



MEDACK & OLTMANN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Travis County Emergency Services District No. 8

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Travis 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 Travis 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 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.

Meduck & Oltmann, LLP

Medack & Oltmann, LLP
Giddings, TX
April 22, 2020



In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 34, the management of Travis County Emergency Services District No. 8 (the “District”) offers the following narrative on the financial performance of the District for the year ended September 30, 2019. Please read it in connection with the District’s financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “General Fund” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

Management’s Discussion and Analysis

Travis County Emergency Services District 8 officially acquired the assets of the Pedernales Fire Department on October 1, 2013.

The Fire Chief has the responsibility for the overall management of the Department including long-term planning.

In October 2018 the Fire Chief retired and the Board appointed the ESD’s Division Chief as the new Fire Chief. A decision was made by the Board and the new Fire Chief not to replace the Division Chief position.

The Administrative Assistant is responsible for Human Resources and other administrative duties.

As the budget and demands for the ESD continue to grow, the ESD will continue to analyze pay rates and benefits in an attempt to become competitive with neighboring districts. Over the past five years the ESD has increased pay rates and benefits, each year, while maintaining a balanced budget.

Travis County ESD 8 is located in an area of moderate to strong economic growth with housing and commercial construction increasing. The area also serves as the main corridor for access to Lakeway and Austin, and for communities west of Travis County.

The challenges the ESD faces as a responsible governmental organization is balancing the financial resources with the demands for improved service coming from a growing population, and the corresponding demands for improved service coming from local and state governmental entities.

There is no doubt the citizens of Travis County ESD 8 support both financial restraint and improved services. We do intend to make the most of our citizens' financial support to provide consistently outstanding fire and emergency services in every sector of Travis County Emergency Services District 8.

Moving forward, the Department will continue to face economic challenges based on a growing population. With strategic planning, continued teamwork, and coordination of resources the ESD will continue to work within our means to provide the services that the citizens of Travis County ESD8 deserve.

Overview of the Basic Financial Statements

The District's reporting is comprised of two parts:

- *Management's Discussions and Analysis (this section)*
- *Basic Financial Statements:*
 - *Statement of Net Position and Governmental Fund Balance Sheet*
 - *Statement of Activities and Governmental Fund Revenues, Expenditures, And Changes in Fund Balance*
 - *Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – General Fund*
 - *Notes to Basic Financial Statements*

The *Statement of Net Position and Governmental Fund Balance Sheet* includes a column (titled "General Fund") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance* includes a column (titled "General Fund") that derives the change in fund balance resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund* presents a comparison statement between the District's adopted budget to its actual results.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statements of Net Position and Governmental Fund Balance Sheet* and the *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance*.

The District as a Whole

The District's combined net position for the years ending September 30, 2019, and 2018, are shown in the table below. Our analysis below focuses on the net position and changes in the net position of the District's governmental activities as reported in the accrual basis of accounting.

STATEMENT OF NET POSITION

	<u>9/30/2019</u>	<u>9/30/2018</u>
Assets:		
Current	\$ 1,690,185	\$ 1,035,302
Capital assets (net of accumulated depreciation)	<u>2,719,336</u>	<u>2,711,175</u>
TOTAL ASSETS	<u><u>\$ 4,409,521</u></u>	<u><u>\$ 3,746,477</u></u>
Liabilities:		
Current liabilities	\$ 386,841	\$ 376,300
Long-term liabilities	<u>1,533,972</u>	<u>1,706,881</u>
TOTAL LIABILITIES	<u><u>\$ 1,920,813</u></u>	<u><u>\$ 2,083,181</u></u>
Net position:		
Net investment in capital assets	\$ 1,061,478	\$ 891,456
Unrestricted	<u>1,427,230</u>	<u>771,840</u>
TOTAL NET POSITION	<u><u>\$ 2,488,708</u></u>	<u><u>\$ 1,663,296</u></u>

The District's total assets were \$4,409,521 as of September 30, 2019. Of this amount, \$2,719,336 is accounted for by capital assets. The District had outstanding liabilities of \$1,920,813, of which \$1,657,858 represents notes payable and capital lease obligations.

The changes in net position for the respective periods are also shown in the table below.

STATEMENT OF ACTIVITIES

	9/30/2019	9/30/2018
EXPENSES:		
Apparatus	\$ 97,294	\$ 109,943
Support Equipment	67,147	52,238
Communications	69,765	68,777
Recruitment & Retention	12,709	9,421
Training	16,238	19,580
Stations	61,316	66,757
Clothing & Protective Gear	34,516	18,266
Personnel	2,446,520	2,452,687
Administrative	146,299	198,677
Debt Service	72,139	77,289
Depreciation	203,986	195,306
TOTAL EXPENSE	\$ 3,227,929	\$ 3,268,941
 Revenues:		
General	\$ 4,053,341	\$ 3,409,497
Grants & Contributions	-	-
TOTAL REVENUES	\$ 4,053,341	\$ 3,409,497
 CHANGE IN NET POSITION	\$ 825,412	\$ 140,556
 Beginning Net Position	\$ 1,663,296	\$ 1,522,740
 Ending Net Position	\$ 2,488,708	\$ 1,663,296

General revenues increased by approximately \$643,844 to \$4,053,341 for the fiscal year ended September 30, 2019, due to an increase in property and sales tax collections. Property taxes generated \$2,364,484 and sales tax generated \$1,652,878 in revenues. Total expenses decreased by \$41,012 to \$3,227,929 for the fiscal year ended September 30, 2019. Net position increased \$825,412 for the fiscal year ended September 30, 2019, compared to an increase of \$140,556 for the fiscal year ended September 30, 2018.

The District Governmental Fund

At September 30, 2019, the District's governmental fund reported a fund balance of \$1,518,333, which is an increase of \$662,918 from the prior year. This increase in fund balance can be attributed to an increase of revenues over expenditures at September 30, 2019.

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 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 purposes pursuant to approval by formal action by the Board of Commissioners.

Assigned – For the General Fund, amounts that are appropriated by the Board of Commissioners, or their 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.

General Fund Budgetary Highlights

The actual expenditures in the General Fund were \$27,540 less than the budgeted amounts. Actual revenues in the General Fund were approximately \$78,297 more than budgeted amounts primarily due to increase in sales tax of \$62,878.

Capital Asset and Debt Administration

Capital Assets

At September 30, 2019, and 2018, the District had the following capital assets in operation:

	9/30/2019	9/30/2018
Buildings	\$ 2,418,861	\$ 2,337,627
Vehicles & Equipment	2,109,778	1,978,865
Total Capital Assets	\$ 4,528,639	\$ 4,316,492
Accumulated Depreciation	\$ (1,809,303)	\$ (1,605,317)
Total Net Capital Assets	<u>\$ 2,719,336</u>	<u>\$ 2,711,175</u>

More detailed information about the District’s capital assets is presented in the *Notes to Basic Financial Statements*.

Notes Payable and Capital Lease

In 2008, the District entered into a note payable agreement from a bank to fund the construction of the District's new fire station. The District made principal payments of \$99,155 during the year ended September 30, 2019, related to this note payable agreement.

In 2012, the District entered into a notes payable agreement from a bank to finance the acquisition of another fire apparatus for Pedernales Emergency Services. The District made principal payments of \$23,195 during the year ended September 30, 2019, on this agreement.

In 2013, the District entered into a note payable agreement from a bank to finance the acquisition of 2 fire trucks for a total of \$575,000. The District made principal payments of \$75,009 during the year ending September 30, 2019.

In 2016, the District entered into a capital lease agreement to finance the purchase of lake assault boat for a total of \$348,000. The District made principal payments of 31,896 during the year ending September 30, 2019.

In 2019, the District entered into a note payable agreement from a bank to finance the acquisition of a truck for a total of \$84,581. The District made principal payments of \$17,187 during the year ending September 30, 2019.

More detailed information about the District's notes payable and capital lease and the liens securing those notes and lease are presented in the *Notes to Basic Financial Statements*.

Economic Factors, Budgets and Rates

Travis County Emergency Services District 8 (ESD 8) serves a section of Texas Hill Country near Lake Travis, approximately 30 miles outside of Austin, TX. It operates with three Stations and 35 personnel. It is administratively managed by a Fire Chief, Admin Assistant, Business Manager, and Special Projects Officer.

ESD 8 is located in an area long known for tourist coming to Lake Travis, but now there is strong growth in residences spurred by the Austin economy. It services a large portion of State Highway 71; a corridor between Austin and Texas Hill country attractions such as Marble Falls, Fredericksburg, etc.

Resource management has been challenging as the demand for services have increased relative to strong population growth and overall development in the area.

In response, ESD 8 management has structured its budget and operations to meet strategic timelines and deliverables in order to hone in on the needs of its growing community:

- It has increased its staff to meet the obligations of emergency medical services in concert with Travis County Emergency Services District 16.
- It opened Station 803 to 24 hours to meet demand in Barton Creek Lakeside area.
- It continues to update outdated equipment and facilities.

ESD 8 and its Board remain good stewards of its citizenry funds, with constant focus on the services that its constituents deserve.

Contacting the District's Financial Management

The financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Travis County Emergency Services District No. 8
Attn: Treasurer
801 Bee Creek Road
Briarcliff, Texas 78669

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 8
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	General Fund	Adjustments (Note 10)	Statement of Net Position
ASSETS			
Cash	\$ 63,067	\$ -	\$ 63,067
Investments	1,285,416	-	1,285,416
Property Taxes Receivable	46,036	-	46,036
Sales Tax Receivable	269,858	-	269,858
Prepays	25,808	-	25,808
Capital Assets (net of accumulated depreciation)	-	2,719,336	2,719,336
	<u>\$ 1,690,185</u>	<u>\$ 2,719,336</u>	<u>\$ 4,409,521</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Payroll Liabilities Payable	\$ 86,638	\$ -	\$ 86,638
Accounts Payable	31,293	-	31,293
ReSET Payable	7,185	-	7,185
Accrued Interest	-	7,295	7,295
Other Current Liabilities	700	-	700
Long-term liabilities			
Due within one year	-	253,730	253,730
Due after one year	-	1,533,972	1,533,972
	<u>\$ 125,816</u>	<u>\$ 1,794,997</u>	<u>\$ 1,920,813</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	<u>\$ 46,036</u>	<u>\$ (46,036)</u>	<u>\$ -</u>
FUND BALANCES/NET POSITION			
Fund balances:			
Non-spendable	\$ 25,808	\$ (25,808)	\$ -
Assigned for:			
Debt Service	317,500	(317,500)	-
Unassigned	1,175,025	(1,175,025)	-
Total fund balances	<u>1,518,333</u>	<u>(1,518,333)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,690,185</u>		
Net position:			
Net investment in capital assets		1,061,478	1,061,478
Restricted		-	-
Unrestricted		1,427,230	1,427,230
Total net position		<u>\$ 2,488,708</u>	<u>\$ 2,488,708</u>

See Accompanying Notes to the Financial Statements

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 8
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	<u>General Fund</u>	<u>Adjustments (Note 10)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Apparatus	\$ 97,294	\$ -	\$ 97,294
Support Equipment	67,147	-	67,147
Communications	69,765	-	69,765
Recruitment & Retention	12,709	-	12,709
Training	16,238	-	16,238
Stations	61,316	-	61,316
Clothing & Protective Gear	34,516	-	34,516
Personnel	2,433,093	13,427	2,446,520
Administrative	146,299	-	146,299
Capital Outlay	212,147	(212,147)	-
Debt Service:			
Principal	246,442	(246,442)	-
Interest	70,994	1,145	72,139
Depreciation Expense	-	203,986	203,986
Total expenditures/expenses	<u>\$ 3,467,960</u>	<u>\$ (240,031)</u>	<u>\$ 3,227,929</u>
GENERAL REVENUES			
Property Taxes	\$ 2,357,440	\$ 7,044	\$ 2,364,484
Sales Taxes	1,652,878	-	1,652,878
Interest	32,302	-	32,302
Miscellaneous Income	3,677	-	3,677
Total general revenues	<u>\$ 4,046,297</u>	<u>\$ 7,044</u>	<u>\$ 4,053,341</u>
Excess of Revenues and Other Sources over Expenditures	<u>\$ 578,337</u>	<u>\$ (578,337)</u>	<u>\$ -</u>
Other financing sources (uses)			
Financing Proceeds	\$ 84,581	\$ (84,581)	\$ -
Total other financing sources	<u>\$ 84,581</u>	<u>\$ (84,581)</u>	<u>\$ -</u>
Net change in fund balances	\$ 662,918	\$ (662,918)	\$ -
Change in net position		<u>\$ 825,412</u>	<u>\$ 825,412</u>
Fund Balance/Net Position			
Beginning of the year	<u>\$ 855,415</u>	<u>\$ 807,881</u>	<u>\$ 1,663,296</u>
End of the year	<u>\$ 1,518,333</u>	<u>\$ 970,375</u>	<u>\$ 2,488,708</u>

See Accompanying Notes to the Financial Statements

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
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 Travis County Emergency Services District No. 8 (the District) was created by Article III, Section 48-d of the Constitution of Texas to protect life and property from fire and to conserve natural and human resources. It was approved by voters of the District in a general election on November 5, 1985. The District was legally converted to a district operating under the Health & Safety Code Chapter 775 by an election of the voters and effectively became known as Travis County Services District No 8 on December 2, 1999.

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

Basic Financial Statements and Management Discussion and Analysis for State and Local Governments set 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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 fund (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 incorporated 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 is 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.

The net cost by function is normally covered by general revenues (intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity. 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 fund financial statements are similar to the financial statements presented in the previous accounting model.

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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 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 an ordinance.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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. The capitalization policy, i.e. the dollar value above which asset acquisitions are added to the capital accounts, is \$ 6,000.

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	39.5 years
Vehicles	10-15 years
Other Equipment	5-10 years

The Department 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 acquisitions.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 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’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 and any allowable carryover from prior periods.

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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

PROGRAM REVENUES

The District considers program revenues as revenues that (1) originate from the program or from parties other than the government's taxpayers or citizens as a whole and (2) reduce the expenses of the function that has to be financed by general revenues. Revenues of this type can originate from a governmental source, but the proceeds are a charge for services or products produced by a government agency, where that agency is considered a vendor within the market place. Additionally, program revenues are fees charged by the government agency that are used to support a specific operation of that governmental unit. The District reports revenues from its fire academy as program revenues.

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.

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.

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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 June 30, 2021.

NOTE 2: CASH AND INVESTMENTS

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2019, such deposits, reported as Cash totaled \$ 63,067. These funds were adequately secured by Federal Deposit Insurance Corporation (Category 1).

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.

The Public Funds Investment Act authorizes the District to invest funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District had an investment of \$ 1,285,416 in an external local governmental investment pool, Texas Local Governmental Investment Pool ("TexPool"), at September 30, 2019. The investments in TexPool had a weighted average maturity of one day and a Standard and Poor's rating of AAAM.

TexPool is an external investment pool offered to local governments. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool.

TexPool also has an advisory board to advise on TexPool's investment policy; this board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2: CASH AND INVESTMENTS - continued

Federated Investors manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of the TexPool shares. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

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 agencies are designed to give an indication of credit risk. At September 30, 2019, investments were included in a local governmental investment pool with a rating from Standard and Poor's in compliance with the District's investment policy.

Concentration of Credit Risk- Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At September 30, 2019, all of the District's investments were with TexPool.

Interest Rate Risk- The District considers the holdings in the local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value.

NOTE 3: CAPITAL ASSETS

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

	Balance 09/30/2018	Additions/ Completions	Retirements/ Adjustments	Balance 09/30/2019
Governmental Activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 162,658	\$ 81,234		\$ 243,892
Total capital assets not being depreciated	\$ 162,658	\$ 81,234	\$ -	\$ 243,892
Capital assets, being depreciated				
Vehicles	\$1,579,079	\$ 84,581	\$ -	\$ 1,663,660
Equipment	399,786	46,332	-	446,118
Buildings and Structures	2,174,969	-	-	2,174,969
Total capital assets being depreciated	\$4,153,834	\$ 130,913	\$ -	\$ 4,284,747
Total capital assets	\$4,316,492	\$ 212,147	\$ -	\$ 4,528,639
Less accumulated depreciation for:				
Vehicles	\$ 985,838	\$ 108,150	\$ -	\$ 1,093,988
Equipment	117,794	38,790	-	156,584
Buildings and Structures	501,685	57,046	-	558,731
Total accumulated depreciation	\$1,605,317	\$ 203,986	\$ -	\$ 1,809,303
Governmental activities capital assets, net	\$2,711,175	\$ 8,161	\$ -	\$ 2,719,336

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3: CAPITAL ASSETS - continued

In prior years, the District entered into several capital leases purchasing fire apparatus and equipment. At September 30, 2019, the gross amount of the asset was \$348,000 and accumulated amortization was \$118,900. Amortization expense is included in depreciation expense.

Depreciation was charged to the governmental activities of \$203,986.

NOTE 4: LONG-TERM DEBT

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

<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding at 9/30/2019</u>	<u>Due Within One Year</u>
08/28/08	\$ 2,000,000	2028	4.26%	\$ 1,109,603	\$ 103,447
09/14/12	219,775	2022	4.00%	75,520	24,143
06/27/13	575,000	2021	4.29%	156,907	77,276
05/03/16	348,000	2026	3.65%	248,434	33,076
09/01/19	84,581	2023	4.29%	67,394	15,788
	<u>\$ 3,227,356</u>			<u>\$ 1,657,858</u>	<u>\$ 253,730</u>

	<u>Balance 09/30/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 09/30/2019</u>	<u>Due within one year</u>
Governmental Activities					
Notes Payable	\$ 1,539,389	\$ 84,581	\$ 214,546	\$ 1,409,424	\$ 220,654
Capital Lease Payable	280,330	-	31,896	248,434	33,076
Total Notes & Capital Leases	<u>\$ 1,819,719</u>	<u>\$ 84,581</u>	<u>\$ 246,442</u>	<u>\$ 1,657,858</u>	<u>\$ 253,730</u>
Compensated Absences	116,417	13,427	-	129,844	-
Total Debt	<u>\$ 1,936,136</u>	<u>\$ 182,589</u>	<u>\$ 246,442</u>	<u>\$ 1,787,702</u>	<u>\$ 253,730</u>

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2019

NOTE 4: LONG-TERM DEBT - continued

Debt service requirements to maturity for the District's notes payable and capital lease are summarized as follows:

<u>Notes Payable</u>			Total
Fiscal Year	Principal	Interest	Requirement
2020	\$ 220,653	\$ 55,093	\$ 275,746
2021	229,175	46,590	275,765
2022	156,020	38,676	194,696
2023	135,410	32,389	167,799
2024	122,555	26,523	149,078
2025 - 2029	545,611	50,698	596,309
Total	\$ 1,409,424	\$ 249,969	\$ 1,659,393

<u>Capital Lease</u>			Total
Fiscal Year	Principal	Interest	Requirement
2020	\$ 33,076	\$ 8,613	\$ 41,689
2021	34,299	7,390	41,689
2022	35,567	6,121	41,688
2023	36,882	4,806	41,688
2024	38,246	3,442	41,688
2025 - 2029	70,364	2,590	72,954
Total	\$ 248,434	\$ 32,962	\$ 281,396

The debt is secured by the capital assets purchased and by property and sales tax.

NOTE 5: PROPERTY TAXES

The District has contracted with the Travis 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. The assessed value of the roll as of January 1, 2018, upon which the 2018 levy was based, was \$2,346,342,505 as certified by the Travis Central Appraisal District.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 5: PROPERTY TAXES - continued

Taxes are due by January 31 following the October 1 levy date. On February 1 of each year, a tax lien attaches to the property. The total 2018 levy was \$ 2,346,343 and the tax rate was \$ 0.10 per \$100 assessed valuation.

NOTE 6: OPERATING LEASE

In addition to the capital lease, the District also has entered into operating leases agreements for a copy machine and phone system. These leases are fixed and not subject to increase without renegotiating the agreements. The amount expended for these leases for the year ending September 30, 2019, was \$ 2,971. Future lease payments are \$4,893/year through June 2019 and July 2021.

NOTE 7: COMMITMENTS

The District has entered into an agreement with the City of Austin for its dispatching services with the fee structure based upon projected calls. For the year ending September 30, 2019, the District's fee for these services was \$ 17,239.

NOTE 8: 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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8: FUND BALANCE - continued

The detail of the fund balance is included in the Governmental Fund Balance Sheet on page 10.

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.

NOTE 9: ANNEXATION OF DISTRICT LAND

The District could in the future face the possibility of annexation which could result in a reduction of the total value of property within the District and therefore a reduction in the total tax revenue to be collected. For the year ending September 30, 2019, there were no plans by any other entity to annex property.

NOTE 10: 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	\$ 4,528,639
Accumulated Depreciation	<u>(1,809,303)</u>
	<u>\$ 2,719,336</u>

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2019

NOTE 10: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND
 AND GOVERNMENT-WIDE STATEMENTS - continued

Taxes receivable are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred revenue	\$ (46,036)
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Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the funds.

\$ 7,295

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	\$ 253,730
Due after one year	1,533,972

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	\$ 13,427
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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	(212,147)
Depreciation Expense	203,986

Repayment of notes payable is reported as expenditures 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	\$ (246,442)
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Interest expense is recognized as expenditures in the governmental funds. The statement of activities includes only the interest expense for the current period.

Change in Accrued Interest Payable	\$ 1,145
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TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND
AND GOVERNMENT-WIDE STATEMENTS - continued

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	\$ 7,044
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NOTE 11: CONTRACTUAL AGREEMENTS

The District has also entered into a contract with Sales Tax Assurance LLC. Under this contract the company searches for organizations that do business in the District's boundaries and have not or do not remit sales tax to the ESD. Under the terms of the contract, the company receives a commission of 50% for all sales taxes found and collected. For the current year, the ESD paid \$3,038.

NOTE 12: EMPLOYEE BENEFITS

The District also provides a health insurance plan for its full-time employees. The total amount expended for the fiscal year was \$ 232,186.

The District offers its full time employees a Deferred Compensation Plan and a Roth IRA Plan, the "Pedernales Fire Department 457(b) Deferred Compensation Plan", which is a Defined Contribution Plan. Any contributions made to the plan are in compliance with Section 457 of the Internal Revenue Code, and is administered by Mass Mutual. The employer will match every dollar contributed up to 7% of employee compensation. For the year ending September 30, 2019, contributions totaled \$ 102,040 and \$ 99,729 for the employer contributions and employees' contributions respectively. There are no unfunded obligations. Employees are 100% vested at the time the contribution is made.

NOTE 13: DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through the date the financial statements were available to be issued.

NOTE 14: COMMITMENTS

The District has entered into a commitment to purchase a 2019 Chevrolet HD 2500 truck to replace a 2009 Chevrolet Tahoe as Command 801 vehicle. Cost of the Truck and outfitting is \$83,980.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 14: COMMITMENTS - continued

The District has entered into a commitment for the construction of two replacement fire engines. Fire Engine 802 at a cost of \$860,000 is expected to be delivered May 2020 and Fire Engine 801 at a cost of \$600,000 to be delivered October/November 2020. Jaws of Life equipment was acquired in conjunction with the purchase of Engine 802; however the equipment was delivered to the District in September 2019.

The District is acquiring a new Station 802 to replace an outdated facility. The total cost is \$2,420,000; \$695,000 in cash outlay and \$1,720,000 in financing. It's expected to close on the facility in March of 2020.

The District approved updating Station 803 in preparation of operating 24 hours a day at a cost of \$70,858.

Required Supplemental Information

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT No 8
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDING SEPTEMBER 30, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Property Taxes	\$ 2,342,000	\$ 2,342,000	\$ 2,357,440	15,440
Sales Taxes	1,590,000	1,590,000	1,652,878	62,878
Interest	30,000	30,000	32,302	2,302
Miscellaneous Income	1,000	1,000	3,677	2,677
Grants & Contributions	2,000	2,000	-	(2,000)
Services	3,000	3,000	-	(3,000)
TOTAL REVENUES	\$ 3,968,000	\$ 3,968,000	\$ 4,046,297	78,297
EXPENDITURES:				
Apparatus	\$ 102,000	\$ 102,000	\$ 97,294	4,706
Support Equipment	119,000	119,000	67,147	51,853
Communications	86,000	90,000	69,765	20,235
Recruitment & Retention	10,000	12,500	12,709	(209)
Training	31,000	31,000	16,238	14,762
Stations	64,000	64,000	61,316	2,684
Clothing & Protective Gear	30,000	30,000	34,516	(4,516)
Personnel	2,648,000	2,475,000	2,433,093	41,907
Administrative	149,000	171,000	146,299	24,701
Capital Outlay	-	82,000	212,147	(130,147)
Debt Service:				
Principal	319,000	319,000	246,442	72,558
Interest	-	-	70,994	(70,994)
TOTAL EXPENDITURES	\$ 3,558,000	\$ 3,495,500	\$ 3,467,960	27,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 410,000	\$ 472,500	\$ 578,337	105,837
Other Sources/Uses:				
Financing Proceeds	-	-	84,581	84,581
Excess of Revenues and Other Sources over Expenditures	\$ 410,000	\$ 472,500	\$ 662,918	190,418
FUND BALANCE:				
Beginning of year	\$ 886,009	\$ 929,620	\$ 855,415	-
End of year	<u>\$ 1,296,009</u>	<u>\$ 1,402,120</u>	<u>\$ 1,518,333</u>	<u>\$ (69,148)</u>