

JANSEN AND GREGORCZYK

Certified Public Accountants
P.O. Box 1778
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Independent Accountant's Report

To the Board of Commissioners

Travis County Emergency Services District #13

We have audited the accompanying financial statements of the governmental activities of Travis County Emergency Services District #13 (the District), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Travis County Emergency Services District #13, 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 3-5 and 12 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.



Jansen and Gregorczyk

Kyle, Texas
March 30, 2020

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2019

Our discussion and analysis of the Travis County Emergency Services District #13 (the District's) financial performance provides an overview of the District's financial activities for the year ended September 30, 2019. Please read it in conjunction with the District's financial statements, which follow this section.

The financial report consists of three parts: Management's Discussion and Analysis (this section), the financial statements, and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- During the year, the District had expenses of \$43,250 compared to total revenues of \$78,694 resulting in an increase in Net Position of \$35,444 for the year ended September 30, 2019.
- The District's cash balance was \$276,663 for the fiscal year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements: The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting the District as a Whole

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

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

THE DISTRICT AS A WHOLE

The District's total Net Position increased by \$35,444 in the year ended September 30, 2019. Our analysis of the District's activities below focuses on Net Position (Table 1) and the changes in Net Position (Table 2).

Table 1

| | 9/30/19 | 9/30/18 |
|--------------------------------|-------------------|-------------------|
| Assets: | | |
| Current and Other Assets | \$ 282,155 | \$ 245,711 |
| Non Current and Capital Assets | - | - |
| Total Assets | <u>282,155</u> | <u>245,711</u> |
| Current and Other Liabilities | - | |
| Total Liabilities | <u>1,000</u> | - |
| | <u>-</u> | <u>-</u> |
| Net Assets: | | |
| Unrestricted | <u>281,155</u> | <u>245,711</u> |
| Total Net Assets | <u>\$ 281,155</u> | <u>\$ 245,711</u> |

Table 2

| | | |
|----------------------------------|-------------------|-------------------|
| Ad Valorem Tax and Misc Revenues | \$ 78,694 | \$ 63,901 |
| Total Revenues | <u>78,694</u> | <u>63,901</u> |
| Expenses: | | |
| Administrative | 11,967 | 10,459 |
| Public Safety - Firefighting | 30,000 | 20,000 |
| Tax Services | 1,283 | 1,564 |
| Total Expenses | <u>43,250</u> | <u>32,023</u> |
| Increase in Net Position | 35,444 | 31,878 |
| Net Position - beginning of year | <u>245,711</u> | <u>213,833</u> |
| Net Position - end of year | <u>\$ 281,155</u> | <u>\$ 245,711</u> |

Unrestricted Net Position, the part of Net Position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements were \$281,155 at September 30, 2019.

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

General Fund Budgetary Highlights

The Board of Commissioners did make changes to the budget during the year. The analysis of the budget is reflected on the Budgetary Comparison Schedule – General Fund following the Notes to the Financial Statements.

The actual General Fund revenues over expenditures increased by \$35,929 during the year. Revenues budgeted were \$6,179 less than the actual amount received. Expenses were \$29,250 less than budget primarily due to an increase in budgeted firefighting operations, administrative expenses and \$17,000 for contingency purposes which were not expended.

Economic Factors and Future Years Budgets and Rates

The District's appointed officials considered many factors when setting the fiscal year 2019 budget and tax rates. Some of those factors include the economy and the anticipated needs of the District for operations in the next year.

Contacting the District's Financial Management

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

Travis County ESD # 13
PO Box 1017
Manor, TX 78653

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2019

| | 2019 | | |
|--------------------------------------|-----------------|-------------------------|------------------------------|
| | General Fund | Adjustments (Note 6) | Statement of Net Position |
| ASSETS | | | |
| Cash and Investments | \$ 276,663 | | \$ 276,663 |
| Taxes receivable | 5,492 | - | 5,492 |
| Total assets | \$ 282,155 | | \$ 282,155 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 5,492 | (5,492) | - |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 1,000 | - | 1,000 |
| | 1,000 | | 1,000 |
| FUND BALANCES/NET POSITION | | | |
| FUND BALANCES | | | |
| Fund balance - unassigned | 275,663 | (275,663) | |
| | \$ 275,663 | | |
| NET POSITION | | | |
| Unassigned | | (281,155) | 281,155 |
| | | | \$ 282,155 |

See accompanying notes and independent accountant's report.

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | 2019 | | |
|---------------------------------------|-------------------------------|---------------------------------------|--|
| | <u>General</u> <u>Fund</u> | <u>Adjustments</u> <u>(Note 6)</u> | <u>Statement</u> <u>of Activities</u> |
| Expenses: | | | |
| Administrative | \$ 4,341 | | \$ 4,341 |
| Training | 1,932 | | 1,932 |
| Firefighting Operations | 30,000 | | 30,000 |
| Legal and Audit Expense | 3,078 | | 3,078 |
| Insurance | 2,616 | | 2,616 |
| Tax Services | 1,283 | | 1,283 |
| Total Expenses | <u>43,250</u> | | <u>\$ 43,250</u> |
| General Revenues: | | | |
| Ad Valorem Tax Revenues | 78,832 | (485) | 78,347 |
| Other Income | 347 | - | 347 |
| Total General Revenues | <u>79,179</u> | <u>(485)</u> | <u>78,694</u> |
| Change in Net position/fund balance | 35,929 | | 35,444 |
| Net position/fund balance - beginning | <u>239,734</u> | <u>5,977</u> | <u>245,711</u> |
| Net position/fund balance - ending | <u>\$ 275,663</u> | <u>\$ 5,492</u> | <u>\$ 281,155</u> |

See accompanying notes and independent accountant's report.

Travis County Emergency Services District #13

Notes to the Financial Statements

For The Year Ending September 30, 2019

Note 1- Summary of Significant Accounting Policies

The accounting policies of the Travis County Emergency Services District #13 (the District) conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's policies are described below.

A. The Reporting Entity

The Travis County Emergency Services District #13 was created by an election of the residents of Travis County. The District is a taxing authority, which provides funds to the Bastrop Travis Counties Emergency Services District #1. The District does not have any employees, office space or fixed assets.

The District is under full control and management of a five commissioners Board of Commissioners. The commissioners are appointed by the Travis County Commissioners. For financial reporting purposes, the District includes all funds that are controlled by, or dependent upon, actions of the Board of Commissioners. Control by, or dependence upon, the Board was determined on the basis of the Board's full control of budget adoption and taxing authority.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operation; thus data from these units would be combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in separate organizations that meet the aforementioned criteria; therefore, none are included in the accompanying general-purpose financial statements. Likewise, the District is not included in any other organizations financial statements as a component unit.

B. Government-Wide Financial and Fund Financial Statements

The District is considered a special purpose government under GASB Statement No. 34. This allows the district to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported primarily by ad valorem taxes. The Statement of Activities demonstrates how the District used revenue.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible

within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

D. Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates.

E. Net Position

Net Position presents the difference between assets and liabilities in the Statement of Net Position. Net Position invested in capital assets are acquisition, construction or improvement of those assets. Net Position are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments. The District has no capital assets.

F. Estimates

The preparation of financial statements in conformity with GAAP 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 may differ from those estimates.

G. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District reported unavailable revenue in the form of property taxes as Deferred Inflows of Resources in the Statement of Net Position. Deferred Inflows arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, monies received within thirty-one days after year-end are considered to have been for prior year services.

NOTE 2 – Deposits

The District's deposits exposed to concentrations of credit risk consist of cash, which is deposited in two financial institutions. At September 30, 2019, the carrying amount of the District's cash deposits was \$276,663 and the bank balance was \$278,510. The District had no deposits in excess of FDIC insurance

NOTE 3 – Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on October 1 and are payable in full by the following January 31. The District employs the services of the Travis County Appraisal District for assessing and billing its property taxes and employs the services of the Travis County

Tax Assessor/Collectors for the collection of its taxes. Revenues are recognized when received by the District. The tax rate was \$0.10 per \$100 of assessed valuation.

NOTE 4 – Concentration of Expenditures

For the current period, the District paid Bastrop/Travis County ESD #1, \$30,000 for providing services.

NOTE 5 – Risk Management

The District is exposed to various risks and losses related to theft of assets, damage and destruction of assets, error and omissions, injuries to firefighters, lawsuits and natural disasters. Insurance coverage is provided for property, casualty, errors and omissions. The district pays premiums proportionately for coverage which is shared with several other districts.

NOTE 6 – Adjustments to Convert Fund Statements to Government-Wide

| | |
|--|-------------------|
| Unrestricted fund balance - governmental fund | \$ 275,663 |
| Taxes receivables deferred in the fund financial statements and in the government-wide financial statements | <u>5,492</u> |
| Net position - governmental activities | <u>\$ 281,155</u> |
| Net change in fund balance - governmental fund | 35,929 |
| Net increase in tax receivable deferred in the fund financial statements and not in the government-wide financial statements | <u>(485)</u> |
| Change in net position - governmental activities | <u>\$ 35,444</u> |

NOTE 7 – Other Matters

Due to Covid-19, it is not possible to know what the financial implication may be on the District.

NOTE 8 – Subsequent Events

The District has evaluated subsequent events as of March 30, 2020 the date the financial statements were issued and determined there are no items that would affect the financial statements.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13
 Budgetary Comparison Schedule
 General Fund
 For the Year ended September 30, 2019

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|--------------------|-------------------|-------------------|------------------------------------|
| Revenues: | | | | |
| Ad Valorem Tax Revenues | \$ 67,800 | \$ 73,000 | \$ 78,832 | \$ 5,832 |
| Other Income | - | - | 347 | 347 |
| Total General Revenue | <u>67,800</u> | <u>73,000</u> | <u>79,179</u> | <u>6,179</u> |
| Expenditures: | | | | |
| Firefighting Operations | 25,000 | 30,000 | 30,000 | - |
| Administrative | 22,600 | 23,300 | 11,967 | 11,333 |
| Tax Services | 2,200 | 2,200 | 1,283 | 917 |
| Contingency | 17,000 | 17,000 | - | 17,000 |
| | <u>66,800</u> | <u>72,500</u> | <u>43,250</u> | <u>29,250</u> |
| Excess of Revenues Over Expenditures | <u>1,000</u> | <u>500</u> | <u>35,929</u> | <u>35,429</u> |
| Fund Balances - Beginning | <u>239,734</u> | <u>239,734</u> | <u>239,734</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 240,734</u> | <u>\$ 240,234</u> | <u>\$ 275,663</u> | <u>\$ 35,429</u> |

See independent accountant's report.