-	654,526
Less accumulated amortization for:				
Intangible - right to occupy	-	-	-	-
Total accumulated amortization	-	-	-	-
Total capital assets, being amortized, net	-	654,526	-	654,526
Governmental activities capital assets, net	723,110	620,195	(654,526)	688,779

Current year depreciation expense was \$34,331, and amortization expense is \$-0-.

**Intangible – Right to Occupy**

The District agreed, in late 2013, to construct and equip what was to be later identified as fire station number 6. Land was purchased and development costs were incurred through September 2018 totaling \$654,526. The fire station was expected to be leased to the City of Georgetown, Texas for a nominal amount and operated by the City fire department. On December 19, 2018, the decision was made by the District's board to transfer the project in total to the City of Georgetown, Texas. In exchange, the District will be allowed to occupy 890 square feet of space in the facility for a period of approximately 50 years. This decision does state that if this agreement is terminated prior to 2068 and an alternate location or method of amortization is not found, the City will pay the full remaining unamortized balance.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 6: ANNEXATION OF DISTRICT LAND BY THE CITY OF GEORGETOWN**

The City of Georgetown has the right to annex property within the District which could in the future result in a reduction of the total value of property within the District and a reduction in the total tax revenue to be collected. For the year ending September 30, 2019, the District has been made aware that the City of Georgetown will be annexing certain portions of the ESD. However, the tax revenue loss is expected to be minimal.

**NOTE 7: FUND BALANCE**

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Non-spendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purpose pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as non-spendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated the authority to assign fund balance for a specific purpose to the District's Chief or Assistant Chief.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 7: FUND BALANCE (continued)**

The Board has adopted a budgetary stabilization arrangement to be used for future operational budgetary shortfalls, in the event a revenue deficit arises. According to GASB criteria, in order for amount to be reflected as restricted or committed, usage of these funds must be specifically identified. Therefore, no amounts have been reflected as restricted or committed.

As of September 30, 2019, the District has not adopted a minimum fund balance policy.

Fund Balance:	
<u>Nonspendable</u>	
Prepaid Expenses	\$ 8,896
<u>Assigned</u>	
Contingency Reserve	2,762,977
Total Assigned	\$ 2,762,977
Unassigned	\$ 1,685,980
Total Fund Balance:	<u>\$ 4,448,957</u>

**NOTE 8: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS**

Differences between the Governmental Fund Balance Sheet and the Statement of Net Position:

The differences (as reflected in the adjustments column) primarily result from the long-term economic resources focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 997,446
Accumulated Depreciation	<u>(308,667)</u>
	<u>\$ 688,779</u>

Taxes receivable are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred revenue	\$ (47,866)
------------------	-------------

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

**NOTE 8: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS (continued)**

Differences between the Governmental Fund Operating Statement and the Statement of Net Activities:

The differences (as reflected in the adjustments column) arise primarily from the long-term economic resources focus of the statement of activities versus the current financial resources focus of the governmental funds.

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ (-0-)
Depreciation Expense	34,331

Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered as "available" revenues in the governmental funds.

Adjustment for property taxes collected after year-end	\$ 9,357
--	----------

**NOTE 9: DATE OF MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through the date of the auditor's report, the date the financial statements were available to be issued.

## **Required Supplemental Information**

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
BUDGET TO ACTUAL COMPARISON - GENERAL FUND  
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	Budget		Actual Amounts Budgetary Basis	Favorable/ (Unfavorable)
	Original	Final		
<b>GENERAL REVENUES</b>				
Ad Valorem Taxes	\$ 3,221,993	\$ 3,221,993	\$ 3,242,773	20,780
Penalties and Interest	9,000	9,000	10,992	1,992
Interest Income	7,500	7,500	61,079	53,579
Miscellaneous			-	-
Total Revenues	<u>\$ 3,238,493</u>	<u>\$ 3,238,493</u>	<u>\$ 3,314,844</u>	<u>76,351</u>
				-
<b>EXPENDITURES/EXPENSES</b>				
Legal Notices	\$ 1,500	\$ 1,500	\$ 1,180	320
Tax Collector/Appraisal District Fees	21,000	21,000	21,509	(509)
District Voter Info/Ed	-	-	-	-
Insurance & Bonds	4,300	4,300	4,202	98
Membership Dues	1,200	1,200	1,100	100
Fire Hydrant Grant Program	100,000	-	-	-
Professional Services	51,700	51,700	30,067	21,633
Contracted Services	3,039,668	3,585,144	3,587,662	(2,518)
Miscellaneous	1,125	1,125	652	473
Office Supplies	250	250	247	3
Election Expense	15,000	15,000	-	15,000
Training & Travel	2,750	2,750	1,796	954
Capital Outlay	2,363,678	-	-	-
Debt Service.				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures/expenses	<u>\$ 5,602,171</u>	<u>\$ 3,683,969</u>	<u>\$ 3,648,415</u>	<u>35,554</u>
Excess (Deficiency) of revenues over expenditures	\$ (2,363,678)	\$ (445,476)	\$ (333,571)	111,905
 Fund Balance Beginning of the year			<u>4,791,424</u>	
End of the year			<u>\$ 4,457,853</u>	

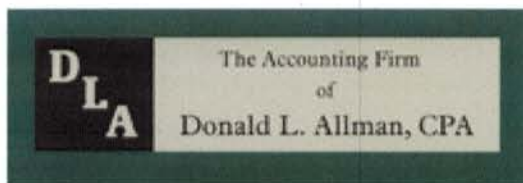
See Accompanying Notes to the Financial Statements

**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

TABLE OF CONTENTS

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 9
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16-23
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) General Fund	24
Notes to Required Supplementary Information	25
<i>Government Auditing Standards</i> Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with No Material Weaknesses, Significant Deficiencies, or Reportable Instances of Noncompliance or Other Matters Identified	26-27



Donald L. Allman, CPA, PC  
4749 Williams Drive, Ste. 322  
Georgetown, Texas 78633  
Phone: 512-422-3700  
Fax: 512-240-5460  
Email: dallman@donallmancpa.com

---

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.

	<b>Table 1</b>	
	<b>Net Position</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
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

	<b>Table 4</b>		
	<b>Changes in Year End Fund Balance</b>		
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>% Change</u></b>
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.

	<b>Table 5</b>			
	<b>Total Governmental Fund Revenues</b>			
			<b>Increase or (Decrease)</b>	<b>Percent Increase</b>
Revenue Source	<b><u>2019</u></b>	<b><u>% of total</u></b>	<b><u>over 2018</u></b>	<b><u>(Decrease)</u></b>
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.

	<b>Table 6</b>		
	<b>Original and Final Budget</b>		
	<b>Budgeted Amounts</b>		
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Variance</u></b>
<b>Revenues:</b>			
Property Taxes	\$ 3,500,000	\$ 3,500,000	\$ -
Interest Earnings	-	-	-
<b>Total Revenues:</b>	<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	
<b>Expenditures:</b>			
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:	-	-	-
<b>Total Expenditures:</b>	<b>\$ 3,500,000</b>	<b>\$ 3,500,000</b>	<b>\$ -</b>
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
<b>Revenues:</b>			
Property Taxes	\$ 3,500,000	\$ 3,682,926	\$ 182,926
Other revenue		-	
Interest Earnings	-	4,320	4,320
<b>Total Revenue:</b>	<b>\$ 3,500,000</b>	<b>\$ 3,687,246</b>	<b>\$ 187,246</b>
<b>Expenditures:</b>			
Current:			
General Government	\$ 3,500,000	\$ 3,497,711	\$ 2,289
Capital Outlay	-	-	-
Debt Service:	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,500,000</b>	<b>\$ 3,497,711</b>	<b>\$ 2,289</b>
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

<b>ASSETS:</b>	
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>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,852,840</u></b>
<b>LIABILITIES:</b>	
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>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 193,891</u></b>
<b>NET POSITION:</b>	
NET INVESTMENT IN CAPITAL ASSETS	\$ -
RESERVED	100,000
UNRESTRICTED	<u>3,558,949</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 3,658,949</u></b>

See accompanying notes to the financial statements.



WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 9

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

			<b>Net Revenue and Change in Net Position Primary Government Governmental Activities</b>
<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>	
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

				<b>Total</b>
			<b>Debt</b>	<b>Governmental</b>
	<b>General</b>	<b>Service</b>		<b>Funds</b>
<b>Assets:</b>				
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>
<b>Total Assets:</b>	<b><u>\$ 3,852,840</u></b>	<b><u>\$ -</u></b>		<b><u>\$ 3,852,840</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -		\$ -
Unearned Revenue	\$ 1,275,331			\$ 1,275,331
<b>Total Liabilities</b>	<b><u>\$ 1,275,331</u></b>	<b><u>\$ -</u></b>		<b><u>\$ 1,275,331</u></b>
<b>Fund Balances</b>				
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>
<b>Total Fund Balances</b>	<b><u>\$ 2,577,509</u></b>	<b><u>\$ -</u></b>		<b><u>\$ 2,577,509</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,852,840</u></b>	<b><u>\$ -</u></b>		<b><u>\$ 3,852,840</u></b>

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

					<b>Total</b>
			<b>Debt</b>		<b>Governmental</b>
	<b>General</b>	<b>Service</b>	<b>Other</b>		<b>Funds</b>
<b>Revenues:</b>					
Property Taxes	\$ 2,601,485	\$ -	\$ -	\$ 2,601,485	
Other Income	-	-	-	-	
Interest Earnings	<u>4,320</u>	<u>-</u>	<u>-</u>	<u>4,320</u>	
<b>Total Revenues:</b>	<u>\$ 2,605,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,605,805</u>	
<b>Expenditures:</b>					
Current:					
General Government	\$ 3,497,711	\$ -	\$ -	\$ 3,497,711	
Capital Outlay	-	-	-	-	
Debt Service:					
Principal	-	-	-	-	
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total Expenditures</b>	<u>\$ 3,497,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,497,711</u>	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (891,906)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (891,906)</b>	
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ -	\$ -	\$ -	\$ -	
Transfers Out	-	-	-	-	
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Net Change in Fund Balances</b>	<b>\$ (891,906)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (891,906)</b>	
Fund Balances (Deficit) - Beginning	<u>\$ 3,469,415</u>	<u>-</u>	<u>-</u>	<u>3,469,415</u>	
<b>Fund Balances (Deficit) - Ending</b>	<u><b>\$ 2,577,509</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 2,577,509</b></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 70<sup>th</sup> 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>	
<b>Revenues:</b>					
Property Taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,682,925	\$ 182,925	
Other Income	-	-	-	-	
Interest Earnings	-	-	4,320	4,320	
<b>Total Revenues</b>	<b>\$ 3,500,000</b>	<b>\$ 3,500,000</b>	<b>\$ 3,687,245</b>	<b>\$ 187,245</b>	
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	\$ 3,500,000	\$ 3,500,000	\$ 3,497,711	\$ 2,289	
Capital Outlay	-	-	-	-	
Debt Service: Interest Expense	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 3,500,000</b>	<b>\$ 3,500,000</b>	<b>\$ 3,497,711</b>	<b>\$ 2,289</b>	
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 189,534</b>	<b>\$ 189,534</b>	
<b>Other Financing sources (Uses)</b>					
Transfers In	-	-	-	-	
Transfers Out	\$ -	\$ -	\$ -	\$ -	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Excess (Deficiency) of Revenues</b>					
<b>And Other Financing Sources Over</b>					
<b>(Under) Expenditures and</b>					
<b>Other Financing Sources (Uses)</b>			<b>\$ 189,534</b>		
Fund Balance Beginning of Year			3,469,415		
<b>Fund Balance End of Year</b>			<b>\$ 3,658,949</b>		
GAAP Basis Fund Balance:			<b>\$ 3,658,949</b>		

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.

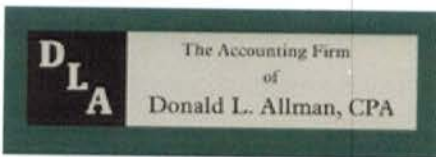
**Appropriations**

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.





Donald L. Allman, CPA, PC  
4749 Williams Dr., Ste. 322  
Georgetown, Texas 78633  
Phone: 512-422-3700  
Fax: 512-240-5460  
Email: dallman@donallmancpa.com

---

## 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

**WILLIAMSON COUNTY EMERGENCY SERVICES  
DISTRICT #10  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**WILLIAMGRIMSLEY**  
Certified Public Accountant

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## TABLE OF CONTENTS

---

	<u>Page</u>
<b>Independent Auditor's Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-7
<b>Basic Financial Statements</b>	
<b>Government- wide Financial Statements:</b>	
Statement of Net Position	8
Statement of Activities	9
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Governmental Fund Balances to the Statement of Activities	13
<b>Notes to Financial Statements</b>	14-23
<b>Required Supplementary Information:</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual - General Fund	24
<b>Compliance and Internal Control Section:</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26

# WILLIAMGRIMSLEY

CERTIFIED PUBLIC ACCOUNTANT

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Williamson County Emergency Services District #10  
Coupland, Texas

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of Williamson County Emergency Services District #10 (the District), as of and for the year ended September 30, 2019, 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

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

My responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2019, 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**

### *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 3-7 and page 24, respectively, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated March 31, 2020, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



William Arthur Grimsley, CPA  
Gatesville, Texas  
March 31, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

*For the Year Ended September 30, 2019*

Our discussion and analysis of the Williamson County Emergency Services District #10's (the District) financial performance provides an overview and analysis of the District's financial activities for the year ended September 30, 2019. Please read it in conjunction with the Independent Auditor's Report, the accompanying basic financial statements, and the notes to the financial statements.

### **FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities at the close of the year by \$269,251 (net position). Of this amount, \$161,029 is unrestricted and may be used to meet the District's future obligations.
- During the year, the District's revenues of \$310,039, exceeded its expenses of \$185,255, reflecting an increase in net position of \$124,784.
- The District's capital assets totaled \$419,428, net of accumulated depreciation, a decrease of \$42,390, the result of depreciation for the current year.
- Debt at year-end of \$311,206 decreased by \$24,124, the result of principal payments made.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide the readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the District's assets, liabilities, and deferred inflows/outflows with the difference reported as net position. Over time, increases or decreases in the District's net position may serve as a useful indicator of whether its financial health is improving or deteriorating.

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

*For the Year Ended September 30, 2019*

The *statement of activities* presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods. This may include uncollected taxes and other revenues or expenses that are appropriated for the current year even though cash is not received or expended until the following year. The government-wide financial statements can be found on pages 8-9 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over 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 requirements.

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

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

The District maintains one governmental fund, the General Fund. The basic governmental fund financial statements can be found on pages 10-13 of this report.

**Notes to the Financial Statements.** The notes provide narrative explanations or additional data needed for full disclosure in the government-wide statements and the fund financial statements. These can be found starting on page 14.



# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*For the Year Ended September 30, 2019*

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** Net assets exceed liabilities by \$269,251, however a large portion of the District's net position reflects its investment in capital assets less related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the District's net position as of September 30, 2019:

#### NET POSITION

	2019	2018	\$ Change	% Change
Current and other assets	\$ 161,029	\$ 17,980	\$ 143,049	795.6%
Capital assets, net	419,428	461,817	(42,389)	-9.2%
Total assets	<u>580,457</u>	<u>479,797</u>	<u>100,660</u>	<u>21.0%</u>
Current liabilities	-	-	-	0.0%
Long-term liabilities	311,206	335,330	(24,124)	-7.2%
Total liabilities	<u>311,206</u>	<u>335,330</u>	<u>(24,124)</u>	<u>-7.2%</u>
Net position:				
Net investment in capital assets	108,222	126,487	(18,265)	-14.4%
Restricted	-	-	-	0.0%
Unrestricted	161,029	17,980	143,049	795.6%
Total net position	<u>\$ 269,251</u>	<u>\$ 144,467</u>	<u>\$ 124,784</u>	<u>86.4%</u>

**Changes in Net Position.** Revenues totaled \$310,039 for the year, an increase of \$195,156, primarily from property taxes. Property tax is the largest component of revenue, accounting for 97.8 % of total revenue. Expenses totaled \$185,255, an increase of \$64,773, primarily from an increase in contracted services costs. The following is a summary of the District's operations for the fiscal year 2019:

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*For the Year Ended September 30, 2019*

### CHANGES IN NET POSITION

	2019	2018	\$ Change	% Change
General Revenues:				
Tax revenues	303,364	101,613	201,751	198.5%
Williamson County stipend	6,610	13,170	(6,560)	-49.8%
Other income	65	100	(35)	100.0%
Total revenues	<u>310,039</u>	<u>114,883</u>	<u>195,156</u>	<u>169.9%</u>
Expenses:				
General government	164,645	98,267	66,378	67.5%
Interest on long-term debt	20,610	22,215	(1,605)	-7.2%
Total expenses	<u>185,255</u>	<u>120,482</u>	<u>64,773</u>	<u>53.8%</u>
Change in net position	<u>\$ 124,784</u>	<u>\$ (5,599)</u>	<u>\$ 130,383</u>	<u>-2328.7%</u>

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

**Governmental Funds.** The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spending resources. Such information is useful in accessing the District's financing requirements. In particular, unassigned and assigned fund balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As the District completed the year, its general fund (as presented in the balance sheet on page 10) reported a combined fund balance of \$16,098 (an increase from the prior year of \$3,090), the net result of an increase in property tax revenues over related expenses.

**Budget Highlights.** Actual revenues were equivalent to budget. Actual expenditures were \$137,561 lower than the budget, primarily from lower operating expenses. The net effect of these produced a favorable variance of \$138,555 in the net change in fund balance.

More detail is presented in the required supplementary information section on page 24.

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10 MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

*For the Year Ended September 30, 2019*

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At year-end, the District's investment in capital assets totaled \$419,428, net of accumulated depreciation, a decrease of \$42,389 to the prior year.

More detailed information about the District's capital assets is presented in the Notes to the Financial Statements on page 20.

### **Debt**

At year-end, the District's long-term debt was \$311,206, a decrease from the prior year of \$24,124. This decrease was the result of principal payments on outstanding debt. More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements starting on page 21.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's appointed officials considered many factors when setting the fiscal year 2019 budget and tax rates. Some of those factors include the economy and the anticipated needs of the District for operations and capital outlay in the next year. The District adopted a general fund budget, sufficient to provide for budgeted operations and debt service for the fiscal year 2020. It will be funded primarily through an adopted property tax rate of \$.10 per \$100 of assessed valuation.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Williamson County Emergency Services District #10, P.O. Box 102, Coupland, Texas 78615.

**BASIC FINANCIAL STATEMENTS  
(GOVERNMENT-WIDE)**

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Statement of Net Position

*As of September 30, 2019*

	Total Governmental Activities
<b>ASSETS:</b>	
Cash	\$ 154,553
Property tax receivable	6,376
Deposit	100
<b>Total current assets</b>	<b>161,029</b>
Capital assets:	
Land	30,666
Apparatus	250,000
Station	521,685
Furniture and fixtures	4,000
Less: accumulated depreciation	(386,923)
<b>Total long-term assets</b>	<b>419,428</b>
<b>Total assets</b>	<b>\$ 580,457</b>
<b>LIABILITIES:</b>	
Noncurrent liabilities:	
Due within one year	\$ 35,915
Due after one year	275,291
<b>Total noncurrent liabilities</b>	<b>311,206</b>
<b>Total liabilities</b>	<b>\$ 311,206</b>
<b>NET POSITION:</b>	
Net investment in capital assets	\$ 108,222
Unrestricted	161,029
<b>Total net position</b>	<b>\$ 269,251</b>

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

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Statement of Activities

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
				Governmental Activities
Governmental activities	\$ 164,645	\$ -	-	\$ (164,645)
Interest expense	20,610	-	-	(20,610)
Total primary government	<u>\$ 185,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (185,255)</u>
General Revenues:				
				303,364
				6,610
				65
			<u>Total General Revenues</u>	<u>310,039</u>
			Change in Net Position	124,784
			<u>Net Position - Beginning of Year</u>	<u>144,467</u>
			<u>Net Position - End of Year</u>	<u>\$ 269,251</u>

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

**BASIC FINANCIAL STATEMENTS  
(GOVERNMENTAL FUNDS)**

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Balance Sheet - Governmental Funds

*As of September 30, 2019*

	General Fund	Total Governmental Fund
<b>ASSETS</b>		
Cash	\$ 154,553	\$ 154,553
Property tax receivable	6,376	6,376
Deposits	100	100
<b>Total assets</b>	<b>161,029</b>	<b>161,029</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable revenue - property taxes	6,376	6,376
<b>Fund Balance</b>		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Unassigned	154,653	154,653
<b>Total fund balance</b>	<b>154,653</b>	<b>154,653</b>
<b>Total deferred inflows of resources and fund balance</b>	<b>\$ 161,029</b>	<b>\$ 161,029</b>

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



# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

---

*As of September 30, 2019*

Total fund balance (deficit) – governmental funds \$ 154,653  
 Amounts reported for governmental activities in the statement  
 of net position are different because:

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the fund. These  
 assets consist of:

Land	\$ 30,666	
Apparatus	250,000	
Station	521,685	
Furniture and fixtures	4,000	
Accumulated depreciation	(386,923)	
Total capital assets		419,428

Long-term debt is not due and payable in the current period and,  
 therefore, is not reported as a liability in the fund financial statement. (311,206)

Some revenues in the governmental fund are deferred because they are  
 not collected within the prescribed time period after year end. On the  
 accrual basis, however, those revenues would be recognized, regardless  
 of when they are collected.

6,376

Net assets of governmental activities (page 8)

\$ 269,251

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

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

*For the Year Ended September 30, 2019*

	General Fund	Total Governmental Fund
<b>Revenues:</b>		
Property tax	\$ 298,869	\$ 298,869
Williamson county stipend	6,610	6,610
Other	65	65
<b>Total Revenues</b>	<b>305,544</b>	<b>305,544</b>
<b>Expenditures:</b>		
Contractual services- CVFD	29,457	29,457
Contractual services-TVFD	50,540	50,540
Contractual services- accounting and other	9,742	9,742
Contractual services- revenue collection	2,762	2,762
Utilities	4,068	4,068
Insurance	8,441	8,441
Legal and professional services	3,400	3,400
Postage and printing	1,026	1,026
Publications and public notices	107	107
Membership and dues	275	275
Other	1,126	1,126
Debt service - principal	24,124	24,124
Debt service - interest	31,921	31,921
<b>Total Expenditures</b>	<b>166,989</b>	<b>166,989</b>
<b>Excess of Revenues Over Expenditures</b>	<b>138,555</b>	<b>138,555</b>
<b>Net Change in Fund Balance</b>	<b>138,555</b>	<b>138,555</b>
<b>Fund Balance, Beginning of Year</b>	<b>16,098</b>	<b>16,098</b>
<b>Fund Balance, End of Year</b>	<b>\$ 154,653</b>	<b>\$ 154,653</b>

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

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Governmental Funds**  
**to the Statement of Activities**

---

*For the Year Ended September 30, 2019*

Net change in fund balance – total governmental fund	\$ 138,555
--	------------

Amounts reported for governmental activities in the statement of activities (page 9) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were higher (lower) than depreciation in the current period.	(42,390)
--	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental fund. This is the net change from the previous period.	4,495
--	-------

Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	<u>24,124</u>
--	---------------

Change in net position of governmental activities (page 9)	<u><u>\$ 124,784</u></u>
--	--------------------------

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

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

### **Note 1- Summary of Significant Accounting Policies**

The accounting policies of the Williamson County Emergency Services District #10 (the District) conform to generally accepted accounting principles (GAAP) in the United States of America, applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for established governmental accounting and financial reporting principles. The more significant of the District's policies are described below.

#### **The Reporting Entity**

The District is a political subdivision of the state of Texas that was formed in May 2005. The District's role is to collect taxes from the citizens of its respective district and utilize those collections for emergency services. Those services include fire, allied services, and first responder. The Commissioners of the District are an appointed Board by the Williamson County Commissioners, to oversee and guide the various activities of the District.

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

#### **Government-Wide Financial Statements**

The government-wide financial statements (i.e. the *Statement of Net Position* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

### 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 reported when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 District considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

The District reports the following major governmental fund:

General Fund - The general fund is the District's primary operating fund. It is used to account for all financial resources of the general government.

### 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 not significant risk of changes in value due to changes in interest rates.

### Accounts Receivable

Accounts receivable consists of uncollected property tax, as of September 30, 2019. The District does not record an allowance for uncollectable accounts, supported by historical collections.

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

### Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) at the time of acquisition 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 useful lives are as follows:

Furniture and Fixtures	5 Years
Fire Trucks/Equipment	10 Years
Stations	30 Years

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue-property taxes*, is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the periods the amounts become available.

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

### Equity Classifications

In the government-wide financial statements, equity is shown as net position and classified into three components:

*Net investment in capital assets* – Capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted* – Consists of assets with constraints placed on the use either by: 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed law through constitutional provisions or enabling legislation. 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.

*Unrestricted* – All other net assets that do not meet the definition of "net investment in capital assets" or "restricted".

The District reports governmental fund balances by the five-following classification:

*Nonspendable* – Amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – Amounts with restrictions that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Committed* – Amounts that can only be used for specific purposes, imposed by formal action of the District's highest level of decision making authority. In the case of the District, it is the District's Board of Commissioners, and the formal action would be an ordinance to modify or rescind the commitment.

*Assigned* – Amounts constrained by District management's intent to be used for specific purposes but not formally restricted by external resources or committed by the District's Board of Commissioners.



# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

*Unassigned* – Amount of the remaining fund balance not in any of the other classifications.

For the classification of fund balances, the District considers restricted amounts to have been spent first when an expenditure is incurred for the purpose for which restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balances first, followed by committed, assigned, and lastly unassigned fund balance.

### Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimations and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

### **Note 2 – Cash Deposits**

#### Legal and Contractual Provisions, Governing Deposits and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2019, the carrying amount of the District's cash deposits were \$154,553 and the bank balances were \$156,561, all of which were covered by FDIC insurance.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in; (1) obligations of the U.S.

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District did not have invested funds at September 30, 2019.

### **Policies, Governing Deposits and Investments**

In compliance with the Public Funds Investments Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

**Custodial Credit Risk – Deposits:** This is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2019, were covered by depository insurance or by pledged collateral held by the District's agent bank in the District's name.

**Custodial Credit Risk – Investments:** This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus, positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

**Other Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, investment policies of the District's investment pools allow the portfolio's investment manager to only invest in obligations of the U.S. Government and its agencies; repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC.

### **Note 3 – Property Taxes**

The District has the authority to levy a tax to a maximum of \$.10 per \$100 of assessed property values. Property taxes are levied each October 1 on the assessed valuation of all taxable property within the District's boundaries. The tax rate for the October 1, 2018, levy was \$.10 per \$100 of appraised 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

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Notes to the Financial Statements

*For the Year Ended September 30, 2019*

property to secure the payment of all taxes, penalties and interest ultimately imposed. Taxes are assessed, billed and collected by the Williamson County Appraisal District.

### **Note 4 – Capital Assets**

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

	Balance 9/30/2018	Additions	Retirements	Balance 9/30/2019
Capital assets not being depreciated:				
Land	\$ 30,666	\$ -	\$ -	\$ 30,666
Total	30,666	-	-	30,666
Capital assets being depreciated:				
Station	521,685	-	-	521,685
Apparatus	250,000	-	-	250,000
Furniture and fixtures	4,000	-	-	4,000
Total capital assets being depreciated	775,685	-	-	775,685
Total capital assets	806,351	-	-	806,351
Less: accumulated depreciation	(344,533)	(42,390)	-	(386,923)
Net capital assets	\$ 461,818	\$ (42,390)	\$ -	\$ 419,428

Depreciation was charged to functions within the primary government as follows:

Program services	\$ 42,390
Total	\$ 42,390

# WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10

## Notes to the Financial Statements

*For the Year Ended September 30, 2019*

### Note 5– Debt

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

	Origination Date	Maturity Date	Interest Rate	Balance 9/30/2018	Additions	Retirements	Balance 9/30/2019
Note #4737	12/6/2007	2/1/2028	4.969%	\$ 260,414	\$ 3,329	\$ (19,556)	\$ 244,187
Note #5160	1/12/2009	2/1/2028	4.969%	58,623	7,981	(4,989)	61,615
Note #6381	9/30/2013	10/31/2019	3.343%	16,294	-	(10,890)	5,404
Total				<u>\$ 335,331</u>	<u>\$ 11,310</u>	<u>\$ (35,435)</u>	<u>\$ 311,206</u>

At September 30, 2019, future debt service requirements are as follows:

#### Note #4737:

Year:	Principal	Interest	Total
2020	\$ 24,363	\$ 9,606	\$ 33,969
2021	23,046	10,923	33,969
2022	24,191	9,778	33,969
2023	25,393	8,576	33,969
2024	26,655	7,314	33,969
2025-2028	120,539	15,337	135,876
Total	<u>\$ 244,187</u>	<u>\$ 61,534</u>	<u>\$ 305,721</u>

#### Note #5160:

Year:	Principal	Interest	Total
2020	\$ 6,148	\$ 2,423	\$ 8,571
2021	5,815	2,756	8,571
2022	6,104	2,467	8,571
2023	6,407	2,164	8,571
2024	6,726	1,845	8,571
2025-2028	30,415	3,872	34,287
Total	<u>\$ 61,615</u>	<u>\$ 15,527</u>	<u>\$ 77,142</u>

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

### Note #6381:

<u>Year:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,404	\$ 272	\$ 5,676
Total	<u>\$ 5,404</u>	<u>\$ 272</u>	<u>\$ 5,676</u>

### Total Debt Service:

<u>Year:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 35,915	\$ 12,301	\$ 48,216
2021	28,861	13,679	42,540
2022	30,295	12,245	42,540
2023	31,800	10,740	42,540
2024	33,381	9,159	42,540
2025-2027	150,954	19,209	170,163
Total	<u>\$ 311,206</u>	<u>\$ 77,333</u>	<u>\$ 388,539</u>

On December 6, 2007, the District entered into Promissory Note Agreement #4737, with Government Capital Corporation for the construction of a new fire station in Coupland, Texas, in the amount of \$400,000. The note was subsequently transferred to South Side Bank. On April 22, 2019, the original loan was amended. The amended loan matures on February 1, 2028, carries an interest rate of 4.969%, and calls for nine annual payments of \$33,969. The note is secured by a commercial deed of trust.

On January 12, 2009, the District entered into Promissory Note Agreement #5160, with Government Capital Corporation to provide additional funding of the fire station, in the amount of \$100,000. The note was subsequently transferred to South Side Bank. On April 22, 2019, the original loan was amended. The amended loan matures on February 1, 2028, carries an interest rate of 4.969%, and calls for nine annual payments of \$8,571. The note is secured by the assignment of Ad Valorem Taxes.

On September 10, 2013, the District entered into Note Agreement #6381 with Government Capital Corporation for the purchase of fire trucks, in the amount of \$61,072. The loan matures on October 31, 2019 and carries an interest rate of 3.343%. The note is secured by the assignment of Ad Valorem Taxes. For the year ended September 30, 2019, principal payments of \$10,890

# **WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**

## **Notes to the Financial Statements**

---

*For the Year Ended September 30, 2019*

were made and interest of \$460 was paid. As allowed by the note agreement, this note was subsequently transferred and assigned to Schertz Bank and Trust.

### **Note 6 – Contracts/Commitments**

The District does not have employees and the Board of Commissioners are not compensated. Accordingly, the District contracts with independent parties for its service and operational needs. Most notable among these is the provision to the citizens within its boundaries for emergency services. The District maintains Emergency Service Agreements (the Agreements) with the Coupland and Thrall Volunteer Fire Departments (the Departments) to provide for the protection of life and property from fire, and medical first responder assistance. The terms of the Agreements are to remain in effect on a year to year basis unless terminated by either party upon ninety (90) days written notice. In consideration for the services to be rendered under the Agreements the District is to pay the Departments, as funds become available and are appropriated in the sole discretion of the District, the sums set out in the annual budget as approved by the District. The District also agrees to provide for the purchase of capital or other equipment and improvements as requested by the Departments and approved by the District. For the year ended September 30, 2019, the District paid \$79,997 under the terms of the Agreements on behalf of or directly to the Departments.

### **Note 7 – Risk Management**

The District is exposed to various risks of loss including general liability and property damage. The District insures against such risks through the purchase of commercial insurance.

### **Note 8 – Subsequent Events**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through March 31, 2020, the date the financial statements were available to be issued. No events requiring recognition or disclosure have occurred as of this date.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #10**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget to Actual - General Fund**

*For the Year Ended September 30, 2019*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property tax revenue	\$ 269,370	\$ 268,322	\$ 298,869	\$ 30,547
Williamson county stipend	13,000	36,228	6,610	(29,618)
Other income	-	-	65	65
Total General Revenue	<u>282,370</u>	<u>304,550</u>	<u>305,544</u>	<u>994</u>
<b>EXPENDITURES</b>				
Contractual services- CVFD & TVFD	19,390	19,390	79,997	(60,607)
Contractual services- accounting	20,000	12,000	9,742	2,258
Contractual services- revenue collection	1,300	2,500	2,762	(262)
Utilities	-	-	4,068	(4,068)
Insurance	30,000	30,000	8,441	21,559
Legal and professional fees	10,100	8,150	3,400	4,750
Operating expenses	145,535	176,465	2,534	173,931
Debit service - principal and interest	56,045	56,045	56,045	-
Total Expenses	<u>282,370</u>	<u>304,550</u>	<u>166,989</u>	<u>137,561</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,555</u>	<u>\$ 138,555</u>



## **COMPLIANCE/INTERNAL CONTROL SECTION**

# **WILLIAMGRIMSLEY**

## **CERTIFIED PUBLIC ACCOUNTANT**

---

### **INDEPENDENT AUDITOR'S 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 Commissioners  
Williamson County Emergency Services District #10  
Coupland, Texas

I 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 and each major fund of Williamson County Emergency Services District #10 (the District), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report, thereon, dated March 31, 2020.

#### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is 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 in charge of governance.

My consideration of the internal control over financial reporting 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 my audit, I did not identify any deficiencies in the internal control that I consider material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatements, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William Arthur Grimsley, CPA  
Gatesville, Texas  
March 31, 2020

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**  
**BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

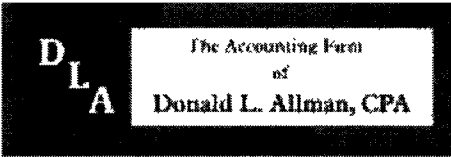
**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**

**BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**TABLE OF CONTENTS**

<b>INDEPENDENT ACCOUNTANT'S COMPILATION REPORT</b>	<b>Page 1</b>
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>STATEMENT OF NET POSITION</b>	<b>2</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION</b>	<b>3</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>4</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL</b>	<b>8</b>



Donald L. Allman, CPA, PC  
4749 Williams Drive, Ste. 322  
Georgetown, Texas 78633

---

## Independent Accountant's Compilation Report

To the Board of Commissioners of the  
Williamson County Emergency Services District #11

We have compiled the accompanying financial statements, of the Williamson County Emergency Services District # 11 (WCESD 11), as of and for the year ending December 31, 2019, which collectively comprise the Williamson County Emergency Services District # 11's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Williamson County Emergency Services District # 11 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 8, 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Donald L. Allman, CPA  
Georgetown, Texas  
February 10, 2020

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

**ASSETS**

**CURRENT ASSETS:**

Cash and Cash Equivalents	\$ 161,909
Property Taxes Receivable, net of allowance	<u>24,967</u>
Total Current Assets	\$ 186,876

**PROPERTY AND EQUIPMENT:**

Total Property and Equipment	\$ 0
------------------------------	------

**OTHER ASSETS:**

Total Other Assets	\$ 0
--------------------	------

<b>TOTAL ASSETS</b>	<b>\$ 186,876</b>
---------------------	-------------------

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts Payable	\$ 0
Unearned Income Property Taxes	<u>0</u>
Total Current Liabilities	\$ 0

**LONG-TERM LIABILITIES:**

Total Long-Term Liabilities	\$ 0
-----------------------------	------

<b>TOTAL LIABILITIES</b>	<b>\$ 0</b>
--------------------------	-------------

**NET POSITION:**

Unrestricted	\$ <u>186,876</u>
Total Net Position	\$ 186,876

<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 186,876</b>
---	-------------------

See accompanying notes and independent accountant's compilation report

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Revenues:**

Property Taxes	\$ 110,408
Miscellaneous	1,214
Interest	<u>61</u>

<b>Total Revenues</b>	<b>\$ 111,683</b>
-----------------------	-------------------

**Operating Expenses:**

Accounting	\$ 1,200
Communications	84
Contingency	1,500
Fire Service	88,350
Insurance	1,285
Miscellaneous	275
Office/Administration	110
Tax Collection costs	969
Training	<u>30</u>

<b>Total Operating Expenses</b>	<b>\$ <u>93,803</u></b>
---------------------------------	-------------------------

<b>Income (Loss) from Operations</b>	<b>\$ 17,880</b>
--------------------------------------	------------------

<b>Change in Net Position</b>	<b>\$ <u>17,880</u></b>
-------------------------------	-------------------------

Total net position - beginning	\$ 168,996
--------------------------------	------------

Total net position - ending	<b>\$ <u>186,876</u></b>
-----------------------------	--------------------------

See accompanying notes and independent accountant's compilation report



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Property tax and other revenues received	\$ 113,315
Cash paid for supplies and services	<u>(93,803)</u>
Net cash provided (used) by operating activities	19,512

**CASH FLOWS PROVIDED (USED)  
BY INVESTING ACTIVITIES**

Net cash provided (used) by investing activities	0
--	---

**CASH FLOWS PROVIDED (USED)  
BY FINANCING ACTIVITIES**

Net cash provided (used) by financing activities	0
--	---

NET INCREASE (DECREASE) IN CASH	19,512
---------------------------------	--------

CASH AT BEGINNING OF YEAR	142,397
---------------------------	---------

CASH AT END OF YEAR	\$ 161,909 <u>=====</u>
---------------------	----------------------------

**RECONCILIATION OF NET INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES:**

Net Income (Loss)	\$ 17,880
-------------------	-----------

**ADJUSTMENTS TO RECONCILE NET INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Changes in assets and liabilities:	
(Increase)/ decrease in accounts receivable	1,632
Increase/(decrease) in deferred property tax revenue	(0)
Increase/(decrease) in accounts payable and accrued expenses	<u>0</u>
Total adjustments	1,632

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	\$ 19,512 <u>=====</u>
--	---------------------------

See accompanying notes and independent accountant's compilation report

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

Williamson County Emergency Services District # 11 receives property taxes to fund fire protection and provide emergency medical services to residents in unincorporated area encompasses by Williamson County Emergency Services District # 11. The property taxes received are used to pay for contracted services to provide fire protection and EMS services to residents within WCESD # 11.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and Cash Equivalents

Williamson County ESD # 11 has a checking and money market account with RBFCU. Williamson County ESD # 11 does not receive any cash or hold petty cash.

Revenue Recognition – Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become measurable and available to the finance expenditures of the fiscal period. “Available” is determined to be collectible within the 12 months of the fiscal year or within 60 days after fiscal year end for property taxes.

Property Taxes Receivable

Property Taxes receivable for Williamson County ESD # 11 consist of ad valorem taxes levied for the fiscal year ending December 31, 2019 that were not collected as of December 31, 2019.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 11**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Unearned Income-Property Taxes

Unearned income for property taxes consist of property taxes receivable that were not collected within 60 days after the fiscal year end in accordance with rules for governmental accounting.

Income Taxes – Williamson County ESD # 11 is not subject to any income taxes.

Net Position and Flow Assumptions – Net position is reported as restricted when constraints are placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

There are no restricted funds currently, all net position is unrestricted.

NOTE B – ACCOUNTS RECEIVABLE: The receivables at December 31, 2019 are as follows:

Property Taxes    \$24,967

NOTE C –ACCOUNTS PAYABLE/UNEARNED INCOME: There are no accounts payable as of December 31, 2019. Unearned Revenue consists of the following:

Unearned Income-property taxes    \$0

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WILLIAMSON COUNTY ESD # 11**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET TO ACTUAL**  
**DECEMBER 31, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Ad Valorem Taxes	\$ 99,371	\$110,408	11,037
Miscellaneous	0	1,214	1,214
Interest	<u>0</u>	<u>61</u>	<u>61</u>
<b>Total Revenues</b>	<b>\$ 99,371</b>	<b>\$111,683</b>	<b>\$ 12,312</b>
<b>Expenditures</b>			
Transfer to Reserve	2,500	1,500	1,000
Contract Emergency Svc.	90,290	88,350	1,940
Legal fees	800	0	800
CPA fees	1,800	1,200	600
Insurance	1,650	1,285	365
Communications	150	84	66
Tax Collection fees	806	969	(163)
Training	650	30	620
Office expenses	200	110	90
Miscellaneous	<u>525</u>	<u>275</u>	<u>250</u>
<b>Total Expenditures</b>	<b>99,371</b>	<b>93,803</b>	<b>5,568</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>19,465</b>	<b>17,880</b>

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**  
**BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

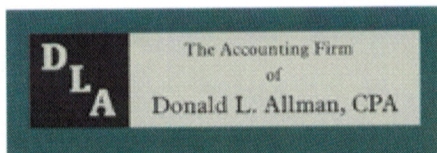
**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**

**BASIC FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>INDEPENDENT ACCOUNTANT'S COMPILATION REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>STATEMENT OF NET POSITION</b>	<b>2</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION</b>	<b>3</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>4</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL</b>	<b>8</b>



Donald L. Allman, CPA, PC  
4749 Williams Drive, Ste. 322  
Georgetown, Texas 78633

---

## Independent Accountant's Compilation Report

To the Board of Commissioners of the  
Williamson County Emergency Services District #12

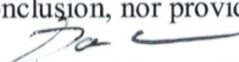
We have compiled the accompanying financial statements, of the Williamson County Emergency Services District # 12 (WCESD 12), as of and for the year ending September 30, 2019, which collectively comprise the Williamson County Emergency Services District # 12's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Williamson County Emergency Services District # 12 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 8, 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

  
Donald L. Allman, CPA  
Georgetown, Texas

January 9, 2020



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**  
**STATEMENT OF NET POSITION**  
**September 30, 2019**

**ASSETS**

**CURRENT ASSETS:**

Cash and Cash Equivalents	\$ 265,280
Property Taxes Receivable, net of allowance	<u>5,312</u>
Total Current Assets	\$ 270,592

**PROPERTY AND EQUIPMENT:**

Total Property and Equipment	\$ 0
------------------------------	------

**OTHER ASSETS:**

Total Other Assets	\$ 0
--------------------	------

<b>TOTAL ASSETS</b>	<b>\$ 270,592</b>
---------------------	-------------------

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts Payable	\$ 0
Unearned Income Property Taxes	<u>5,312</u>
Total Current Liabilities	\$ 5,312

**LONG-TERM LIABILITIES:**

Total Long-Term Liabilities	\$ 0
-----------------------------	------

<b>TOTAL LIABILITIES</b>	<b>\$ 0</b>
--------------------------	-------------

**NET POSITION:**

Unrestricted	\$ <u>265,280</u>
Total Net Position	\$ 265,280

<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 270,592</b>
---	-------------------

See accompanying notes and independent accountant's compilation report

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**Revenues:**

Property Taxes	\$ 188,612
Other income	2,739
Interest	<u>510</u>

<b>Total Revenues</b>	<b>\$ 191,861</b>
-----------------------	-------------------

**Operating Expenses:**

Accounting	\$ 900
Communications	1,138
Dues	275
Facilities	4,200
Fire Service	134,549
Insurance	1,287
Legal fees	3,925
Miscellaneous	361
Office/Administration	3,550
Tax Collection costs	1,249
Training	<u>2,789</u>

<b>Total Operating Expenses</b>	<b><u>\$ 154,223</u></b>
---------------------------------	--------------------------

<b>Income (Loss) from Operations</b>	<b>\$ 37,638</b>
--------------------------------------	------------------

<b>Change in Net Position</b>	<b><u>\$ 37,638</u></b>
-------------------------------	-------------------------

Total net position - beginning	\$ 227,642
--------------------------------	------------

Total net position - ending	<u><u>\$ 265,280</u></u>
-----------------------------	--------------------------

See accompanying notes and independent accountant's compilation report

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Property tax and other revenues received	\$ 191,134
Cash paid for supplies and services	<u>(154,237)</u>
Net cash provided (used) by operating activities	36,897

**CASH FLOWS PROVIDED (USED)  
BY INVESTING ACTIVITIES**

Net cash provided (used) by investing activities	0
--	---

**CASH FLOWS PROVIDED (USED)  
BY FINANCING ACTIVITIES**

Net cash provided (used) by financing activities	36,897
--	--------

NET INCREASE (DECREASE) IN CASH	36,897
---------------------------------	--------

CASH AT BEGINNING OF YEAR	228,383
---------------------------	---------

CASH AT END OF YEAR	\$ 265,280
---------------------	------------

**RECONCILIATION OF NET INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES:**

Net Income (Loss)	\$ 37,638
-------------------	-----------

**ADJUSTMENTS TO RECONCILE NET INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Changes in assets and liabilities:	
(Increase)/ decrease in accounts receivable	(727)
Increase/(decrease) in deferred property tax revenue	(14)
Increase/(decrease) in accounts payable and accrued expenses	<u>0</u>
Total adjustments	(741)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	\$ 36,897
--	-----------

See accompanying notes and independent accountant's compilation report

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

Williamson County Emergency Services District # 12 receives property taxes to fund fire protection and provide emergency medical services to residents in unincorporated area encompasses by Williamson County Emergency Services District # 12. The property taxes received are used to pay for contracted services to provide fire protection and EMS services to residents within WCESD # 12.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and Cash Equivalents

Williamson County ESD # 12 has a checking and money market account with RBFCU. Williamson County ESD # 12 does not receive any cash or hold petty cash.

Revenue Recognition – Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become measurable and available to the finance expenditures of the fiscal period. “Available” is determined to be collectible within the 12 months of the fiscal year or within 60 days after fiscal year end for property taxes.

Property Taxes Receivable

Property Taxes receivable for Williamson County ESD # 12 consist of ad valorem taxes levied for the fiscal year ending September 30, 2019 that were not collected as of September 30, 2019.



**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 12**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Unearned Income-Property Taxes

Unearned income for property taxes consist of property taxes receivable that were not collected within 60 days after the fiscal year end in accordance with rules for governmental accounting.

Income Taxes – Williamson County ESD # 12 is not subject to any income taxes.

Net Position and Flow Assumptions – Net position is reported as restricted when constraints are placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

There are no restricted funds currently, all net position is unrestricted.

NOTE B – ACCOUNTS RECEIVABLE: The receivables at September 30, 2019 are as follows:

Property Taxes	\$5,312
----------------	---------

NOTE C –ACCOUNTS PAYABLE/UNEARNED INCOME: There are no accounts payable as of September 30, 2019. Unearned Revenue consists of the following:

Unearned Income-property taxes \$5,312

**REQUIRED SUPPLEMENTARY INFORMATION**

WILLIAMSON COUNTY ESD # 12  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET TO ACTUAL  
SEPTEMBER 30, 2019

		<u>Budget</u>	<u>Actual</u>	Variance with Budget <u>Positive (Negative)</u>
Revenues				
Ad Valorem Taxes	\$175,000		\$188,612	13,612
Other income	0		2,739	2,739
Interest	<u>0</u>		<u>510</u>	<u>510</u>
Total Revenues	\$175,000		\$ 191,861	\$16,861
Expenditures				
Capital Improvements	45,000		0	45,000
Contract Emergency Svc.	125,694		134,549	(8,855)
CPA fees	2,500		900	1,600
Legal fees	8,500		3,925	4,575
Insurance	1,500		1,287	213
Communications	3,000		1,138	1,862
Tax Collection fees	1,400		1,249	151
Training	5,000		2,789	2,211
Professional dues	350		275	75
Miscellaneous	1,000		361	639
Administration	3,600		3,550	50
Facilities	<u>4,200</u>		<u>4,200</u>	<u>0</u>
Total Expenditures	211,244		154,223	57,021
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(36,244)		37,638	73,882

## Commissioners Court - Regular Session

6.

**Meeting Date:** 10/13/2020

FY 21 air quality funding for CAPCOG

**Submitted For:** Terry Cook

**Submitted By:** Garry Brown,  
Commissioner  
Pct. #1

**Department:** Commissioner Pct. #1

**Agenda Category:** Regular Agenda Items

---

### Information

#### Agenda Item

Discuss, consider and take appropriate action on a commitment by Williamson County to provide funding not to exceed \$15,762.00 to support the Capital Area Council of Governments (CAPCOG) Air Quality Program for fiscal year 2021; and authorize the County Judge to issue a letter to CAPCOG confirming Williamson County's funding commitment.

#### Background

Williamson County and the rest of the Austin-Round Rock-Georgetown metro area are at risk of violating federal air quality standards and being designated "nonattainment" for the EPA's ground-level ozone standard. Designation of non-attainment would be devastating to Williamson County and our economy, because it would severely curtail business expansion, and once on the non-attainment list, it takes many years of continuous air quality monitoring to prove a region is back in attainment. Compliance with these standards is considered necessary to protect public health, particularly for children, seniors, and adults with chronic respiratory problems such as asthma.

In order to address this problem, the Capital Area Council of Governments (CAPCOG) Clean Air Coalition (CAC) adopted a 2019-2023 regional air quality plan and has funded CAPCOG's air quality program to help carry out a number of important tasks to support the regional plan, including:

- Ozone monitoring (CAPCOG operates 8 of the 10 monitoring sites in the region)
- Analysis of air pollution and meteorological data
- Tracking the implementation of the regional air quality plan through an annual air quality report
- Development of estimates of emissions and modeling of air pollution levels within the region
- Technical and policy advice to Clean Air Coalition members
- Technical assistance to CAC members to implement emission reduction measures
- Other on-going air quality planning activities for the region

Two of CAPCOG's eight ozone monitors are located in Williamson County. These monitors are particularly important to Williamson County because they are the only ozone monitors located in the County. Even though Travis County might be found in non-attainment, the monitors in Williamson County may prove that our county can still be in attainment, which will only help economic development in our county.

From 2002 – 2017, CAPCOG's air quality program was funded primarily from a state grant program that provided regional air quality planning funds for areas that were considered



“near-nonattainment” for EPA’s ground-level ozone standards. In the summer of 2017, Governor Abbott vetoed this program. In order to keep CAPCOG’s program in place, the cities and counties in CAPCOG’s CAC agreed to jointly provide funding to CAPCOG based on each jurisdiction’s population. Williamson County has supported this air quality monitoring program ever since.

In order to ensure that the program can continue to carry out its work in 2021, CAPCOG has requested that each Clean Air Coalition member consider making a “pledge” to continue funding the program in FY 2021. Williamson County's share has been reduced from \$45,706 in FY 2020 to \$15,762 for FY 2021, which was included in this year's budget already.

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

CAPCOG request for funding  
FY21 CAPCOG air quality program invoice  
2019-2023 scope of work

---

**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Garry Brown

Final Approval Date: 10/05/2020

**Reviewed By**

Andrea Schiele

**Date**

10/05/2020 11:21 AM

Started On: 10/05/2020 10:34 AM



## Capital Area Council of Governments

6800 Burleson Road, Building 310, Suite 165

Austin, Texas 78744-2306

Ph: 512-916-6000 Fax: 512-916-6001

[www.capcog.org](http://www.capcog.org)

**BASTROP BLANCO BURNET CALDWELL FAYETTE HAYS LEE LLANO TRAVIS WILLIAMSON**

May 8, 2020

Honorable Williamson County Commissioner Terry Cook  
1801 E. Old Settlers Blvd., Ste. #110  
Round Rock, TX 78666

RE: Fiscal Year 2021 Air Quality Program Funding Request

Dear Commissioner Cook:

This year marks CAPCOG's 50<sup>th</sup> Anniversary, and one of the programs that has exemplified the spirit of regional cooperation at CAPCOG has been its Air Quality Program. It is in this spirit that I am writing you to request that Williamson County again consider funding CAPCOG's Air Quality Program in FY 2021. Over the years, CAPCOG's Air Quality Program has been a local government-driven air quality planning effort to protect public health, the environment, the region's economy, and flexibility in regional transportation planning. The program includes air quality data collection and analysis, tracking and updating of the region's air quality plan, technical assistance to local partners to implement emission reduction measures, and public outreach to help improve air quality and reduce exposure to pollution. The strength of this partnership has been evident in recent years as over 20 local governments stepped in to fully fund the Air Quality Program, despite the loss of state funding in 2017.

The legislature has now partially reinstated funding for our data collection efforts, but we will still need some local funding for FY 2021 in order to conduct data analysis, outreach, technical assistance, and on-going support of the Clean Air Coalition, such as developing an annual air quality report and providing monthly updates. Consistent with the approach we have taken in prior years, CAPCOG is requesting that Williamson County and all other city and county governments participating in the Clean Air Coalition consider contributing to CAPCOG's FY 2021 Air Quality Program based on each jurisdiction's population and local government type (city or county). We are of course aware of the challenges that our communities face in planning for their FY 2021 budgets, so we are happy to be able to reduce our funding request for FY 2021 to \$15,762, down from the \$45,706 requested for FY 2020. And while we are also aware that budgets will not be finalized until late summer, we are requesting that you let us know by the end of May if your county will be able to participate so that we can plan our own budget and work plan accordingly.

Thank you again for your participation in the Clean Air Coalition and your consideration of this request. If you have any questions, please feel free to contact me at (512) 916-6043 or at [ahoekzema@capcog.org](mailto:ahoekzema@capcog.org).

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Hoekzema", is written over a light blue horizontal line.

Andrew Hoekzema  
Director of Regional Planning and Services

## CAPCOG Fiscal Year 2021 Air Quality Funding Request Overview

### Estimate of Total Air Quality Funding Needs for FY 2021

CAPCOG anticipates needing \$430,000 to conduct the air quality program in FY 2021. This is the same amount planned for FY 2020. This funding will enable CAPCOG to carry out the tasks identified in CAPCOG's 2019-2023 air quality scope of work approved by the CAC in February 2019:

1. CAC Support;
2. Technical Assistance to CAC Member Organizations to Implement Emission Reduction Measures;
3. Outreach and Education Activities;
4. Annual Air Quality Report;
5. Ozone Monitoring;
6. Monitoring Data Analysis;
7. Emissions, Control Strategy, and Air Quality Modeling Analysis; and
8. Other Studies and Planning Activities.

The following table summarizes the estimated funding need for each group of tasks for FY 2021.

*Table 1. Funding Needs for FY 2021 by Task Group*

Task Group	Tasks	FY 2021 Funding Need
<b>Monitoring</b>	5	\$155,000
<b>Data Analysis</b>	6 and 7	\$50,000
<b>Planning Activities</b>	1, 4, and 8	\$75,000
<b>Outreach and Technical Assistance</b>	2 and 3	\$150,000
<b>TOTAL</b>	<b>n/a</b>	<b>\$430,000</b>

### Estimate of Local Funding Need for FY 2021

CAPCOG will be reducing our FY 2021 funding request from local governments due to the availability of TCEQ funding to pay for CAPCOG's monitoring costs in FY 2020 and FY 2021. CAPCOG expects that a total of \$275,000 will be needed from local sources for FY 2021. This will include approximately \$125,000 carry-forward from local funding raised for FY 2020 (due to use of TCEQ funding for the majority of monitoring costs in 2020 rather than local funds), and approximately \$150,000 in new revenues from CAC members.

CAPCOG's anticipated \$150,000 funding request to local governments represents a 65% reduction in local funding requested from the \$430,000 requested for FY 2020. However, the opportunity for carryforward into 2021 is a one-time advantage. In the future, CAPCOG would expect to need \$289,375 from local sources each year to carry out all of the tasks other than monitoring (CAPCOG is assuming continued availability of TCEQ to be available to cover monitoring costs in FY 2022 and FY 2023), or more, to account for cost increases year over year):

- Annual budget: \$430,000
- Annual TCEQ funding: \$140,625
- Difference: \$289,375

Please also note that if there are any jurisdictions that choose not to participate in funding for FY 2021, we would either need to scale back our FY 2021 program or need additional funding from jurisdictions that are participating to make up for the difference.

### **FY 2021 Funding Request by Jurisdiction**

CAPCOG calculated the FY 2021 funding request for each jurisdiction using the same approach as we did for our FY 2018, FY 2019, and FY 2020 funding requests, based on the latest population data and jurisdiction type. Counties pay half the rate as cities, reflecting their more limited sources of revenue compared to cities. CAPCOG used January 1, 2019, population estimates from the State Demographic Center, resulting in an FY 21 rate for cities of \$0.055149 per capita, and a rate of \$0.027574 per capita for counties. The following table summarizes the funding requests for FY 2021 by jurisdiction, along with a comparison to the FY 2020 funding request.

*Table 2. FY 2021 CAPCOG Air Quality Program Funding Request by Jurisdiction and Comparison to FY 2020 Request*

<b>Entity</b>	<b>FY 20 Request</b>	<b>Population 1/1/19</b>	<b>FY 21 Request</b>	<b>Difference</b>
<b>Bastrop County</b>	\$7,239	88,296	\$2,435	(\$4,804)
<b>Caldwell County</b>	\$3,450	42,956	\$1,184	(\$2,266)
<b>Hays County</b>	\$17,789	226,853	\$6,255	(\$11,534)
<b>Travis County</b>	\$101,111	1,260,620	\$34,761	(\$66,350)
<b>Williamson County</b>	\$45,706	571,610	\$15,762	(\$29,944)
<b>City of Austin</b>	\$155,824	974,581	\$53,747	(\$102,077)
<b>City of Bastrop</b>	\$1,455	9,211	\$508	(\$947)
<b>City of Bee Cave</b>	\$1,038	6,957	\$384	(\$654)
<b>City of Buda</b>	\$2,304	18,323	\$1,010	(\$1,294)
<b>City of Cedar Park</b>	\$11,026	73,766	\$4,068	(\$6,958)
<b>City of Elgin</b>	\$1,633	10,234	\$564	(\$1,069)
<b>City of Georgetown</b>	\$11,312	75,247	\$4,150	(\$7,162)
<b>City of Hutto</b>	\$4,018	24,809	\$1,368	(\$2,650)
<b>City of Kyle</b>	\$6,970	46,174	\$2,546	(\$4,424)
<b>City of Lago Vista</b>	\$1,070	7,114	\$392	(\$678)
<b>City of Lakeway</b>	\$2,484	15,827	\$873	(\$1,611)
<b>City of Leander</b>	\$8,521	58,638	\$3,234	(\$5,287)
<b>City of Lockhart</b>	\$2,268	13,889	\$766	(\$1,502)
<b>City of Luling</b>	\$975	6,016	\$332	(\$643)
<b>City of Pflugerville</b>	\$10,544	68,924	\$3,801	(\$6,743)
<b>City of Round Rock</b>	\$20,275	130,282	\$7,185	(\$13,090)
<b>City of San Marcos</b>	\$9,994	66,466	\$3,667	(\$6,327)
<b>City of Sunset Valley</b>	\$119	698	\$38	(\$81)
<b>City of Taylor</b>	\$2,875	17,597	\$970	(\$1,905)
<b>TOTAL – MSA</b>	<b>\$430,000</b>	<b>2,190,335</b>	<b>\$150,000</b>	<b>(\$280,000)</b>

***Please detach and return with payment.***

# Capital Area Council of Governments Scope of Work for Support of the 2019- 2023 Austin-Round Rock-Georgetown MSA Regional Air Quality Plan

Approved by the Clean Air Coalition on February 13, 2019

This scope of work (SoW) identifies the tasks that the Capital Area Council of Governments (CAPCOG) intends to carry out in support of the 2019-2023 Austin-Round Rock-Georgetown Metropolitan Statistical Area (MSA) Regional Air Quality Plan adopted by the Central Texas Clean Air Coalition (CAC). Tasks in this SoW relate to specific roles that the Plan anticipates for CAPCOG throughout the term of the Plan, and are described in a general manner in order to broadly describe these activities in any given year. In the fall of each year, after the level of resources that will be available for the fiscal year is confirmed, CAPCOG will prepare a more specific work plan for the following year for approval by the CAC. CAPCOG will provide annual reports to the CAC on the use of local air quality funding by CAPCOG's Air Quality Program.

## **Task 1: Clean Air Coalition Support**

This task involves ongoing CAPCOG support for the CAC and the CAC Advisory Committee (CACAC). The CAC is the region's umbrella organization for regional air quality planning among cities, counties, and other regional stakeholders, including private industry. The CACAC provides technical and policy advice to the CAC on air quality issues. This support includes:

- Preparation of agendas and supporting materials for CAC and CACAC meetings;
- Presenting information at CAC and CACAC meetings;
- Researching issues at the request of the CAC and CACAC;
- Providing periodic updates on air quality issues to the CAC and CACAC through newsletters and other communications;
- Logistical support for CAC and CACAC meetings, including recording meeting minutes and maintaining committee records;
- Coordinating appointments to the CAC and CACAC;
- Briefing new members of the CAC and CACAC on air quality issues;
- Participation in air quality-related work groups on behalf of the region; and
- Preparation and submission of comment letters, resolutions, and other documents related to policy advocacy undertaken by the CAC and CACAC.

Expected outputs include:

- Monthly air quality newsletters;
- At least four regularly scheduled CAC meetings each year;

- At least four regularly scheduled CACAC meetings each year; and
- An annual work plan to be approved by the CAC by December 31 of the prior year.

## **Task 2: Technical Assistance to CAC Members to Implement Emission Reduction Measures**

Under this task, CAPCOG will provide technical assistance to CAC members to implement emission reductions identified in the region's 2019-2023 air quality plan. This includes identifying best practices for implementing emission reduction commitments that an organization has made, analyzing operational data provided by an organization, identifying opportunities to maximize emission reductions, and assisting organizations with securing the funding and training needed to implement emission reduction measures.

Expected outputs include, at a minimum:

- Periodic workshops;
- Grant application assistance;
- Coordination of regional grant applications; and
- Templates and other resources for implementation of emission reduction measures.

## **Task 3: Outreach and Education Activities**

This task involves air quality outreach and education activities carried out by CAPCOG. This includes:

- Maintaining the AirCentralTexas.org website;
- Maintaining AirCentralTexas.org social media accounts;
- Staffing at air quality outreach events;
- Institutional outreach and recruitment of new Clean Air Coalition supporting members;
- Outreach to the media and meteorologists;
- Air quality advertising; and
- In-kind support for the Commute Solutions program, if necessary.

CAPCOG staff will provide periodic reports on its outreach activities as requested by the CAC.

## **Task 4: Annual Air Quality Report**

This task involves preparing CAPCOG's annual air quality report, which summarizes the region's air quality data from the previous year, the status of the implementation of the emission reductions within the region, and other information relevant to tracking the region's progress in implementing the regional air quality plan. This report provides an important tool for documenting the region's efforts to EPA and TCEQ, and to provide accountability among CAC members on implementation of commitments.

Expected outputs include:

- Annual air quality reports covering calendar years 2019, 2020, 2021, and 2022

## **Task 5: Ozone Monitoring**

Under this task, CAPCOG will conduct ozone and meteorological monitoring at eight continuous air monitoring stations (CAMS) throughout the region in accordance with the 2019-2023 monitoring plan approved by the CAC in May 2018. Activities funded under this task will include:

## CAPCOG 2019-2023 Air Quality Program Scope of Work

- Relocation of any monitoring equipment if recommended in the 2019-2023 monitoring plan;
- Preventative maintenance activities;
- Regular equipment calibrations;
- Equipment rental or replacement;
- Incidental equipment repair costs and supply costs;
- Provision of utilities to each station;
- Licenses to use TCEQ's LEADS data system to host and display monitoring data;
- Reporting data to TCEQ's LEADS system and EPA's AirNow system;
- Data validation activities;
- Monthly reports on from CAPCOG's contractor; and
- An annual report summarizing monitoring activities and comparison of performance to data quality objectives in CAPCOG's Quality Assurance Project Plan (QAPP).

CAPCOG's primary data objectives are based on EPA's most recent ambient air monitoring guidance for ozone monitoring:

- Collection and validation of at least 75% of all possible hourly ozone, wind speed, wind direction, temperature, and humidity measurements each month from March 1 through November 15 each year;
- Ozone measurements to remain within 7% of reference measurements during monthly calibrations. These performance goals are consistent with EPA's most recent ambient air monitoring guidance for ozone monitoring.

Expected outputs include:

- Hourly, quality-assured ozone, wind speed, wind direction, temperature, and relative humidity data reported to TCEQ's LEADS system and EPA's AirNow system from eight CAPCOG monitoring stations; and
- An annual monitoring report documenting monitoring activities completed that year and a comparison of performance to data quality objectives.

### **Task 6: Monitoring Data Analysis**

Under this task, CAPCOG will perform an annual data analysis of the air pollution and meteorological data collected in the previous year and compare these data to data collected in previous years. This will help identify the conditions that were most likely to lead to high air pollution levels, whether these conditions were more or less likely to occur in 2018 compared to prior years, and whether there were any specific emissions-related or meteorological-related explanations for any deviations from what has been typical for the previous several years. This analysis will help provide a better understanding of the extent to which local emission reduction efforts impacted ambient air pollution concentrations.

Expected outputs include:

- An annual air monitoring data analysis report;
- Accompanying spreadsheets.



## **Task 7: Emissions, Control Strategy, and Air Quality Modeling Analysis**

Under this task, CAPCOG will analyze emissions and air quality modeling data relevant to ongoing regional air quality planning. This includes:

- Reviewing point source emissions inventory data reported by the facilities;
- Review mobile source emissions inventory data prepared by EPA, TCEQ, or others;
- Review studies and technical reports related to emissions and control strategies;
- Review of air quality modeling analyses conducted by EPA, TCEQ, and others;
- Refinement of emissions estimates for key sources, where appropriate;
- Analyzing trends in changes in emissions over time;
- Assessing the level of control current emission reduction measures are achieving;
- Estimating the ambient air quality impact of various emissions control and growth scenarios; and
- Estimation of costs and benefits of implementing various control strategies.

Expected outputs include:

- Memos summarizing emissions, control strategy, and modeling analyses completed;
- Reports documenting any emissions inventory refinement, control strategy assessments, or impact assessments completed.

## **Task 8: Other Studies and Planning Activities**

This task involves other research and planning activities as directed by the CAC. Examples projects in this category include:

- Preparation of an annual work plan for approval by the CAC that provides further definition to activities that will be carried out by CAPCOG in the following year;
- Analysis of the health, environmental, and social impacts of regional air pollution;
- Analysis of the potential economic and regulatory impacts of non-compliance with air quality standards; and
- Development of air quality plans.

## **Resources**

This scope of work is being carried out during FY 2020 with approximately \$430,000, with contributions from 22 different local governments providing the necessary funding. CAPCOG will prepare an updated estimate of the annual funding needed to carry out this scope of work during the first quarter of each year ahead of funding requests submitted to local governments for the following year, based on any changes in costs of goods and services and each jurisdiction's population in accordance with the funding formula CAPCOG has used for FY 2018-2020.

**Commissioners Court - Regular Session****8.****Meeting Date:** 10/13/2020

FY 21 Budget Policy

**Submitted By:** Ashlie Koenig, Budget Office**Department:** Budget Office**Agenda Category:** Regular Agenda Items

---

**Information****Agenda Item**

Discuss, consider and take appropriate action on the FY21 Budget Policy document.

**Background**

Each year the Budget Office reviews and makes revisions to the Budget Policy document. One attachment is the Budget Policy document itself (changes are highlighted in yellow) and the second is a "Summary of Changes".

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

Summary of Changes

FY 21 Budget Policy

---

**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Ashlie Koenig

Final Approval Date: 10/06/2020

**Reviewed By**

Andrea Schiele

**Date**

10/06/2020 08:55 AM

Started On: 10/05/2020 02:32 PM

## Summary of Changes

- Page 6      Section VI, #6 – Clarification of “newly created positions”
- Section VI, #7 – New language to clarify current and past HR processes
- Section VI, #9 – New language to reflect current and past Budget processes
- Section VI, #11 – Change to reflect process improvement for IT and Budget
- 
- Page 7      Section VI, #13 – Succession Planning was approved by the Court on a trial basis for FY20. This language would memorialize the policy and make it part of the Budget Policy document beginning FY21.
- Section VI, #14 – This is a list of those departments approved for overtime. Any new additions would be reflected during annual updates to the Budget Policy manual. In addition, this verbiage reflects how merit money is and has been applied now and in the past.
- 
- Page 8      Section VII, #3 – Vehicle Wraps – More recently requests have come up for vehicle wraps. In some instances, a vehicle wrap is less costly as compared to two tone paint on a vehicle and allows for better re-sale value. However- other vehicles wraps have been used/requested to promote personal causes i.e. Breast Cancer Awareness, Veterans, etc. Does the Court want to allow the wrapping of county vehicles for this purpose, should a formal request be made to the court, etc.? This item to seek discussion and clarification on this particular subject.

# ***WILLIAMSON COUNTY BUDGET POLICY***

*The stewardship of public funds is one of the greatest responsibilities the Commissioners Court is tasked with. Therefore, the establishment and maintenance of budget policy is critical to ensure County officials protect public interests and promote citizens' confidence in County government...*

## **I. General Policies**

1. Williamson County will operate on a fiscal year which begins on October 1<sup>st</sup> and ends on September 30<sup>th</sup>.
2. Williamson County will continuously identify areas within the County for evaluation in order to improve efficiency and manage costs.
3. Cost/Benefit studies will be conducted, where appropriate and applicable, on non-recurring and recurring expenditures as well as capital projects.
4. All recurring budget items shall be funded in the general fund or road and bridge fund operating accounts/funds. The aforementioned budget items shall be funded from revenue generated by the annual maintenance and operations general fund and road and bridge fund property tax levy. Recurring expenditures are defined as items that are ongoing in nature or routine. Examples include personnel and related expenses, utilities and/or fuel, etc. Recurring items shall NOT be budgeted for with excess fund balance/cash reserve funds.
5. Approved annual budgets, with amendments as approved by the Commissioners Court, are the management control device utilized by the County. Annual appropriated budgets are adopted for the General, Road and Bridge and Debt Services Funds and lapse at fiscal year end.
6. Each department should make every effort to manage expenditures in a fiscally prudent manner. All programs should be monitored on a regular basis to ensure viability, necessity and efficiency.
7. Proposed expenditure recommendations shall include the following:
  - a. General Fund operating and maintenance expenditures
  - b. Road and Bridge Fund operating and maintenance expenditures
  - c. Debt Service Fund expenditures
  - d. Any additional information as requested by the Court

8. Technology requests should increase the efficiency of County government by improving the delivery of service, reducing duplication of data, increasing the accuracy of data, consolidating data entry efforts, reducing the necessity to add staff in future years, improving security and privacy, or be required because of a new statutory requirement.
9. Furniture shall be replaced only when a demonstrated need has been presented and not in conjunction with transitioning into a new building and/or new personnel assuming an existing position in which furniture has previously been provided.
10. In order to maintain efficient and cost-effective services to the citizens of Williamson County, all budget requests are recommended to be prepared from the modified, zero-based budgeting process justifying the proposed expenditures as well as utilizing the most current information and trend analysis.
11. Williamson County seeks to advance economic development within the County. The Court will continuously support efforts to advance economic prosperity of the County when it finds that such efforts are in the best interest of the County and its citizens.
12. The Court at all times will attempt to maintain or lower the present tax rate.
13. Lame Duck Policy – Should an elected official not seek re-election or not be re-elected, 75% of the departmental budget will be encumbered so as to limit spending to 25%, equal to the time remaining in office. This is in accordance with Texas Local Government Code 130.908.

## **II. Revenue and Transfer Policies**

1. Williamson County will establish user charges and fees as permitted by law at a level related to the cost of providing that service to include direct and indirect costs.
2. When necessary, Williamson County will permit increases or decreases in user charges and fees. These charges and fees should be monitored and re-evaluated annually by each department head and/or elected official.
3. The County shall continuously seek public and private grants as well as other outside funding sources.

4. Williamson County allows a department head, appointed/elected official or his/her designee to request line item transfers throughout the fiscal year. Pursuant to Local Government Code Section 111.070, the Commissioners Court may spend County funds only in strict compliance with the budget. The Commissioners Court by order may amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure.
5. Line item transfers between 8000 accounts, merit 001130 and salary lines for the purpose of merit money allocation and re-allocation are initiated by Human Resources, forwarded to the Budget Office and completed by the Auditor's Office. These transfers will be placed on the agenda as needed for Commissioners Court approval/review.
6. Line item transfers in the amount of \$500 or less may be e-mailed directly to the Budget Office and are not required to be placed on the agenda unless:
  - a. The transfer is to purchase items requested but not recommended or approved in the budget
  - b. To simply increase overall funding in a particular line item

### **III. Reserve Policies**

1. Williamson County will maintain adequate levels of fund balance to mitigate current and future risks, maintain an exceptional bond rating, and for long-term planning.
2. It is imperative that all department heads as well as elected officials continuously review expenditures to ensure fiscal responsibility.

### **IV. Budget Amendment Policies**

1. Pursuant to Local Government Code, Section 111.070 (b), the Commissioners Court may authorize an emergency expenditure as an amendment to the original budget only in case of a grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention.
2. All budget amendments must be placed on the regular agenda for consideration by the Commissioners Court and any amendments creating an increase in budgetary commitment for the next fiscal year shall be specifically noted.
3. The re-appropriation at the beginning of a fiscal year of funds committed under valid purchase orders of the County but unspent by September 30<sup>th</sup> of the prior

fiscal year require a budget amendment from fund balance. These amendments are few in nature and will be made on a case by case basis. These budget amendments have no net effect on spending but simply change the accounting year for expenditures.

## **V. Capital Improvement Policies**

1. Capital improvement projects include major equipment, software purchases as well as construction and remodeling requiring extensive funding.
2. Each department is encouraged to update their capital projects plan for the next five years so the Budget Officer may consolidate these into a five-year Capital Improvement Plan. Departments in a common functional area should cooperate in planning for capital projects affecting the entire function of that particular area. Budgeting and allocation of funds for capital projects will be made on the basis of long-term planning.
3. Capital improvement projects may be paid from current revenues, cash reserves or bonds. Bonds or other forms of debt will normally be used for capital projects when appropriate.
4. The selection of furniture, fabrics, color choices and/or materials used in the construction/remodeling of Williamson County facilities will be made by the Williamson County Facilities Division subject only to the Williamson County Commissioner Court's authority to override or otherwise modify such selection decisions pursuant to the Williamson County Commissioners Court's facilities powers, as is conferred by the Constitution and the laws of the State of Texas. Every effort will be made to maintain a professional appearance and provide uniformity and standardization in Williamson County facilities. Funding, where applicable, for the above-mentioned facility enhancements may reside in the Williamson County Facilities departmental budget.
5. The selection of flooring, paint, lighting, HVAC and electrical facility enhancements in individual/personal offices will be made by the Williamson County Facilities Division subject only to the Williamson County Commissioner Court's authority to override or otherwise modify such selection decisions pursuant to the Williamson County Commissioners Court's facilities powers, as is conferred by the Constitution and the laws of the State of Texas. Every effort will be made to maintain a professional appearance and provide uniformity and standardization in these areas. Funding, where applicable, for the above-mentioned facility enhancements may reside in the Williamson County Facilities

departmental budget. All facility changes / structural modifications must have the approval of the Facilities Department.

6. Life cycle replacements, defined as a capital improvement analyzed for life cycle efficiency with a scheduled end of life, will be evaluated for the following:
  - Expected life of the replacement equipment
  - Age of current equipment being replaced
  - Repair dollars spent YTD
  - Issues with current system/equipment
  - Cost / Benefit of replacement
  - Phase in Approach vs. All at Once Funding
  - Cost savings of replacement item
  - Recurring costs associated with replacement item
  - External resources required to support replacement item to include external agencies, maintenance contract agreements and/or internal departments

## **VI. Personnel Policies**

1. It is the priority of the Court to provide adequate and qualified staffing for offices and departments while ensuring efficiency. Requests for staff should be made only for new programs and/or upon demonstrated increases in service requirements that cannot be met with improved technology or changes in procedures.
2. Positions will only be recommended and approved when a verifiable need is demonstrated. Complete documentation to include any applicable and verifiable statistics, metrics, compliance requirements, job description, etc. should be provided at the time of the request.
3. The Court encourages and supports the allocation of funding to ensure the County's work force is properly trained. It is recommended that all department heads as well as elected officials additionally support reasonable continuing education requests.
4. The Court strives to ensure, where possible and practical, that employee compensation will be competitive with other similarly situated counties and/or local municipalities.
5. The Budget Office will maintain a budget on each position in an effort to identify "excess" funds available for the purpose of recruiting, re-classifications and re-organizations. Position control will be utilized on all salary line items with the exception of line item 001107, Temporary and Seasonal. Monies remaining in a



salary line due to a position being vacant may not be used to increase a position's salary/rate of pay but may be used to pay out leave time when a position is vacated.

6. All newly created **civilian (non-law enforcement)** positions will be funded at the minimum of the pay grade.
7. **All law enforcement positions on the L or the C chart will be funded at the bottom of the grade plus a one-step increase to account for the six-month bump as allowed by policy.**
8. Re-classifications will be funded in accordance with current policy.
9. Merit funding (object code 001130) may only be used for merit performance/purpose in accordance with current policy. All merit funding **(greater than \$1.00)** remaining in salary line 001130 will roll forward each fiscal year. Merit funds, once allocated to a position, may not be moved back into the merit line, object code 001130. Merit funding/calculations are based on all filled/unfilled, full-time/part-time position-based slots. New positions are excluded from merit funding but allowed up to a 5% merit increase after 90 days.
10. Equipment/Supplies requested in the budget in conjunction with special teams/operations will not be funded from the general fund budget unless expressly authorized/approved by the Commissioners Court. Likewise, line item transfer requests for a similar purpose may be denied.
11. Recommended pay changes will be applied as follows:

MERIT will be applied to:

- a. Actual Salary as of **the last pay period in** March ~~31<sup>st</sup>~~ if a position is filled
- b. The budget on the position as of **the last pay period in** March ~~31<sup>st</sup>~~—if position is vacant
- c. Merit will not be funded on new positions

COLA will be applied to:

- a. Actual Salary as of **the last pay period in** March ~~31<sup>st</sup>~~ if a position is filled
- b. The budget on the position as of **the last pay period in** March ~~31<sup>st</sup>~~ if position is vacant
- c. COLA will be applied to new positions

Application of increases will occur in this order: Re-class, COLA and then merit

12. Regardless of funding source, the Commissioners Court has express authority to set all compensations/salaries for Williamson County positions.

13. Funding may be requested via the budget process for known “Succession Planning”. In the event an existing FTE submits a letter of intent to separate employment with Williamson County and funding is necessary to bring in a replacement prior to the departure of the existing FTE, funding may be available. Succession planning/funding applies as follows:

- Applies to any position directly supervised by an elected official, appointed official, senior director or the commissioners court
- Official letter of intent to depart/resign/retire must be received from/by the above
- Maximum funding of 2 weeks (80 hours, five 8-hour days per week) for shadowing/training prior to current FTE departure
- Maximum funding of 4 additional weeks (160 hours, five 8-hour days per week) to allow for accrual payouts (only if funding is not already available in the salary line due to attrition). Vacancy dollars will be applied first
- Maximum total funding of 6 weeks’ pay (240 hours, five 8-hour days per week)
- Funding will be based on the current rate of pay for the current FTE and will include fringe/benefits as applicable
- Once a new hire is in place, he/she will move into the existing FTE slot while the current FTE will move into the succession slot
- Succession funding/dollars may not be transferred for any other purpose
- Internal candidates/promotions are not eligible for succession planning funding

14. Allowable overtime funding as approved by Commissioners Court includes the following:

- Mobile Outreach
- Facilities
- EMS / Tobacco HUG
- Emergency Management
- HazMat/Fire Marshal
- All Constable Offices
- Sheriff’s Office
- Corrections
- 911 Communications
- Juvenile Services
- Unified Road System
- WC Radio Communication System (RCS)

Merit monies will be applied to all OT if a) merit is funded/awarded by the court and b) if merit is not designated as a lump sum or one-time payment.

## **VII. Fleet Policies**

1. Vehicle and heavy equipment replacement funding will be allocated to each department when necessary in accordance with the Fleet Management Replacement Program. Vehicle and heavy equipment replacement recommendations will be reviewed for the following:
  - a. Miles or hours as applicable
  - b. Maintenance
  - c. Type of Vehicle / Equipment Requested
  - d. Fuel Efficiency
  - e. Age of Vehicle
  - f. Vehicle / Equipment Utilization
2. Funding will only be recommended for the changing of logo/graphics as vehicles are replaced/retired unless graphics are worn/damaged beyond repair and are no longer visible.
3. **Vehicle Wraps?**

## **VIII. Uniform Policies**

Uniform funding *may* be provided to serve a public purpose i.e. out in the field and for departments/individuals who a) require regular and recurring public contact b) require clear identification to the public or c) where a demonstrated need is created for distinct separation between staff and population i.e. deputy vs. inmate, detention officer vs. population, etc.

The following uniform criteria must be met:

1. The uniform item must be required daily wear by the elected official/department head.
2. A departmental uniform policy must be provided at the time funding is requested to include (but not limited to) quantity of uniforms provided, positions requiring a uniform item, itemization of uniform items and on-going replacement of such items.
3. Uniform items must not be easily converted to everyday wear i.e. jeans, caps, t-shirts (a patch/emblem/logo on the uniform item does not necessarily prevent it from being easily converted).
4. Footwear will only be funded if it is a specialty item required for health and safety i.e. boots for motor units.

5. Funding for outerwear such as jackets and protective gear will only be recommended if an employee's job duties must be performed outdoors on a regular basis and the employee's personal outerwear is not permitted.
6. Shotguns/Rifles will be funded for each deputy if funding is available. Personal glocks/handguns, as well as any associated add-ons to personal handguns, are to be funded/provided by the deputy.

Last Approved 10/1/19

**Commissioners Court - Regular Session****9.****Meeting Date:** 10/13/2020

HNTB – Award T1873 Ronald Reagan at Silver Spur Blvd/ Ronald Reagan at Sun City

**Submitted For:** Valerie Covey**Submitted By:** Rachel Rull,  
Commissioner  
Pct. #3**Department:** Commissioner Pct. #3**Agenda Category:** Regular Agenda Items

---

**Information****Agenda Item**

Discuss, consider, and take appropriate action on awarding T1873 IFB Ronald Reagan at Silver Spur/ Ronald Reagan at Sun City to QA Construction and authorizing the execution of the agreement.

**Background**

- We received 4 submittals. The bids have been reviewed and the apparent low bid (QA Construction) was found to be responsive and materially balanced.
- The lowest responsive bidder was 0.2% higher than the Engineer's Estimate.
- In addition to meeting the bid qualifications subject to being low bidder, QA Construction has successfully completed previous Williamson County projects (Forest North- Anderson Mill and Great Oaks Water Line.) Based on the quality of previous work done for the County and low bid of \$875,350.00, HNTB concur with the Design Engineer's (WSB) Recommendation of Award for Ronald Reagan at Silver Spur and Ronald Reagan at Sun City contract to QA Construction in the amount of \$875,350.00 .
- Randy Ehresman -HNTB is the point of contact, funding project P354 – Ronald Reagan Blvd @ Silver Spur Blvd. P357 – Ronald Reagan Blvd @ Sun City Blvd.

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

Recommendation

---

**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Rachel Rull

Final Approval Date: 10/08/2020

**Reviewed By**

Andrea Schiele

**Date**

10/08/2020 08:16 AM

Started On: 10/07/2020 04:53 PM

October 7, 2020



Williamson County Purchasing Department  
100 Wilco Way  
Suite P101  
Georgetown, Texas 78626

Attention: Kerstin Hancock  
Deputy Purchasing Agent

Re: Williamson County Road Bond Program  
Ronald Reagan Blvd at Silver Spur / Ronald Reagan Blvd at Sun City  
Williamson County Project No. T1873  
Recommendation of Contractor Award

Dear Ms. Hancock,

Please find attached the bid tabulations for the subject-referenced project. The bids have been reviewed and the apparent low bid (QA Construction) was found to be responsive and materially balanced. Following is a summary of the bid totals:

1. QA Construction	\$875,350.00
2. Joe Bland Construction	\$997,640.80
3. Diamond X Contracting	\$1,072,115.57
4. MA Smith Contracting	\$1,113,743.18

The lowest bidder was 0.2% higher than the Engineer's Estimate. The lowest bidder was 14% lower than the second lowest bidder.

In addition to meeting the bid qualifications subject to being low bidder, QA Construction has successfully completed previous Williamson County projects (Forest North – Anderson Mill and Great Oaks Water Line). Based on the quality of previous work done for the County and the low bid of \$875,350.00, we concur with the Design Engineer's (WSB) Recommendation of Award for the Ronald Reagan Boulevard at Silver Spur and Ronald Reagan Boulevard at Sun City's contract to QA Construction in the amount of \$875,350.00.

Please feel free to contact our office with any questions.

Respectfully Submitted,

**HNTB Corporation**

A handwritten signature in blue ink, appearing to read "James D. Klotz", with a long horizontal flourish extending to the right.

James Klotz, P.E.

VIA E-MAIL

Attachments: Bid Tabulation Analysis, Engineers Recommendation, Form 1295

Cc: Judge Gravell, Williamson County Judge  
Commissioner Cook, Williamson County, Pct. 1  
Commissioner Long, Williamson County, Pct. 2  
Commissioner Covey, Williamson County, Pct. 3  
Commissioner Boles, Williamson County, Pct. 4  
Robert B. Daigh, Williamson County  
Terron Evertson, Williamson County  
Mike Weaver, HNTB Corporation  
Richard Ridings, HNTB Corporation

**Bid Comparison**

Bidder	Bid Amount	Rank	Difference from Engineer's Estimate (\$)	Difference from Engineer's Estimate (%)	Difference from Low Bid (\$)	Difference from Low Bid (%)
QA Construction	\$875,350.00	1	\$1,842.48	0.2%	-	-
Joe Bland Construction	\$997,640.80	2	\$124,133.28	14.2%	\$122,290.80	14.0%
Diamond X Contracting	\$1,072,115.57	3	\$198,608.05	22.7%	\$196,765.57	22.48%
MA Smith Construction	\$1,072,115.57	4	\$198,608.05	22.7%	\$196,765.57	22.48%



BID ITEM	TECH SPEC	DESCRIPTION	BID QUANTITY	UNIT MEASURE	Engineer's Estimate		QA Construction		Joe Bland Construction		Diamond X Contracting		MA Smith Construction	
					UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID
1	100-6002	PREPARING ROW	25	STA	\$ 1,500.00	\$ 38,100.00	\$ 725.00	\$ 18,415.00	\$ 750.00	\$ 19,050.00	\$ 2,500.00	\$ 63,500.00	\$ 2,000.00	\$ 50,800.00
2	104-9999	REMOVING CONC (RIBBON CURB)	205	LF	\$ 15.00	\$ 3,075.00	\$ 12.00	\$ 2,460.00	\$ 3.50	\$ 717.50	\$ 9.00	\$ 1,845.00	\$ 8.00	\$ 1,640.00
3	110-6001	EXCAVATION (RDWY)	6138	CY	\$ 9.00	\$ 55,242.00	\$ 15.00	\$ 92,070.00	\$ 18.00	\$ 110,484.00	\$ 18.00	\$ 110,484.00	\$ 20.00	\$ 122,760.00
4	132-6003	EMBANKMENT (FINAL) (ORD COMP) (TY B)	2474	CY	\$ 6.00	\$ 14,844.00	\$ 15.00	\$ 37,110.00	\$ 20.00	\$ 49,480.00	\$ 6.00	\$ 14,844.00	\$ 15.00	\$ 37,110.00
5	160-WC02	FURNISHING AND PLACING TOPSOIL (4")	17525	SY	\$ 1.50	\$ 26,287.50	\$ 2.75	\$ 48,193.75	\$ 2.50	\$ 43,812.50	\$ 1.50	\$ 26,287.50	\$ 1.00	\$ 17,525.00
6	161-WC001	EROSION CONTROL COMPOST (3")	4382	SY	\$ 2.00	\$ 8,764.00	\$ 2.00	\$ 8,764.00	\$ 3.45	\$ 15,117.90	\$ 5.00	\$ 21,910.00	\$ 3.25	\$ 14,241.50
7	162-WC103	MULCH TOPDRESSING (5")	4382	SY	\$ 0.20	\$ 876.40	\$ 3.00	\$ 13,146.00	\$ 5.75	\$ 25,196.50	\$ 6.50	\$ 28,483.00	\$ 4.50	\$ 19,719.00
8	164-WC04	SEEDING FOR EROSION CONTROL (TEMP) (COOL) (TY 4)	8763	SY	\$ 0.12	\$ 1,051.56	\$ 0.25	\$ 2,190.75	\$ 0.21	\$ 1,840.23	\$ 0.30	\$ 2,628.90	\$ 0.29	\$ 2,541.27
9	164-WC05	SEEDING FOR EROSION CONTROL (PERM) (WARM) (TY 5)	17525	SY	\$ 0.15	\$ 2,628.75	\$ 0.40	\$ 7,010.00	\$ 0.33	\$ 5,783.25	\$ 0.40	\$ 7,010.00	\$ 0.40	\$ 7,010.00
10	164-WC10	SEEDING FOR EROSION CONTROL (TEMP) (WARM) (TY 10)	8763	SY	\$ 0.12	\$ 1,051.56	\$ 0.25	\$ 2,190.75	\$ 0.21	\$ 1,840.23	\$ 0.28	\$ 2,453.64	\$ 0.29	\$ 2,541.27
11	166-6002	FERTILIZER	1	TON	\$ 1,000.00	\$ 1,110.00	\$ 425.00	\$ 471.75	\$ 1,900.00	\$ 2,109.00	\$ 1,083.00	\$ 1,202.13	\$ 1,100.00	\$ 1,221.00
12	168-WC01	VEGETATIVE WATERING	526	MG	\$ 15.00	\$ 7,887.00	\$ 3.00	\$ 1,577.40	\$ 34.00	\$ 17,877.20	\$ 27.00	\$ 14,196.60	\$ 23.00	\$ 12,093.40
13	169-6001	SOIL RETENTION BLANKETS (CL 1) (TY A)	8485	SY	\$ 1.00	\$ 8,485.00	\$ 0.90	\$ 7,636.50	\$ 1.25	\$ 10,606.25	\$ 1.30	\$ 11,030.50	\$ 1.50	\$ 12,727.50
14	247-6044	FL BS (CMP IN PLACE) (TY A GR 4) (FNAL POS)	3085	CY	\$ 45.00	\$ 138,825.00	\$ 17.00	\$ 52,445.00	\$ 42.00	\$ 129,570.00	\$ 36.00	\$ 111,060.00	\$ 50.00	\$ 154,250.00
15	310-6005	PRIME COAT (AE-P)	1170	GAL	\$ 5.00	\$ 5,850.00	\$ 3.50	\$ 4,095.00	\$ 4.95	\$ 5,791.50	\$ 5.00	\$ 5,850.00	\$ 4.50	\$ 5,265.00
16	316-6193	AGGR (TY-D GR-5 SAC-B)	46	CY	\$ 95.00	\$ 4,370.00	\$ 194.00	\$ 8,924.00	\$ 308.80	\$ 14,204.80	\$ 314.00	\$ 14,444.00	\$ 205.00	\$ 9,430.00
17	316-6413	ASPH (AC-15P, HFRS-2P or CRS-2P)	1754	GAL	\$ 4.00	\$ 7,016.00	\$ 4.53	\$ 7,945.62	\$ 5.00	\$ 8,770.00	\$ 5.00	\$ 8,770.00	\$ 5.25	\$ 9,208.50
18	340-6011	D-GR HMA(SQ) TY-B PG64-22	1609	TON	\$ 75.00	\$ 120,675.00	\$ 85.00	\$ 136,765.00	\$ 68.15	\$ 109,653.35	\$ 69.00	\$ 111,021.00	\$ 77.00	\$ 123,893.00
19	340-6120	D-GR HMA(SQ) TY-D SAC-B PG70-22	1837	TON	\$ 95.00	\$ 174,515.00	\$ 93.00	\$ 170,841.00	\$ 87.31	\$ 160,388.47	\$ 90.00	\$ 165,330.00	\$ 92.00	\$ 169,004.00
20	354-6021	PLANE ASPH CONC PAV(0" TO 2")	735	SY	\$ 5.00	\$ 3,675.00	\$ 22.00	\$ 16,170.00	\$ 8.36	\$ 6,144.60	\$ 8.00	\$ 5,880.00	\$ 20.50	\$ 15,067.50
21	416-6003	DRILL SHAFT (30 IN)	8	LF	\$ 210.00	\$ 1,680.00	\$ 120.00	\$ 960.00	\$ 449.22	\$ 3,593.76	\$ 325.00	\$ 2,600.00	\$ 450.00	\$ 3,600.00
22	416-6032	DRILL SHAFT (TRF SIG POLE) (36 IN)	56	LF	\$ 200.00	\$ 11,200.00	\$ 120.00	\$ 6,720.00	\$ 466.72	\$ 26,136.32	\$ 400.00	\$ 22,400.00	\$ 445.00	\$ 24,920.00
23	500-6001	MOBILIZATION	1	LS	\$ 77,137.05	\$ 77,137.05	\$ 75,118.41	\$ 75,118.41	\$ 61,000.96	\$ 61,000.96	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
24	502-6001	BARRICADES, SIGNS AND TRAFFIC HANDLING	6	MO	\$ 5,000.00	\$ 30,000.00	\$ 2,500.00	\$ 15,000.00	\$ 1,400.00	\$ 8,400.00	\$ 4,000.00	\$ 24,000.00	\$ 3,000.00	\$ 18,000.00
25	506-6002	ROCK FILTER DAMS (INSTALL) (TY 2)	227	LF	\$ 30.00	\$ 6,810.00	\$ 45.00	\$ 10,215.00	\$ 20.00	\$ 4,540.00	\$ 24.00	\$ 5,448.00	\$ 25.00	\$ 5,675.00
26	506-6011	ROCK FILTER DAMS (REMOVE)	227	LF	\$ 10.00	\$ 2,270.00	\$ 10.00	\$ 2,270.00	\$ 7.00	\$ 1,589.00	\$ 10.00	\$ 2,270.00	\$ 11.00	\$ 2,497.00
27	506-6020	CONSTRUCTION EXITS (INSTALL) (TY 1)	156	SY	\$ 20.00	\$ 3,120.00	\$ 20.00	\$ 3,120.00	\$ 10.50	\$ 1,638.00	\$ 14.00	\$ 2,184.00	\$ 16.00	\$ 2,496.00
28	506-6024	CONSTRUCTION EXITS (REMOVE)	156	SY	\$ 11.00	\$ 1,716.00	\$ 10.00	\$ 1,560.00	\$ 6.00	\$ 936.00	\$ 10.00	\$ 1,560.00	\$ 11.00	\$ 1,716.00
29	506-6038	TEMP SEDMT CONT FENCE (INSTALL)	340	LF	\$ 2.50	\$ 850.00	\$ 3.00	\$ 1,020.00	\$ 2.50	\$ 850.00	\$ 3.00	\$ 1,020.00	\$ 3.50	\$ 1,190.00
30	506-6039	TEMP SEDMT CONT FENCE (REMOVE)	340	LF	\$ 0.75	\$ 255.00	\$ 1.50	\$ 510.00	\$ 0.65	\$ 221.00	\$ 1.00	\$ 340.00	\$ 1.10	\$ 374.00
31	529-6038	CONC CURB (RIBBON)	156	LF	\$ 40.00	\$ 6,240.00	\$ 20.00	\$ 3,120.00	\$ 45.00	\$ 7,020.00	\$ 25.00	\$ 3,900.00	\$ 30.00	\$ 4,680.00
32	610-6215	IN RD IL (TY SA) 40T-8-8 (250W EQ) LED (SOLAR)	1	EA	\$ 4,000.00	\$ 4,000.00	\$ 3,600.00	\$ 3,600.00	\$ 6,650.74	\$ 6,650.74	\$ 4,300.00	\$ 4,300.00	\$ 6,500.00	\$ 6,500.00
33	618-6023	CONDT (PVC) (SCH 40) (2")	10	LF	\$ 10.00	\$ 100.00	\$ 15.00	\$ 150.00	\$ 29.17	\$ 291.70	\$ 70.00	\$ 700.00	\$ 30.00	\$ 300.00
34	624-6001	GROUND BOX TY A (122311)	1	EA	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 1,458.50	\$ 1,458.50	\$ 1,300.00	\$ 1,300.00	\$ 15,000.00	\$ 15,000.00
35	644-6060	INS SM RD SN SUP & AM TYTWT(1) WS(P)	3	EA	\$ 340.00	\$ 1,020.00	\$ 450.00	\$ 1,350.00	\$ 450.00	\$ 1,350.00	\$ 650.00	\$ 1,950.00	\$ 700.00	\$ 2,100.00
36	644-6068	RELOCATE SM RD SN SUP & AM TY 10BWG	1	EA	\$ 420.00	\$ 420.00	\$ 400.00	\$ 400.00	\$ 550.00	\$ 550.00	\$ 540.00	\$ 540.00	\$ 600.00	\$ 600.00
37	644-6071	RELOCATE SM RD SN SUP & AM TY TWT	1	EA	\$ 365.00	\$ 365.00	\$ 400.00	\$ 400.00	\$ 375.00	\$ 375.00	\$ 490.00	\$ 490.00	\$ 550.00	\$ 550.00
38	666-6303	RE PM W/RET REQ TY I (W) 4" (SLD) (100 MIL)	5497	LF	\$ 0.40	\$ 2,198.80	\$ 0.50	\$ 2,748.50	\$ 0.40	\$ 2,198.80	\$ 0.40	\$ 2,198.80	\$ 0.45	\$ 2,473.65
39	666-6030	REFL PAV MRK TY I (W) 8" (DOT) (100 MIL)	313	LF	\$ 1.00	\$ 313.00	\$ 1.40	\$ 438.20	\$ 1.35	\$ 422.55	\$ 1.35	\$ 422.55	\$ 1.50	\$ 469.50
40	666-6036	REFL PAV MRK TY I (W) 8" (SLD) (100 MIL)	2025	LF	\$ 0.75	\$ 1,518.75	\$ 1.00	\$ 2,025.00	\$ 0.80	\$ 1,620.00	\$ 0.80	\$ 1,620.00	\$ 0.90	\$ 1,822.50
41	666-6054	REFL PAV MRK TY I (W) (ARROW) (100 MIL)	4	EA	\$ 130.00	\$ 520.00	\$ 560.00	\$ 2,240.00	\$ 405.00	\$ 1,620.00	\$ 405.00	\$ 1,620.00	\$ 475.00	\$ 1,900.00
42	666-6078	REFL PAV MRK TY I (W) (WORD) (100 MIL)	4	EA	\$ 145.00	\$ 580.00	\$ 560.00	\$ 2,240.00	\$ 405.00	\$ 1,620.00	\$ 405.00	\$ 1,620.00	\$ 475.00	\$ 1,900.00
43	666-6315	RE PM W/RET REQ TY I (Y) 4" (SLD) (100 MIL)	7164	LF	\$ 0.35	\$ 2,507.40	\$ 0.45	\$ 3,223.80	\$ 0.40	\$ 2,865.60	\$ 0.40	\$ 2,865.60	\$ 0.44	\$ 3,152.16
44	666-6170	REFL PAV MRK TY II (W) 4" (SLD)	5497	LF	\$ 0.15	\$ 824.55	\$ 0.35	\$ 1,923.95	\$ 0.25	\$ 1,374.25	\$ 0.25	\$ 1,374.25	\$ 0.28	\$ 1,539.16
45	666-6176	REFL PAV MRK TY II (W) 8" (DOT)	313	LF	\$ 0.50	\$ 156.50	\$ 1.00	\$ 313.00	\$ 0.95	\$ 297.35	\$ 0.95	\$ 297.35	\$ 1.10	\$ 344.30
46	666-6178	REFL PAV MRK TY II (W) 8" (SLD)	2025	LF	\$ 0.50	\$ 1,012.50	\$ 0.90	\$ 1,822.50	\$ 0.75	\$ 1,518.75	\$ 0.75	\$ 1,518.75	\$ 0.85	\$ 1,721.25
47	666-6184	REFL PAV MRK TY II (W) (ARROW)	4	EA	\$ 65.00	\$ 260.00	\$ 56.10	\$ 224.40	\$ 50.00	\$ 200.00	\$ 50.00	\$ 200.00	\$ 55.00	\$ 220.00
48	666-6192	REFL PAV MRK TY II (W) (WORD)	4	EA	\$ 70.00	\$ 280.00	\$ 62.10	\$ 248.40	\$ 55.00	\$ 220.00	\$ 50.00	\$ 200.00	\$ 60.00	\$ 240.00
49	666-6207	REFL PAV MRK TY II (Y) 4" (SLD)	7164	LF	\$ 0.15	\$ 1,074.60	\$ 0.35	\$ 2,507.40	\$ 0.25	\$ 1,791.00	\$ 0.25	\$ 1,791.00	\$ 0.28	\$ 2,005.92
50	666-6212	REFL PAV MRK TY II (Y) 12" (SLD)	62	LF	\$ 1.50	\$ 93.00	\$ 10.00	\$ 620.00	\$ 1.50	\$ 93.00	\$ 1.50	\$ 93.00	\$ 1.75	\$ 108.50
51	666-6141	REFL PAV MRK TY I (Y) 12" (SLD) (100 MIL)	62	LF	\$ 5.00	\$ 310.00	\$ 13.00	\$ 806.00	\$ 10.00	\$ 620.00	\$ 10.00	\$ 620.00	\$ 11.00	\$ 682.00
52	672-6007	REFL PAV MRKR TY I-C	98	EA	\$ 3.50	\$ 343.00	\$ 3.00	\$ 294.00	\$ 3.00	\$ 294.00	\$ 3.00	\$ 294.00	\$ 3.50	\$ 343.00
53	672-6009	REFL PAV MRKR TY II-A-A	360	EA	\$ 3.50	\$ 1,260.00	\$ 3.25	\$ 1,170.00	\$ 3.00	\$ 1,080.00	\$ 3.00	\$ 1,080.00	\$ 3.35	\$ 1,206.00
54	677-6001	ELIM EXT PAV MRK & MRKS (4")	602	LF	\$ 0.30	\$ 180.60	\$ 1.20	\$ 722.40	\$ 1.00	\$ 602.00	\$ 1.00	\$ 602.00	\$ 1.15	\$ 692.30
55	680-WC01	INSTALL HWY TRF SIG (FLASH BEACON) (SOLAR)	2	EA	\$ 10,000.00	\$ 20,000.00	\$ 9,000.00	\$ 18,000.00	\$ 14,293.27	\$ 28,586.54	\$ 13,000.00	\$ 26,000.00	\$ 13,500.00	\$ 27,000.00
56	682-6003	VEH SIG SEC (12") LED (YEL)	8	EA	\$ 250.00	\$ 2,000.00	\$ 240.00	\$ 1,920.00	\$ 379.21	\$ 3,033.68	\$ 703.00	\$ 5,624.00	\$ 375.00	\$ 3,000.00
57	682-6005	VEH SIG SEC (12") LED (RED)	4	EA	\$ 250.00	\$ 1,000.00	\$ 240.00	\$ 960.00	\$ 379.21	\$ 1,516.84	\$ 703.00	\$ 2,812.00	\$ 375.00	\$ 1,500.00

BID ITEM	TECH SPEC	DESCRIPTION	BID QUANTITY	UNIT MEASURE	Engineer's Estimate		QA Construction		Joe Bland Construction		Diamond X Contracting		MA Smith Construction			
					UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID	UNIT COST	AMOUNT BID		
58	684-6001	TRF SIG CBL (TY A)(10 AWG)(2 CONDR)	40	LF	\$ 7.50	\$ 300.00	\$ 15.00	\$ 600.00	\$ 5.83	\$ 233.20	\$ 3.25	\$ 130.00	\$ 5.75	\$ 230.00		
59	684-6010	TRF SIG CBL (TY A)(12 AWG)(5 CONDR)	240	LF	\$ 2.00	\$ 480.00	\$ 6.00	\$ 1,440.00	\$ 2.63	\$ 631.20	\$ 4.50	\$ 1,080.00	\$ 2.50	\$ 600.00		
60	686-6007	INS TRF SIG PL AM (S)STR(TY B)	4	EA	\$ 3,400.00	\$ 13,600.00	\$ 3,500.00	\$ 14,000.00	\$ 6,592.41	\$ 26,369.64	\$ 9,500.00	\$ 38,000.00	\$ 6,200.00	\$ 24,800.00		
61	3076-6066	TACK COAT	1964	GAL	\$ 3.25	\$ 6,383.00	\$ 3.68	\$ 7,227.52	\$ 4.79	\$ 9,407.56	\$ 5.00	\$ 9,820.00	\$ 4.25	\$ 8,347.00		
62	6001-6001	PORTABLE CHANGEABLE MESSAGE SIGN	60	DAY	\$ 100.00	\$ 6,000.00	\$ 115.00	\$ 6,900.00	\$ 80.00	\$ 4,800.00	\$ 200.00	\$ 12,000.00	\$ 170.00	\$ 10,200.00		
63	6064-6080	ITS POLE MNT CAB (TY 2)(CONF 1)	2	EA	\$ 6,500.00	\$ 13,000.00	\$ 5,500.00	\$ 11,000.00	\$ 7,293.29	\$ 14,586.58	\$ 15,000.00	\$ 30,000.00	\$ 7,000.00	\$ 14,000.00		
NON-BID ITEMS TO BE INCLUDED IN BID AND CONTRACT AMOUNT																
64	999-WC01	FORCE ACCOUNT	25,000	DOL	\$1.00	\$25,000.00	\$1.00	\$25,000.00	\$1.00	\$25,000.00	\$1.00	\$25,000.00	\$1.00	\$25,000.00		
TOTAL COST ADJUSTED FOR CORRECTNESS					\$ 873,507.52		\$ 875,350.00		\$ 997,640.80		\$ 1,072,115.57		\$ 1,113,743.18			
ACTUAL BID PROPOSAL					\$ 873,507.52		\$ 875,350.00		\$ 997,640.80		\$ 1,072,115.57		\$ 1,113,743.18			
ADJUSTMENT DIFFERENCE					\$ -		\$ -		\$ -		\$ -		\$ -			
Bid Bond							Y		Y		Y		Y			
Conflict of Interest Questionnaire							Y		Y		Y		Y			
Bidder References (Minimum of Three)							Y		Y		*		Y			
Cancelled or Terminated Contracts Notice							Y		Y		N		Y			

\* Included 2 Bid References - neither previous contracts

Mr. Randy Ehresman, PE  
HNTB Corporation  
101 East Settlers Blvd. Suite 100  
Round Rock, TX 78664

Re: Ronald Reagan Blvd. at Silver Spur Blvd. and Sun City Blvd. intersection  
improvement bid review

Randy:

I have reviewed the bids provided for the subject project.

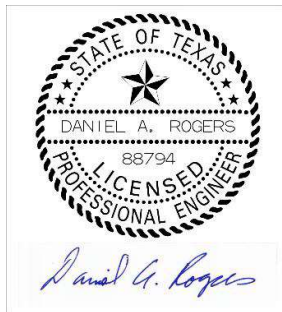
QA Construction Services, Inc. appears to be the apparent low bidder.

I reviewed their bid for errors and found none.

I recommend their selection for this contract.

Please call or email with any additional questions.

Regards,



# CERTIFICATE OF INTERESTED PARTIES

**FORM 1295**

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY  
CERTIFICATION OF FILING**

**Certificate Number:**  
2020-674811

**Date Filed:**  
10/05/2020

**Date Acknowledged:**

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

QA CONSTRUCTION SERVICES  
Austin, TX United States

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

Williamson County

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

ITB: T1873  
Ronald Reagan Blvd. at Silver Spur Blvd. and Sun city Blvd.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

**5 Check only if there is NO Interested Party.****6 UNSWORN DECLARATION**

My name is JOSE A. RUIZ, and my date of birth is                     .

My address is                     ,                     , TX,                     , USA.  
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in WILCO County, State of TEXAS, on the 5 day of OCTOBER, 2020.  
(month) (year)

Signature of authorized agent of contracting business entity  
(Declarant)

**Commissioners Court - Regular Session****10.****Meeting Date:** 10/13/2020

Commercial Lease of Building at 303 Main Street

**Submitted For:** Valerie Covey**Submitted By:** Rachel Rull,  
Commissioner  
Pct. #3**Department:** Commissioner Pct. #3**Agenda Category:** Regular Agenda Items

---

**Information****Agenda Item**

Discuss, consider and take appropriate action on authorizing the Purchasing Agent to advertise and receive sealed proposals for T2170 RFP Commercial Lease of Building at 303 Main Street and adjacent lot (Parking Area) at 307 Main Street, Georgetown.

**Background**

Williamson County is seeking a qualified renter to lease the commercial property located at 303 Main Street and adjacent lot at 307 Main Street in Georgetown.

303 Main street property description: Building: 2,024 Sq. ft. main building and 112 Sq. ft. for open porch area. Land: 6,970 Sq. ft.; 307 Main Street: Land: 6,961 Sq. ft.

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

*No file(s) attached.*

---

**Form Review****Inbox**

County Judge Exec Asst.

Commissioner Pct. 3 (Originator)

Form Started By: Rachel Rull

Final Approval Date: 10/08/2020

**Reviewed By**

Andrea Schiele

Rachel Rull

**Date**

10/08/2020 11:21 AM

10/08/2020 11:38 AM

Started On: 10/08/2020 10:57 AM

**Commissioners Court - Regular Session**

**11.**

**Meeting Date:** 10/13/2020

Executive Session

**Submitted For:** Charlie Crossfield

**Submitted By:** Charlie Crossfield, Road Bond

**Department:** Road Bond

**Agenda Category:** Executive Session

---

**Information**

**Agenda Item**

Discuss real estate matters (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.072 Deliberation Regarding Real Estate Property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with third person.)

**A. Real Estate Owned by Third Parties**

Preliminary discussions relating to proposed or potential purchase or lease of property owned by third parties

- a) Discuss the acquisition of real property for SW 183 and SH 29 Loop.
- b) Discuss the acquisition of real property for CR 176 at RM 2243
- c) Discuss the acquisition of real property: O'Connor Signal Project
- d) Discuss the acquisition of real property: CR 278
- e) Discuss the acquisition of real property for County Facilities.
- f) Discuss the acquisition of real property for Seward Junction SE and SW Loop.
- g) Discuss the acquisition of real property for SH 29 @ DB Wood.
- h) Discuss the acquisition of real property for CR 366.
- i) Discuss the acquisition of real property for N. Mays.
- j) Discuss Somerset Road Districts No. 3 & 4 reimbursements for acquisition & construction of Reagan Blvd.
- k) Discuss the acquisition of real property for CR 111.
- l) Discuss the acquisition of real property for Corridor H
- m) Discuss the acquisition of real property for future SH 29 corridor.
- n) Discuss the acquisition of real property for the expansion of Ronald Reagan at IH 35.
- o) Discuss the acquisition of right-of-way for Corridor C.
- p) Discuss the acquisition of right-of-way for Corridor F.
- q) Discuss the acquisition of right-of-way for Corridor D.
- r) Discuss the acquisition of right-of-way for SE Loop/Corridor A.
- s) Discuss the acquisition of right-of-way for Reagan extension.
- t) Discuss the acquisition of right of way for the Great Oaks Bridge Project.
- u) Discuss the acquisition of real property for the Brushy Creek Trail Project.
- v) Discuss the acquisition of real property in conjunction with WCCF for potential parkland/bird habitat.
- x) Discuss the acquisition of drainage/detention easements for real property North of WMCO Juvenile Detention Center

**y) Discuss the acquisition of the MKT Right of Way**

**B. Property or Real Estate owned by Williamson County**

Preliminary discussions relating to proposed or potential sale or lease of property owned by the County

- a) Discuss County owned real estate containing underground water rights and interests.

- b) Discuss possible sale of +/- 10 acres located on Chandler Road near the County Sheriff's Office Training Facility
- c) Potential governmental uses for 8th Street downtown parking lot
- d) Discuss possible uses of property owned by Williamson County on Main St. between 3rd and 4th Streets. (formerly occupied by WCCHD)
- e) Discuss property usage at Longhorn Junction
- f) Discuss sale of excess 183A right of way to abutting property owner.
- g) Discuss the sale of excess ROW at San Gabriel Parkway and Mel Mathis Ave.
- h) Discuss Blue Springs Boulevard
- i) Discuss county owned property located at Ed Schmidt Boulevard Hutto, Texas
- C. Consider intervention in lawsuit regarding de-listing of Bone Cave harvestman.
- D. Discuss the possible placement of agricultural-related monuments at the Williamson County Exposition Center with the participation of third parties.
- E. Discuss the Williamson County Reimbursement Agreement for Construction of San Gabriel Blvd. and New Hope Road with the City of Leander and TIRZ #1

## Background

---

### Fiscal Impact

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

### Attachments

*No file(s) attached.*

---

### Form Review

#### Inbox

County Judge Exec Asst.

Form Started By: Charlie Crossfield

Final Approval Date: 10/08/2020

#### Reviewed By

Andrea Schiele

#### Date

10/08/2020 10:32 AM

Started On: 10/08/2020 10:30 AM

**Commissioners Court - Regular Session****12.****Meeting Date:** 10/13/2020

Economic Development

**Submitted For:** Charlie Crossfield**Submitted By:** Charlie Crossfield, Road Bond**Department:** Road Bond**Agenda Category:** Executive Session

---

**Information****Agenda Item**

Discussion regarding economic development negotiations pursuant to Texas Government Code, Section 551.087:

- a) Business prospect(s) that may locate or expand within Williamson County.
- b) Wolf Lakes
- c) Flint Hill Resources-Taylor Fuel Storage Terminal on CR 366
- d) Project Deliver
- e) Project Advantage
- f) Project Cedar
- g) Project Expansion
- h) Project Arcos
- i) Project Woods
- j) Project Co-Op
- k) Project Liberty
- l) Project Long Haul
- m) Project Bon Jovi
- n) Project Crystal

**Background**

---

**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

*No file(s) attached.*

---

**Form Review****Inbox**

County Judge Exec Asst.

**Reviewed By**

Andrea Schiele

**Date**

10/08/2020 10:33 AM

Form Started By: Charlie Crossfield

Started On: 10/08/2020 10:31 AM

Final Approval Date: 10/08/2020