

**BANDERA, UVALDE, MEDINA AND REAL COUNTY –  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1  
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED  
SEPTEMBER 30, 2018**

BANDERA, UVALDE, MEDINA AND REAL COUNTY –  
 UTOPIA/VANDERPOOL AREA  
 EMERGENCY SERVICES DISTRICT NO. 1  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Independent Accountant’s Compilation Report	2
Management’s Discussion and Analysis	3-7
<b><u>Basic Financial Statements</u></b>	
Government Wide Statements:	
A-1 Statement of Net Position	8
B-1 Statement of Activities	9
Governmental Fund Financial Statements:	
C-1 Balance Sheet	10
C-2 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	12
C-4 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	13
Notes to Financial Statements	14-20
<b><u>Required Supplementary Section</u></b>	
D-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	21-22

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To the District Commissioners  
Bandera, Uvalde, Medina, and Real County -  
Utopia/Vanderpool Area  
Emergency Services District No. 1  
P. O. Box 1027  
Utopia, Texas 78884

Management is responsible for the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bandera, Uvalde, Medina, and Real County - Utopia/Vanderpool Area Emergency Services District No. 1, as of and for the year ended September 30, 2018, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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 7 and 21 through 22 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subjected to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Coleman, Horton and Company, LLP*

Certified Public Accountants  
Uvalde, Texas 78801  
February 08, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The annual financial report of the Bandera, Uvalde, Medina, and Real County - Utopia/Vanderpool Area Emergency Services District No. 1 (the District) is presented in three sections, management's discussion and analysis (this Part), basic financial statements, and required supplementary information. This section of the District's annual financial report presents our discussion and analysis of the financial performance during the fiscal year ending September 30, 2018. Please read it in conjunction with the District's financial section, which follows.

### **Overview of the Basic Financial Statements**

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* statement tells 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.

## 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, you need 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 fire protection and general administration. Property taxes finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has one type of funds:

- *Governmental funds* – 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 government-wide statements, we provide additional information on the subsequent page that explain the relationship (or differences) between them.

**Financial Highlights**

- \* The District's combined net position was \$74,346 at September 30, 2018, a decrease of \$1,284 from the prior year.
- \* During the year, the District's revenue was \$212,359 as reflected below:

	<b>Governmental Activities</b>		
	<b>Current Year</b>	<b>Prior Year</b>	<b>Change</b>
a) Taxes	\$ 212,104	\$ 210,033	\$ 2,071
b) Investment Earnings	255	151	104
c) Other	-	-	-
<b>Total Revenue</b>	<b>\$ 212,359</b>	<b>\$ 210,184</b>	<b>\$ 2,175</b>

- \* During the year, the Districts expenses were \$213,643 as reflected below:

	<b>Governmental Activities</b>		
	<b>Current Year</b>	<b>Prior Year</b>	<b>Change</b>
a) General Government	\$ 14,653	\$ 18,612	\$ 3,959
b) Fire protections and medical services	198,990	182,715	16,275
<b>Total Expenses</b>	<b>\$ 213,643</b>	<b>\$ 201,327</b>	<b>\$ 12,316</b>

- \* The general fund reported a fund balance this year of \$70,038, a decrease of \$2,413 from the prior year.
- \* Revenues were \$9,685 below budget and expenditures were \$7,272 below budget.

\* The District's combined net position was \$74,346 at September 30, 2018, as reflected below:

	<b>Governmental Activities</b>		
	<b>Current Year</b>	<b>Prior Year</b>	<b>Change</b>
Current and other assets	\$ 74,367	\$ 76,117	\$ (1,750)
Capital and non-current assets	-	-	-
<b>Total Assets</b>	<b>\$ 74,367</b>	<b>\$ 76,117</b>	<b>\$ (1,750)</b>
Current Liabilities	\$ 21	\$ 487	\$ (466)
Long term liabilities	-	-	-
<b>Total Liabilities</b>	<b>\$ 21</b>	<b>\$ 487</b>	<b>\$ (466)</b>
Net Position:			
Net investment in capital assets	\$ -	\$ -	\$ -
Unrestricted	74,346	75,630	(1,284)
<b>Total Net Position</b>	<b>\$ 74,346</b>	<b>\$ 75,630</b>	<b>\$ (1,284)</b>

### **Capital Assets and Debt Administration**

#### **Capital Assets**

Capital assets for the District at fiscal year-end September 30, 2018 amounted to \$-0-. It is the District's policy to charge off as a current expenditure any purchases with a useful life of less than one year. There were no additions or deletions during the year.

#### **District's Capital Assets**

	<b>Governmental Activities</b>		
	<b>Current Year</b>	<b>Prior Year</b>	<b>Change</b>
Furniture, machinery and equipment	\$ 1,687	\$ 1,687	\$ -
Total at historical cost	1,687	1,687	-
Total accumulated depreciation	(1,687)	(1,687)	-
<b>Net capital assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

The financial report is designed for customers, 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:

Bandera, Uvalde, Medina and Real County - Utopia/Vanderpool Area Emergency Services District No. 1  
P.O. Box 1027  
Utopia, Texas 78884



## **BASIC FINANCIAL STATEMENTS**

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Statement of Net Position  
September 30, 2018

**ASSETS**

## Current Assets:

Cash and cash equivalents	\$ 68,394
Taxes receivable (net of allowance for uncollectibles)	5,009
Intergovernmental receivables	314
Accrued interest earned	160
Prepaid insurance	490
	<hr/>
Total assets	<u><u>\$ 74,367</u></u>

**LIABILITIES**

## Current Liabilities:

Accounts payable	<u>\$ 21</u>
	<hr/>
Total current liabilities	21
Total liabilities	<u>21</u>

**NET POSITION**

Unrestricted	<u>\$ 74,346</u>
	<hr/>
Total net position	<u><u>\$ 74,346</u></u>

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Statement of Activities  
For the Year Ended September 30, 2018

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
<b><u>Governmental Activities</u></b>					
Fire protection and medical services					
Contracts with service providers	\$ 198,990	\$ -	\$ -	\$ -	\$ 198,990
General and Administrative	<u>14,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,653</u>
Total governmental activities	<u>\$ 213,643</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 213,643</u>

**General revenues:**

Property taxes	\$ 212,104
Interest on investments	<u>255</u>
Total general revenues	<u>212,359</u>
Change in net position	(1,284)
Net position - beginning	<u>75,630</u>
Net position - ending	<u>\$ 74,346</u>

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Balance Sheet - Governmental Funds  
September 30, 2018

	<u>General Fund</u>	<u>Total Governmental</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 68,394	\$ 68,394
Taxes receivable	5,893	5,893
Allowance for uncollectible taxes	(884)	(884)
Intergovernmental receivable	314	314
Accrued interest earned	160	160
Prepaid insurance	490	490
	<hr/>	<hr/>
Total assets	<u>\$ 74,367</u>	<u>\$ 74,367</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 21	\$ 21
	<hr/>	<hr/>
Total liabilities	21	21
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue - property taxes	\$ 4,308	\$ 4,308
	<hr/>	<hr/>
Total inflows of resources	4,308	4,308
<b><u>FUND BALANCES</u></b>		
Unassigned fund balance	\$ 70,038	\$ 70,038
	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	<u>\$ 74,367</u>	<u>\$ 74,367</u>

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2018

Total fund balances - Governmental Funds	\$	70,038
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,687 and the accumulated depreciation was \$(1,687). The net effect of including the beginning balances for capital assets (net of depreciation) is to keep net position unchanged.</p>		
		-0-
<p>Various other reclassifications are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unavailable revenue as revenue and adjusting prior year's delinquent taxes from unavailable revenue to beginning net position. The net effect of these recognitions is to increase net position.</p>		
		<u>4,308</u>
Net position of governmental activities	\$	<u><u>74,346</u></u>

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended September 30, 2018

	<u>General Fund</u>	<u>Total Governmental</u>
<b><u>REVENUES</u></b>		
Property taxes (including penalty & interest)	\$ 210,975	\$ 210,975
Investment income	255	255
Miscellaneous	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 211,230</u>	<u>\$ 211,230</u>
<b><u>EXPENDITURES</u></b>		
Fire protection and medical services:		
Contracts with service providers	198,990	198,990
General administrative	<u>14,653</u>	<u>14,653</u>
Total expenditures	<u>213,643</u>	<u>213,643</u>
Net change in fund balance	(2,413)	(2,413)
Fund balances, beginning	<u>72,451</u>	<u>72,451</u>
Fund balances, ending	<u>\$ 70,038</u>	<u>\$ 70,038</u>

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Reconciliation of the Governmental Funds Statement of  
Revenues, Expenditures and Changes in Fund Balance  
to the Statement of Activities  
September 30, 2018

Net change in fund balance - total governmental funds	\$	(2,413)
<p style="margin-left: 40px;">Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p style="margin-left: 40px;">Various other eliminations and recognitions are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unavailable revenue as revenue and adjusting the current year revenue to show the revenue earned from the current year's tax levy. The net effect of these reclassifications and recognitions it to increase net position.</p>		
		<u>1,129</u>
Change in net position of governmental activities	\$	<u><u>(1,284)</u></u>

BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2018

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Bandera, Uvalde, Medina, and Real County - Utopia/Vanderpool Area Emergency Services District No. 1 (the "District") is a municipal agency operating under the applicable laws and regulations of the State of Texas. The District was created by the voters of the District in a special election conducted on November 9, 2004 as authorized by the Texas Health and Safety Code Chapter 775. It is governed by a five member District Commission elected by registered voters of the District. The District prepares its general purpose financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Governmental Accounting Standards Board No. 76* of the American Institute of Certified Public Accountants; and it complies with the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

Because the Commissioners are elected by the public; has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL 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 non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. The "grants and contributions" column indicates amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. The District only had one fund during the year, thus, there was no inter-fund activity during the year.

The fund financial statements provide reports on the financial condition and results of operations for governmental funds.



## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State or Federal Government are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

## **D. FUND ACCOUNTING**

The District reports the following major governmental funds:

1. **The General Fund** – The general fund is the District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

**E. OTHER ACCOUNTING POLICIES**

1. The District records purchases of supplies as expenditures.
2. The District records its investments in certificates of deposits at cost, which approximates fair value.
3. Unavailable revenue accounted for on the balance sheet relates to uncollected property taxes less the amount of doubtful accounts.
4. The District provides risk management obligations by carrying commercial insurance. General liability insurance is obtained from a commercial insurance carrier.
5. 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.
6. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The District had no long-term debt.
7. Capital assets, which include land, buildings, furniture and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5-50
Improvements, other than buildings	2-50
Furniture, machinery and equipment	3-30

**F. FUND BALANCE POLICY**

The District reports fund balance for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The **non-spendable** classification represents assets that will be consumed or “must be maintained in tact” and therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the **restricted** classification. The nature of these two classifications precludes a need for a policy from the District Commissioners. However, the District has adopted fund balance policies for the three unrestricted classifications - committed, assigned, and unassigned.

From time to time, the District Commissioners may commit fund balances by a majority vote in a scheduled meeting. The District's commitment may be modified or rescinded by a majority vote in a scheduled meeting. District commitments cannot exceed the amount of fund balance that is greater than the sum of non-spendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions and other purposes determined by the District.

The District Commissioners may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The District may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the District by a majority vote in a scheduled meeting.

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures are charged to committed, assigned, the unassigned.

By a majority vote in a scheduled meeting the District Commissioners may commit fund balances and it may modify or rescind commitments. The District may also delegate authority to persons or parties to assign fund balances in specific circumstances or funds.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. BUDGETARY DATA**

The District Commissioners adopt an "appropriated budget" for the General Fund. The District is required to present adopted and final amended budgeted revenues and expenditures compared to actual revenues and expenditures for this fund. The District compares the final amended budget to actual revenues and expenditures. The General Fund budget report appears as Exhibit D-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Thirty to sixty days prior to the beginning of each fiscal year a proposed budget is submitted and prepared on the modified accrual basis which is consistent with generally accepted accounting principles at the department level for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the District Commissioners through passage of an ordinance not later than 15 days prior to the beginning of the fiscal year.
4. The budget was amended by the District Commissioners during the year.

### **B. BUDGET OVEREXPENDITURES**

As noted in Exhibit D-1, the District over-expended its budget on two line items.

### III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

#### A. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District's 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.

Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Cash or Investments that are insured, registered or held by the District or by its agent in the District's name.

Category 2 - Cash or Investments that are uninsured and unregistered held by the counter-party's trust department or agent in the District's name.

Category 3 - Un-insured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the District's name.

Based on these three levels of risk, all of the District's bank deposits are classified as Category 1.

The District's temporary investments at September 30, 2018, which are shown as cash equivalents, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Category</u>	<u>Credit Rating</u>	<u>Maturity</u>
Certificates of Deposit	\$ 32,232	\$ 32,232	1	N/A	< 1 year
Totals	<u>32,232</u>	<u>32,232</u>			

#### *Investment Accounting Policy*

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the District's investing activities are managed under the custody of the District. Investing is performed in accordance with investment policies adopted by the District.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

**Custodial Credit Risk - Certificates of Deposit and Cash:** Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of September 30, 2018, all District bank balances were covered by depository insurance (FDIC).

**B. PROPERTY TAXES**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with the applicable Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they are expected to be collected during a 60-day period after the close of the city fiscal year. The District considers all delinquent taxes as deferred revenue.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation. The combined tax rate to finance general governmental service for the year ended September 30, 2018, was .977 per \$100 of assessed valuation.

**C. DELINQUENT TAXES RECEIVABLE**

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**D. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at September 30, 2018 were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Other</u>	<u>Total Receivables</u>
<b>Governmental Activities:</b>				
General Fund	\$ 5,893	\$ 314	\$ -	\$ 6,207
<b>Total Governmental Activities</b>	<u>\$ 5,893</u>	<u>\$ 314</u>	<u>\$ -0-</u>	<u>\$ 6,207</u>
<b>Amounts not scheduled for collection during the subsequent year</b>	<u>\$ 884</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 884</u>

Payables at September 30, 2018 were as follows:

	<u>Accounts Payable</u>	<u>Accrued Liabilities</u>	<u>Other</u>	<u>Total Payables</u>
<b>Governmental Activities:</b>				
General Fund	\$ 21	\$ -	\$ -	\$ 21
Total Governmental Activities	<u>\$ 21</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 21</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

#### **E. CAPITAL ASSETS ACTIVITIES**

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

	<u>Primary Government</u>				<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<b>Government activities:</b>					
Furniture, machinery and equipment	\$ 1,687	\$ -	\$ -	\$ -	\$ 1,687
Total at historical cost	<u>1,687</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,687</u>
<b>Less accumulated depreciation</b>					
Furniture, machinery and equipment	(1,687)	-	-	-	(1,687)
Total accumulated depreciation	<u>(1,687)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,687)</u>
Governmental activities capital assets, net	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

#### **F. ECONOMIC DEPENDENCY**

The District has significant economic dependency from the citizens of the District for tax revenue.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Total Actual</u>	<u>Variance</u>
<b><u>REVENUES</u></b>				
Property taxes				
Current taxes	\$ 214,555	\$ 214,555	\$ 207,262	\$ (7,293)
Delinquent taxes	3,850	3,850	1,662	(2,188)
Penalty and interest	2,400	2,400	2,051	(349)
Investment income	<u>110</u>	<u>110</u>	<u>255</u>	<u>145</u>
Total revenue	<u>220,915</u>	<u>220,915</u>	<u>211,230</u>	<u>(9,685)</u>
<b><u>EXPENDITURES</u></b>				
Fire protection and medical services:				
Contracts with service providers				
Utopia EMS	99,495	99,495	99,495	-0-
Utopia VFD	59,697	59,697	59,697	-0-
Vanderpool VFD	<u>39,798</u>	<u>39,798</u>	<u>39,798</u>	<u>-0-</u>
	<u>198,990</u>	<u>198,990</u>	<u>198,990</u>	<u>-0-</u>



**BANDERA, UVALDE, MEDINA, AND REAL COUNTY -  
UTOPIA/VANDERPOOL AREA  
EMERGENCY SERVICES DISTRICT NO. 1**  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Total Actual</u>	<u>Variance</u>
<b>General and Administrative:</b>				
Air-life fees	\$ 200	\$ 200	\$ 198	\$ 2
Appraisal fees	5,200	5,200	6,624	(1,424)
Accounting fees	2,400	2,400	2,500	(100)
Bonds	100	100	100	-0-
Box rent	150	150	150	-0-
Collection fees	2,300	2,300	275	2,025
Copier expense	3,600	3,600	3,152	448
Dues and publications	250	250	-0-	250
Insurance 1200	1,200	1,200	1,172	28
Legal fees	1,500	1,500	-0-	1,500
Legal notices	50	50	20	30
Mowing	400	400	160	240
Office supplies	200	200	15	185
Postage and delivery	75	75	12	63
Professional fees	300	300	275	25
Travel	4,000	4,000	-0-	4,000
	<u>21,925</u>	<u>21,925</u>	<u>14,653</u>	<u>7,272</u>
<b>Total expenditures</b>	<u>220,915</u>	<u>220,915</u>	<u>213,643</u>	<u>7,272</u>
<b>Excess of revenues over expenditures</b>	-0-	-0-	(2,413)	(2,413)
<b>Fund balance, beginning</b>	<u>72,451</u>	<u>72,451</u>	<u>72,451</u>	<u>-0-</u>
<b>Fund balance, ending</b>	<u>\$ 72,451</u>	<u>\$ 72,451</u>	<u>\$ 70,038</u>	<u>\$ (2,413)</u>