



**BEXAR COUNTY  
EMERGENCY SERVICES DISTRICT NO. 10**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2018

DISTRICT OFFICIALS

PRESIDENT

PAMELA A. KELLEY

VICE PRESIDENT

MARIE E. YATES

SECRETARY/TREASURER

DAN LAZAR

ATTORNEY

BURNS, ANDERSON, JURY & BRENNER, LLP



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

District Commissioners  
Bexar County Emergency Services District No. 10

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bexar County Emergency Services District No. 10, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District's primary government as listed in the table of contents.

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

The Bexar County Emergency Services District No. 10's 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 an opinion 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 of material misstatement.

An audit includes performing procedures to obtain 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 on the governmental activities and each major fund.

## ***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 the primary government of Bexar County Emergency Services District No. 10, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

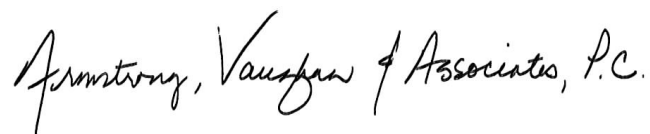
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information as listed in 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 inquires 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the Bexar County Emergency Services District No. 10's, financial statements. The comparative financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information 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.



Armstrong, Vaughan & Associates, P.C.

May 20, 2019



## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Bexar County Emergency Services District No. 10’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended September 30, 2018. Please read it in conjunction with the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District’s total net position was \$18 thousand at September 30, 2018.
- During the year, the District’s expenses were \$307 thousand more than the \$977 thousand generated in taxes and other revenue for governmental activities.
- The Gardendale Volunteer Fire Department obtained a capital lease for two fire trucks and related equipment.
- The general fund reported a deficit fund balance this year of \$(119) thousand.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

**Figure A-1, Required Components of the District’s Annual Financial Report**

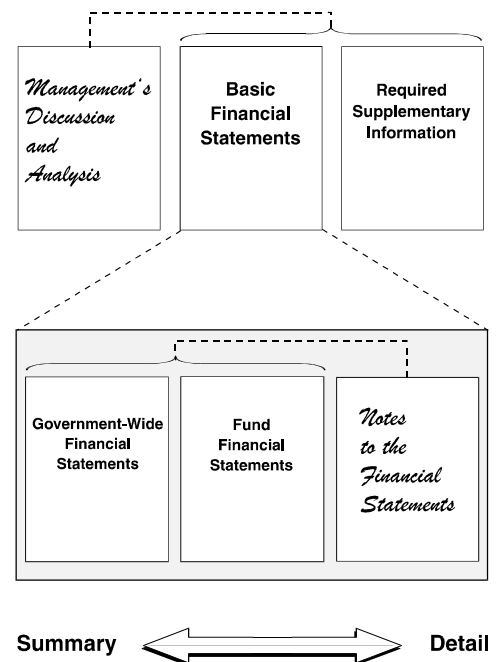


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

<b>Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements</b>		
<i>Type of Statements</i>	<b>Fund Statement</b>	
	Government-wide	Governmental Funds
<i>Scope</i>	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

### **Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net position and how they have changed. Net position—the difference between the District’s assets and liabilities—is one way to measure the District’s financial health or *position*.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District’s tax base

The government-wide financial statements of the District include the *Governmental activities*. Most of the District’s basic services are included here, such as Emergency Services and general administration. Property taxes finance most of these activities.

## Fund Financial Statements

The District has the following kinds of funds:

- *Governmental funds*—All of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District’s net position was \$18 thousand at September 30, 2018. (See Table A-1).

**Table A-1**  
Bexar County Emergency Services District No. 10 Net Position  
(In thousands dollars)

	Governmental Activities		Total Percentage Change
	2018	2017	2018 - 2017
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 18	\$ 183	-90.0%
Property Taxes Receivable	72	58	23.6%
Other Receivables	36	-	100.0%
Prepaid Items	8	9	-15.6%
<b>Noncurrent Assets</b>			
Land	15	15	0.0%
Buildings & Improvements	158	141	12.4%
Vehicles & Equipment	1,632	696	134.5%
Less: Accumulated Depreciation	(374)	(239)	56.3%
<b>Total Assets</b>	<b>1,565</b>	<b>863</b>	<b>81.4%</b>
<b>Current Liabilities</b>			
Accounts Payable	13	16	-20.0%
Payroll Liabilities	39	43	-8.8%
Accrued Interest Payable	32	10	219.0%
Short Term Note Payable	126	-	100.0%
Capital Lease Obligations - Current	114	33	245.2%
Unearned Revenue	-	29	-100.0%
<b>Noncurrent Liabilities</b>			
Capital Lease Obligations, Net of Current	1,223	408	199.8%
<b>Total Liabilities</b>	<b>1,547</b>	<b>539</b>	<b>187.1%</b>
<b>Net Position</b>			
Unrestricted, (Deficit)	(190)	153	-224.2%
Investment in Property and Equipment	208	171	21.5%
<b>Total Net Position</b>	<b>\$ 18</b>	<b>\$ 324</b>	<b>-94.5%</b>

**Changes in Net position.** The District’s total revenues were \$977 thousand. All of the District’s revenue comes from taxes, EMS charges, grants, donations and miscellaneous.

The total cost of all programs and services was \$1.3 million.

**Governmental Activities**

- Property tax rates were assessed at \$0.096820 per \$100 valuation.

**Table A-2**  
Changes in District’s Net Position  
(In thousands dollars)

	Governmental Activities		Total Percentage Change 2018 - 2017
	2018	2017	
<b>Program Revenues</b>			
Charges for Service	\$ 6	\$ 7	-14.3%
Operating Grants and Contributions	123	1	12219.0%
Capital Grants and Contributions	7	-	100.0%
<b>General Revenues</b>			
Property Taxes	834	737	13.1%
Miscellaneous Income	7	16	-54.2%
Total Revenues	<u>977</u>	<u>760</u>	28.5%
<b>General Expenses</b>			
General Administration	173	138	25.4%
Emergency Services	1,070	712	50.3%
Interest on Long Term Debt	<u>42</u>	<u>18</u>	130.6%
Total Expenses	<u>1,284</u>	<u>868</u>	48.0%
Increase (Decrease) in Net Position	<u>\$ (309)</u>	<u>\$ (108)</u>	185.8%

Table A-3 presents the cost of each of the District’s largest functions, as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- The cost of all *governmental* activities this year was \$1.3 million and was financed 85% through taxes, 13% through grants and donations and 2% through EMS charges and miscellaneous income.

**Table A-3**  
Net Cost of Selected District Functions  
(In thousands dollars)

	Net Cost of Services		Total Percentage Change 2018 - 2017
	2018	2017	
General Administration	\$ 173	\$ 138	25.4%
Emergency Services	933	705	32.4%
Interest on Long Term Debt	<u>42</u>	<u>18</u>	130.6%
	<u>\$ 1,147</u>	<u>\$ 861</u>	33.2%

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$963 thousand, an increase of 31%. The increase in local revenues is a result of increased assessed values as well as increased grants and donations.

### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget. Actual expenditures were \$7 thousand more than budgeted amounts primarily due to employee related costs.

Revenues were \$87 thousand less than budgeted amounts as the maintenance tax and revenue anticipation note was budgeted as miscellaneous revenue but reported as a liability.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal year 2018, the District invested a total of \$1.4 million, net of depreciation, in a broad range of capital assets, including land, buildings, vehicles and equipment. More detailed information about the District's capital assets is presented in the notes to the financial statements.

**Table A-4**  
Capital Assets  
(In thousands dollars)

	Governmental Activities		Total Percentage Change 2018 - 2017
	2018	2017	
Land	\$ 15	\$ 15	0.0%
Buildings & Improvements	159	141	13.0%
Vehicles & Equipment	1,632	696	134.5%
Less: Accumulated Depreciation	(375)	(239)	56.7%
Totals	<u>\$ 1,431</u>	<u>\$ 613</u>	133.5%

### Long Term Debt

At the end of the fiscal year 2018, the District had \$1.3 million in outstanding debt as shown on Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

**Table A-5**  
Long-Term Debt  
(In thousands dollars)

	Governmental Activities		Total Total Percentage Change 2018 - 2017
	2018	2017	
Capital Lease Obligations	<u>\$ 1,337</u>	<u>\$ 442</u>	202.5%
	<u>\$ 1,337</u>	<u>\$ 442</u>	202.5%

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised value used for the 2019 budget preparation has increased. The projected revenues for the 2019 budget preparation increased to \$2,008,820. The 2018 property tax rate remained at \$0.096820 per \$100 valuation.
- General operating fund spending is expected to increase per the 2019 budget. Expenditures are anticipated to increase from the actual 2018 expenditures of \$1,218,161 to \$1,820,442. This is a 49% increase for increased employee costs due to the acquisition of Harmony Fire Department Services and short-term note repayment.
- Effective October 1, 2018, the District will begin collecting sales tax in 2019 at a rate of 1.5%.

These indicators were taken into account when adopting the general fund budget for 2019. Amounts available for appropriation in the general fund budget are \$2,008,820, an increase of 109% over the final 2018 actual revenue of \$962,543. Property taxes will increase due to increased property values and the addition the addition of new properties into the district.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Bexar County Emergency Services District No. 10 citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Administrator by phone at (210) 661-3144.

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (GASB). The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
  - Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 18,327
Property Taxes Receivable	71,686
Other Receivables	36,328
Prepaid Items	7,567
<i>Total Current Assets</i>	133,908
 <i>Property and Equipment:</i>	
Land	15,000
Buildings & Improvements	158,427
Vehicles & Equipment	1,632,274
Less: Accumulated Depreciation	(374,518)
<i>Total Property and Equipment</i>	1,431,183
<b>TOTAL ASSETS</b>	\$ 1,565,091
 <b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 12,752
Payroll Liabilities	39,223
Accrued Interest Payable	31,877
Short Term Note Payable	126,250
Capital Lease Obligations - Current	113,892
<i>Total Current Liabilities</i>	323,994
 <i>Noncurrent Liabilities:</i>	
Capital Lease Obligations, Net of Current	1,223,370
<i>Total Noncurrent Liabilities</i>	1,223,370
<b>TOTAL LIABILITIES</b>	1,547,364
 <b>NET POSITION</b>	
Unrestricted, (Deficit)	(190,086)
Net Investment in Property & Equipment	207,813
<b>TOTAL NET POSITION</b>	\$ 17,727

The accompanying notes are an integral part of these statements.



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED SEPTEMBER 30, 2018

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Government</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Net (Expenses),</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Revenues and</u>
					<u>Changes in</u>
					<u>Net Position</u>
<b>Primary Government:</b>					
Governmental Activities:					
General Administration	\$ 173,069	\$ -	\$ -	\$ -	\$ (173,069)
Emergency Services	1,069,747	6,000	123,190	7,300	(933,257)
Interest on Long Term Debt	40,515	-	-	-	(40,515)
Total Governmental Activities	<u>1,283,331</u>	<u>6,000</u>	<u>123,190</u>	<u>7,300</u>	<u>(1,146,841)</u>
<b>Total Primary Government</b>	<b><u>\$ 1,283,331</u></b>	<b><u>\$ 6,000</u></b>	<b><u>\$ 123,190</u></b>	<b><u>\$ 7,300</u></b>	<b><u>(1,146,841)</u></b>
<b>General Revenues:</b>					
Property Taxes					833,898
Miscellaneous Income					6,336
<b>Total General Revenues</b>					<u>840,234</u>
Change in Net Position					(306,607)
<b>Net Position at Beginning of Year</b>					<u>324,334</u>
<b>Net Position at End of Year</b>					<u>\$ 17,727</u>

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018

	General Fund	Special Revenue Fund Gardendale VFD	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,201	\$ 3,126	\$ 18,327
Property Taxes Receivable	71,686	-	71,686
Other Receivables	36,328	-	36,328
Prepaid Items	7,567	-	7,567
<b>TOTAL ASSETS</b>	<b><u>\$ 130,782</u></b>	<b><u>\$ 3,126</u></b>	<b><u>\$ 133,908</u></b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 12,752	\$ -	\$ 12,752
Payroll Liabilities	39,223	-	39,223
Short Term Note Payable	126,250	-	126,250
<i>Total Liabilities</i>	<u>178,225</u>	<u>-</u>	<u>178,225</u>
 <i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	71,686	-	71,686
<i>Total Deferred Inflows of Resources</i>	<u>71,686</u>	<u>-</u>	<u>71,686</u>
 <i>Fund Balance:</i>			
Non-spendable			
Prepaid Items	7,567	-	7,567
Unassigned, (Deficit)	(126,696)	3,126	(123,570)
<i>Total Fund Balance</i>	<u>(119,129)</u>	<u>3,126</u>	<u>(116,003)</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	 <b><u>\$ 130,782</u></b>	 <b><u>\$ 3,126</u></b>	 <b><u>\$ 133,908</u></b>

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>	<b>\$ (116,003)</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Property taxes receivable are not available to pay current period expenditures and, therefore, are deferred in the fund statements.	71,686
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,431,183
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore, are not reported in the funds.	(1,337,262)
Accrued interest payable on long-term debt is not due and payable in the current period and, therefore, are not reported in the funds.	<u>(31,877)</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 17,727</u></u></b>

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Special Revenue	Total Governmental Funds
		Fund Gardendale VFD	
<b>REVENUES</b>			
Property Taxes	\$ 819,716	\$ -	\$ 819,716
Grants	96,452	-	96,452
Donations	34,038	-	34,038
Charges for Services	6,000	-	6,000
Miscellaneous Income	6,337	-	6,337
<b>TOTAL REVENUES</b>	<u>962,543</u>	<u>-</u>	<u>962,543</u>
<b>EXPENDITURES</b>			
Current:			
Administrative	170,331	-	170,331
Emergency Services	1,022,371	-	1,022,371
Capital Outlay	24,209	929,000	953,209
Debt Service:			
Principal	-	33,621	33,621
Interest and Bond Fees	1,250	17,380	18,630
<b>TOTAL EXPENDITURES</b>	<u>1,218,161</u>	<u>980,001</u>	<u>2,198,162</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(255,618)	(980,001)	(1,235,619)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Assets	85,000	-	85,000
Proceeds from Capital Lease	-	929,000	929,000
Transfers In (Out)	(51,001)	51,001	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>33,999</u>	<u>980,001</u>	<u>1,014,000</u>
<b>Net Change in Fund Balance</b>	(221,619)	-	(221,619)
<b>Fund Balance at Beginning of Year</b>	<u>102,490</u>	<u>3,126</u>	<u>105,616</u>
<b>Fund Balance at End of Year, (Deficit)</b>	<u>\$ (119,129)</u>	<u>\$ 3,126</u>	<u>\$ (116,003)</u>

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE OF THE  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ (221,619)

Amounts reported for governmental activities in the Statement of Activities 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.

Capital Outlay	953,209	
Depreciation	<u>(135,114)</u>	818,095

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

Property Taxes Not Available for Current Period	14,181
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The issuance of long-term debt (e.g. notes payable and capital leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from Capital Lease	(929,000)
Principal Repayments	33,621

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued Interest	<u>(21,885)</u>
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**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ (306,607)



NOTES TO BASIC FINANCIAL STATEMENTS

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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

The Bexar County Emergency Services District No. 10 (the “District”) is a political subdivision of the State of Texas and was created by the Bexar County Commissioners’ Court after a Public Election on May 13, 2008. The District was created to provide emergency services and promote public safety, welfare, health and convenience of persons residing in the District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below:

**A. THE FINANCIAL REPORTING ENTITY**

In evaluating how to define the government for financial purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Blended component units, although legally separate entities are, in substance, part of the government’s operations; thus, data from these units are to be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The District has one component unit, Gardendale Volunteer Fire Department (a Nonprofit Fire Department). The relationship between the Department and the District is such that it meets the criteria, as set forth in GASB Statement Nos. 14, 39, 61 and 80 for inclusion as a blended component unit in the reporting entity.

Gardendale Volunteer Fire Department (the “Department”) is a local nonprofit fire department without powers of taxation, organized exclusively for the purpose of providing fire protection and emergency services to the area covered by the Bexar County Emergency Services District No. 10.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. Governmental activities are supported mainly by property taxes.

The statement of activities reflects 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. 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 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 in program revenues are reported as general revenues.



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONT.)**

Separate **fund financial statements** are provided for governmental funds. The General Fund and Special Revenue Fund (Gardendale Volunteer Fire Department) meet the criteria of *major governmental funds*.

**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 related cash flows. Revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Property taxes are recognized in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

**Governmental fund level financial statements** are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied prior to September 30, 2017, and became due October 1, 2017 have been assessed to finance the budget of the fiscal year beginning October 1, 2017.

Expenditures generally are recorded when an expense is incurred; however, expenditures related to compensated absences and claims and judgments are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

**The General Fund** is the general operating fund of the District and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes and investment of idle funds. Primary expenditures are for general administration and emergency services.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONT.)

**The Special Revenue Fund** is a nonprofit corporation, Gardendale Volunteer Fire Department. This corporation is considered a blended component unit.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the District.

E. INVESTMENTS

State statutes authorize the District to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d); or, (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The District has all its monies in interest bearing checking accounts, savings accounts, money market accounts or certificates of deposit. Earnings from these investments are added to each account monthly or quarterly.

The District reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. ACCOUNTS RECEIVABLE

Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based on historical trends.

Property taxes are levied based on taxable value at January 1 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property taxes receivable for prior year's levy is shown net of the allowance for uncollectible accounts.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**G. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. At September 30, 2018, prepaid items totaled \$7,567 for prepaid insurance.

**H. CAPITAL ASSETS**

Capital assets, which include land; buildings and improvements; and vehicles and equipment, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$1,000 or more and a useful life greater than one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	15 - 29
Vehicles & Equipment	7 - 17

Land is not depreciated.

Property and equipment that is titled to Gardendale Volunteer Fire Department is currently insured by Bexar County Emergency Services District No. 10.

**I. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax are deferred and recognized as inflow of resource in the period the amount becomes available.

**J. COMPENSATED ABSENCES**

The District does not offer paid time off or sick time. As a result, there is no liability reported in the government-wide statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**K. LONG TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities.

**L. FUND EQUITY**

Fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted – Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed – Represents amounts that can only be used for a specific purpose because of a formal action by the District Commissioners. Committed amounts cannot be used for any other purpose unless the District Commissioners removes those constraints through the same formal action.

Assigned – Represents amounts which the District intends to use for a specific purpose but do not meet the criteria of restricted or committed. The District Commissioners are the only entities that may make assignments at this time.

Unassigned – Represents the residual balance that may be spent on any other purpose of the District.

The District has not adopted a policy determining the order of availability.

**M. NET POSITION**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**N. USE OF 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

O. RECLASSIFICATIONS

Certain reclassifications have been made to the prior periods presented to conform to the current presentation. These reclassifications had no effect on fund equity.

**NOTE 2 -- CASH AND CASH INVESTMENTS**

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledge securities 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.

1. Cash

At September 30, 2018, the carrying amount of the District's deposits in the bank was fully covered by federal deposit insurance.

2. Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, 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.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Audit procedures in this area, conducted as part of the audit of the basic financial statements, disclosed that the District had not complied with those provisions as the District has not adopted a formal investment policy.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District had no investments at September 30, 2018.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 2 -- CASH AND CASH INVESTMENTS (CONT.)**

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to a concentration of credit risk.

d. Interest Rate Risk

This is the risk that the changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Rate

This is the risk that the exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 3 -- AD VALOREM (PROPERTY) TAXES**

The District has contracted with the Bexar County Tax Assessor-Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action.

For fiscal year 2018, the assessed tax rate for the District was \$0.096820 per \$100 on an assessed valuation of \$852,000,333. Legally, the District may assess up to \$0.1000 per \$100 on assessed valuations. Total tax levy for fiscal year 2018 was \$824,907. As of September 30, 2018, the delinquent current taxes were \$26,650.

**NOTE 4 -- RECEIVABLES**

The following is a summary of the gross property taxes and other receivables and the related allowances for uncollectible accounts:

<u>Assets</u>	<u>Amount Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Accounts</u>
<i>Taxes:</i>			
Property Taxes	\$ 71,686	\$ -	\$ 71,686
<i>Other Receivables:</i>			
EMS Reimbursement Grant	36,328	-	36,328
	<u>\$ 108,014</u>	<u>\$ -</u>	<u>\$ 108,014</u>

**NOTE 5 -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2018 is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments and Disposals</u>	<u>Ending Balance</u>
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Buildings & Improvements	141,218	17,209	-	158,427
Vehicles & Equipment	696,274	936,000	-	1,632,274
Less: Accumulated Depreciation	(239,404)	(135,114)	-	(374,518)
	<u>\$ 613,088</u>	<u>\$ 818,095</u>	<u>\$ -</u>	<u>\$ 1,431,183</u>

The entire depreciation expense is recorded in the Emergency Services function.

Additionally, all the debt related to the property and equipment is in the name of the Gardendale Volunteer Fire Department.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 6 -- SHORT TERM NOTE PAYABLE**

In September 2018, the District issued a maintenance tax and revenue anticipation note in advance of property tax collections, depositing the proceeds in the General Fund. The note has a principal balance of \$126,250 due March 19, 2019 with an interest rate of 4.0%. The note was necessary to fund the District's maintenance and operations after operating funds were exhausted. The District did not begin collecting the property tax revenue until December 2018. Short term note payable activity for the year ended September 30, 2018 is as follows:

	Balance 10/1/2017	Additions	Reductions	Balance 9/30/2018	Due Within One Year
Maintenance Tax & Revenue Anticipation Note	\$ -	\$ 126,250	\$ -	\$ 126,250	\$ 126,250
	<u>\$ -</u>	<u>\$ 126,250</u>	<u>\$ -</u>	<u>\$ 126,250</u>	<u>\$ 126,250</u>

Future payment is due as follows:

Fiscal Year Ending September 30, 2019	Principal	Interest	Total
	\$ 126,250	\$ 2,651	\$ 128,901
	<u>\$ 126,250</u>	<u>\$ 2,651</u>	<u>\$ 128,901</u>

**NOTE 7 -- LONG TERM DEBT**

A summary of long-term debt outstanding as of September 30, 2018, is as follows:

	Balance 10/1/2017	Additions	Reductions	Balance 9/30/2018	Due Within One Year
Governmental Activities					
Capital Lease Obligations	\$ 441,883	\$ 929,000	\$ (33,621)	\$ 1,337,262	\$ 113,892
	<u>\$ 441,883</u>	<u>\$ 929,000</u>	<u>\$ (33,621)</u>	<u>\$ 1,337,262</u>	<u>\$ 113,892</u>

In August 2013, the Gardendale Volunteer Fire Department signed a long-term capital lease for a 2013 KME Pumper truck and related equipment. The lease has an original financed balance of \$290,000 over 17 years with an interest rate of 3.5%. Future minimum lease payments are shown in the table on page 26.

In October 2015, the Gardendale Volunteer Fire Department signed a long-term capital lease for a 2005 Pumper truck and related equipment. The lease has an original financed balance of \$223,500 over 10 years with an interest rate of 4.44%. Future minimum lease payments are shown in the table on page 26.

In January 2018, the Gardendale Volunteer Fire Department signed a long-term capital lease for a two 2018 Pumper trucks and related equipment. The lease has an original financed balance of \$929,000 over 10 years with an interest rate of 3.58%. Future minimum lease payments are shown in the table on page 26.



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
 SEPTEMBER 30, 2018

**NOTE 7 -- LONG TERM DEBT**

Future minimum lease payments are shown in the table below.

Fiscal Year Ending September 30,	2013 Pumper	2005 Pumper	2018 Pumpers	Total
2019	\$ 22,833	\$ 28,168	\$ 112,155	\$ 163,156
2020	22,833	28,168	112,155	163,156
2021	22,833	28,168	112,155	163,156
2022	22,833	28,168	112,155	163,156
2023	22,833	28,168	112,155	163,156
2024-2028	114,165	84,504	560,775	759,444
2029	45,666	-	-	45,666
	<u>273,996</u>	<u>\$ 225,344</u>	<u>\$ 1,121,550</u>	<u>\$ 1,620,890</u>
Less: Interest	<u>(51,953)</u>	<u>(39,125)</u>	<u>(192,550)</u>	<u>(283,628)</u>
	<u>\$ 222,043</u>	<u>\$ 186,219</u>	<u>\$ 929,000</u>	<u>\$ 1,337,262</u>
Current Principle Only	\$ 15,103	\$ 19,892	\$ 78,897	\$ 113,892

The following is an analysis of the vehicles and equipment under capital lease as of September 30, 2018:

	2013 Pumper	2005 Pumper	2018 Pumpers	Total
Cost Basis of Vehicles & Equipment Leased	\$ 290,000	\$ 223,500	\$ 929,000	\$ 1,442,500
Less: Accumulated Depreciation	<u>(87,397)</u>	<u>(66,621)</u>	<u>(62,440)</u>	<u>(216,458)</u>
Net Basis of Vehicles & Equipment	<u>\$ 202,603</u>	<u>\$ 156,879</u>	<u>\$ 866,560</u>	<u>\$ 1,226,042</u>

**NOTE 8 -- DEFICIT FUND BALANCE**

As of September 30, 2018, the General Fund had a deficit unassigned fund balance of \$126,696. The deficit is the result of the District exhausting its operating funds and obtaining a short term note to cover operational costs. The deficit is expected to be resolved through expenditure reduction and revenue increases from sales tax and property tax collections in the next fiscal year.

**NOTE 9 -- TRANSFERS**

During the year ended September 30, 2018, the Bexar County Emergency Services District No. 10 transferred \$51,001 to the Gardendale Volunteer Fire Department to cover capital lease payments.

**NOTE 10 -- RELATED PARTIES**

Two of the four Gardendale Volunteer Fire Department board members are related (father and son).

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)  
SEPTEMBER 30, 2018

**NOTE 11 -- LITIGATION**

The District is not aware of any pending or threatened litigation.

**NOTE 12 -- SUBSEQUENT EVENTS**

In December 2018, Bexar County Emergency Services District No. 10 approved to participate in the statewide Texas County and District Retirement Systems (TCDRS) effective January 1, 2019. The TCDRS retirement is in a nontraditional, defined benefit pension plan.

In October 2018, the Bexar County Emergency Services District No. 10 became eligible to begin charging and collecting sales tax.

In October 2018, Bexar County Emergency Services District No. 10 signed a 20-year long-term note payable to build a new fire station. The note has a principal balance of \$1.5 million and an interest rate of 4.42%. Payments are due annually in the amount of \$116,091 starting February 15, 2020. A final payment in the amount of \$114,630 is due on October 26, 2038.

**NOTE 13 -- SERVICE PROVIDER**

Gardendale Volunteer Fire Department currently allows the Bexar County Emergency Services District No. 10 to use its property and equipment. The district will continue to pay for the liability insurance on the assets.

**NOTE 14 -- RISK MANAGEMENT**

The Bexar County Emergency Services District No. 10, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover this risk the District contracts with the Volunteer Firemen's Insurance Services (VFIS) of Texas to provide insurance coverage for Property/Casualty and Workers Compensation. VFIS is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by VFIS. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2018, were \$24,472.

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Property Taxes	\$ 784,500	\$ 821,200	\$ 819,716	\$ (1,484)
Grants	37,000	57,300	96,452	39,152
Donations	20,000	34,000	34,038	38
Charges for Services	5,000	6,000	6,000	-
Miscellaneous Income	-	131,300	6,337	(124,963)
<b>TOTAL REVENUES</b>	<u>846,500</u>	<u>1,049,800</u>	<u>962,543</u>	<u>(87,257)</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	126,350	179,710	170,331	9,379
Emergency Services	559,800	1,003,050	1,022,371	(19,321)
Capital Outlay	50,000	28,200	24,209	3,991
Interest and Bond Fees	-	-	1,250	(1,250)
<b>TOTAL EXPENDITURES</b>	<u>736,150</u>	<u>1,210,960</u>	<u>1,218,161</u>	<u>(7,201)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	110,350	(161,160)	(255,618)	(94,458)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	70,000	85,000	85,000	-
Transfers In (Out)	(50,000)	(51,000)	(51,001)	(1)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>20,000</u>	<u>34,000</u>	<u>33,999</u>	<u>(1)</u>
<b>Net Change in Fund Balance</b>	130,350	(127,160)	(221,619)	(94,459)
<b>Fund Balance - Beginning</b>	<u>102,490</u>	<u>102,490</u>	<u>102,490</u>	<u>-</u>
<b>Fund Balance - Ending, (Deficit)</b>	<u>\$ 232,840</u>	<u>\$ (24,670)</u>	<u>\$ (119,129)</u>	<u>\$ (94,459)</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	-	-	-	-
Emergency Services	-	-	-	-
Capital Outlay	-	-	929,000	(929,000)
Debt Service:				
Principal	-	-	33,621	(33,621)
Interest	-	-	17,380	(17,380)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>980,001</u>	<u>(980,001)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(980,001)	980,001
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Lease	-	-	929,000	929,000
Transfers In (Out)	-	-	51,001	51,001
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>980,001</u>	<u>980,001</u>
<b>Net Change in Fund Balance</b>			-	-
<b>Fund Balance - October 1</b>	<u>3,126</u>	<u>3,126</u>	<u>3,126</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 3,126</u>	<u>\$ 3,156</u>	<u>\$ 3,126</u>	<u>\$ -</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2018

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The District maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District’s Board and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund. The Special Revenue Fund did not have a legally adopted budget.

It is recommended that actual expenditures do not exceed appropriations; however, actual expenditures exceeded appropriations for the year ended September 30, 2018 due to employee costs.

The District does not use encumbrances.



## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Balance Sheets – General Fund
- Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – General Fund
- Comparative Balance Sheets – Special Revenue Fund
- Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 COMPARATIVE BALANCE SHEETS - GENERAL FUND  
 SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 15,201	\$ 180,127
Property Taxes Receivable	71,686	57,505
Other Receivables	36,328	-
Prepaid Items	7,567	9,230
<b>TOTAL ASSETS</b>	<b>\$ 130,782</b>	<b>\$ 246,862</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 12,752	\$ 15,812
Payroll Liabilities	39,223	42,566
Short Term Note Payable	126,250	-
Unearned Revenue	-	28,489
<i>Total Liabilities</i>	<b>178,225</b>	<b>86,867</b>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	71,686	57,505
<i>Total Deferred Inflows of Resources</i>	<b>71,686</b>	<b>57,505</b>
 <i>Fund Balance:</i>		
Non-spendable		
Prepaid Items	7,567	9,230
Unassigned, (Deficit)	(126,696)	93,260
<i>Total Fund Balance</i>	<b>(119,129)</b>	<b>102,490</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS AND RESOURCES AND FUND BALANCES</b>		
	<b>\$ 130,782</b>	<b>\$ 246,862</b>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - GENERAL FUND  
 FOR YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>REVENUES</b>		
Property Taxes	\$ 819,716	\$ 719,110
Grants	96,452	-
Donations	34,038	900
Charges for Services	6,000	6,677
Miscellaneous Income	6,337	6,410
<b>TOTAL REVENUES</b>	<b>962,543</b>	<b>733,097</b>
 <b>EXPENDITURES</b>		
<i>Current:</i>		
Administrative	170,331	133,940
Emergency Services	1,022,371	639,606
Capital Outlay	24,209	45,193
Bond Fees	1,250	-
<b>TOTAL EXPENDITURES</b>	<b>1,218,161</b>	<b>818,739</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(255,618)</b>	<b>(85,642)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Sale of Capital Assets	85,000	10,000
Transfers In (Out)	(51,001)	(51,001)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>33,999</b>	<b>(41,001)</b>
<b>Net Change in Fund Balance</b>	<b>(221,619)</b>	<b>(126,643)</b>
 <b>Fund Balance - October 1</b>	<b>102,490</b>	<b>229,133</b>
 <b>Fund Balance - September 30, (Deficit)</b>	<b>\$ (119,129)</b>	<b>\$ 102,490</b>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 COMPARATIVE BALANCE SHEETS – SPECIAL REVENUE FUND  
 SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	<b>\$ 3,126</b>	\$ 3,126
<b>TOTAL ASSETS</b>	<b>\$ 3,126</b>	\$ 3,126
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	<b>\$ -</b>	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balance:</i>		
Unassigned	<b>3,126</b>	3,126
<i>Total Fund Balance</i>	<b>3,126</b>	3,126
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,126</b>	\$ 3,126

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 10  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND  
 FOR YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<b>2018</b>	2017
<b>REVENUES</b>		
Miscellaneous Income	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>
 <b>EXPENDITURES</b>		
Current:		
Administrative	-	3,581
Emergency Services	-	5,435
Capital Outlay	<b>929,000</b>	-
Debt Service:		
Principal	<b>33,621</b>	32,301
Interest	<b>17,380</b>	18,700
<b>TOTAL EXPENDITURES</b>	<b>980,001</b>	60,017
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(980,001)</b>	(60,017)
 <b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Capital Lease	<b>929,000</b>	-
Transfers In (Out)	<b>51,001</b>	51,001
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>980,001</b>	51,001
<b>Net Change in Fund Balance</b>	<b>-</b>	(9,016)
<b>Fund Balance - October 1</b>	<b>3,126</b>	-
Prior Period Adjustment	-	12,142
<b>Fund Balance - September 30</b>	<b>\$ 3,126</b>	<b>\$ 3,126</b>

