



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

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2018**



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2018

DISTRICT OFFICIALS

PRESIDENT	LARRY PHILLIPS
VICE PRESIDENT	GLENN CUNNINGHAM
SECRETARY	RUDY CANTU
TREASURER	KELLY HAWKINS
ASST. TREASURER	PAUL WITEK
COMMISSIONER	LARRY WILEY
ATTORNEY	LAW OFFICES OF LOUIS T. ROSENBERG, P.C.



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

Deborah F. Fraser

Phil S. Vaughan

Nancy L. Vaughan

Kimberly J. Roach

INDEPENDENT AUDITOR'S REPORT

District Commissioners
Wilson County Emergency Services District No. 2

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the Wilson County Emergency Services District No. 2, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Wilson County Emergency Services District No. 2's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Wilson County Emergency Services District No. 2's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Wilson County Emergency Services District No. 2, as of September 30, 2018, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County Emergency Services District No. 2's financial statements. The comparative statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Armstrong, Vaughan & Associates, P.C.

April 4, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Wilson County Emergency Services District No. 2’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended September 30, 2018. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s total net position was \$735 thousand at September 30, 2018.
- During the year, the District’s expenses were \$32.5 thousand less than the \$1.1 million generated in taxes and other revenues for governmental activities.
- The total cost of the District’s programs decreased by \$501 thousand from last year.
- Sales and use tax generated \$343.1 thousand as of September 30, 2018.
- EMS charges generated \$265.1 thousand and property tax generated \$464.2 thousand this year.
- The general fund reported a fund balance this year of \$133.3 thousand.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

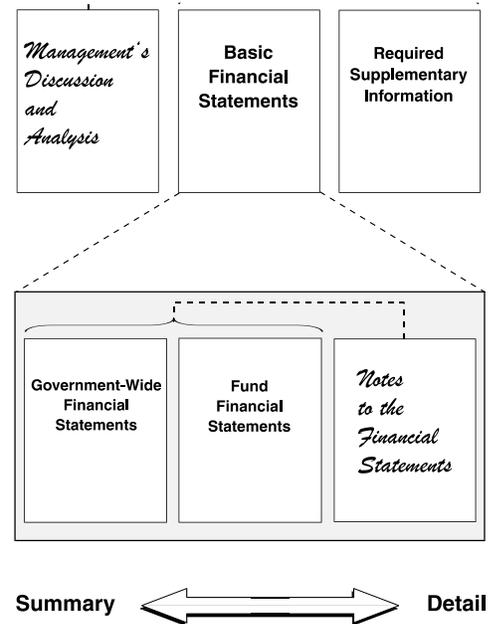


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of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

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District’s combined net position was \$735 thousand at September 30, 2018. (See Table A-1).

Table A-1
Wilson County Emergency Services District No. 2 Net Position
(In thousands dollars)

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
Current assets:			
Cash and Investments	\$ 124.5	\$ 242.9	-48.7%
Property Tax Receivable	24.9	22.5	10.7%
Sales Tax Receivable	69.2	48.8	41.8%
EMS Receivable (Net of Allowance)	152.8	106.4	43.6%
Prepaid Items	-	4.4	-100.0%
Noncurrent Assets:			
Land	129.1	129.1	0.0%
Building Improvements	28.5	28.5	0.0%
Equipment and Vehicles	854.0	727.9	17.3%
Construction in Progress	61.3	-	100.0%
Accumulated Depreciation	(300.0)	(208.7)	43.7%
Total Assets	<u>1,144.3</u>	<u>1,101.8</u>	3.9%
Liabilities			
Current Liabilities	64.7	49.2	31.5%
Long-term Liabilities	344.6	349.9	-1.5%
Total Liabilities	<u>409.3</u>	<u>399.1</u>	2.6%
Net Position:			
Net Investment in Capital Assets	428.4	326.9	31.0%
Restricted	-	(0.3)	-100.0%
Unrestricted	306.6	376.0	-18.5%
Total Net Position	<u>\$ 735.0</u>	<u>\$ 702.6</u>	4.6%

Changes in Net Position. The District’s total revenues were \$1.14 million, a decrease of 32%. A significant portion, 70% comes from taxes, 23% relates to charges for services, and 5% comes from operating grants and contributions.

The total cost of all programs and services was \$1.11 million.

Governmental Activities

- Property tax rates were assessed at \$0.0974 per \$100 valuation.

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

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
General Revenues			
Property Taxes	\$ 464.2	\$ 398.7	16.4%
Sales Tax	343.1	286.7	19.7%
Charges for Services	265.1	805.7	-67.1%
Investment Income	0.4	0.4	0.0%
Miscellaneous Income	6.4	8.9	-28.1%
Operating Grants and Contributions	3.5	23.3	-85.0%
Capital Grants and Contributions	55.4	155.3	-64.3%
Total Revenues	<u>1,138.1</u>	<u>1,679.0</u>	-32.2%
General Expenses			
Emergency Services	1,020.7	1,445.5	-29.4%
General Government	74.6	149.0	-49.9%
Interest on Long-term Debt	10.3	12.2	-15.6%
Total Expenses	<u>1,105.6</u>	<u>1,606.7</u>	-31.2%
Increase (Decrease) in Net Position	<u>\$ 32.5</u>	<u>\$ 72.3</u>	-55.0%

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

- The cost of all *governmental* activities this year was \$1.11 million.
- The amount that our taxpayers paid for these activities through property taxes was \$464.2 thousand
- Some of the cost, \$265.1 thousand, was paid by those who directly benefited from the programs.

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

	Total Cost of Services		Total Percentage Change
	2018	2017	2018-2017
Emergency Services	\$ 1,020.7	\$ 1,445.5	-29.4%
General Administration	74.6	149.0	-49.9%
Debt Service	10.3	12.2	-15.6%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$1.1 million, an decrease of 32.2% from the prior year. The increase in local revenues is a result of property and sales taxes.

General Fund Budgetary Highlights

The District budgeted \$432 thousand for expenditures. Actual expenditures were \$213 thousand more than budget amounts. The most significant variances resulted from emergency services and capital outlay costs.

Revenues were \$60 thousand more than the final budgeted amount, caused primarily by charges for services, and taxes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the District had invested \$773 thousand in building improvements, equipment, vehicles, and land (net of accumulated depreciation). (See Table A-4). More detailed information about the District's capital assets is presented in the notes to the financial statements.

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
Land	\$ 129.1	\$ 129.1	0.0%
Building Improvements	28.5	28.5	0.0%
Vehicles & Equipment	854.0	727.9	17.3%
Construction In Progress	61.4	-	100.0%
Totals at Historical Cost	<u>1,073.0</u>	<u>885.5</u>	21.2%
Total Accumulated Depreciation	<u>(300.0)</u>	<u>(208.7)</u>	43.7%
Net Capital Assets	<u>\$ 773.0</u>	<u>\$ 676.8</u>	14.2%

Long Term Debt

At year-end the District had \$345 thousand in long-term debt outstanding as is shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
 District's Long-term Debt
(In thousands dollars)

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
	Long-term Debt	\$ 344.6	\$ 349.9

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Appraised value used for the 2019 budget provides an anticipated revenue generation of \$1.24 million.
- General operating fund administrative and professional fee spending for 2019 was estimated at \$1.1 million or a 35% increase over 2018 actual expenses. The significant increase is primarily due to budgeted EMS remittance.
- The District expects to incur capital expenditures for the construction of the new Cimarron Station.
- If the estimates are realized, the District’s budgetary general fund balance is expected to increase less than 1% by the close of 2019.

FACTORS AFFECTING FINANCIAL CONDITION

The Insurance Service Office, Inc. (ISO) collects information on municipal fire-protection efforts in communities throughout the United States to help establish an appropriate fire insurance premium for residential and commercial properties based on fire-protection services. Using this information, municipal entities are assigned a Public Protection Classification from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria. Wilson County Emergency Services District No. 2 was given an ISO Protection Class 6 rating.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide Wilson County Emergency Services District No. 2 citizens, taxpayers, 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 the District Treasurer by phone at 830-581-8243.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

BASIC FINANCIAL STATEMENTS

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

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

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 124,466
Property Tax Receivable	24,906
Sales Tax Receivable	69,189
EMS Receivables (Net of Allowance)	152,817
Capital Assets:	
Land	129,115
Buildings & Improvements	28,509
Equipment & Vehicles	854,037
Construction In Progress	61,319
Accumulated Depreciation	(300,018)
TOTAL ASSETS	1,144,340
 LIABILITIES	
Accounts Payable	32,472
Accrued Expenses	32,274
Debt Due within One Year	82,188
Debt Due in more than One Year	262,367
TOTAL LIABILITIES	409,301
 NET POSITION	
Net Investment in Capital Assets	428,407
Unrestricted	306,632
TOTAL NET POSITION	\$ 735,039

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses), Revenues and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Governmental Activities:					
Emergency Services	\$ 1,020,820	\$ 265,087	\$ 3,539	\$ 55,390	\$ (696,804)
General Administration	74,638	-	-	-	(74,638)
Interest on Long-term Debt	10,315	-	-	-	(10,315)
Total Governmental Activities	<u>1,105,773</u>	<u>265,087</u>	<u>3,539</u>	<u>55,390</u>	<u>(781,757)</u>
Total Primary Government	<u>\$ 1,105,773</u>	<u>\$ 265,087</u>	<u>\$ 3,539</u>	<u>\$ 55,390</u>	<u>(781,757)</u>
General Revenues:					
General Property Taxes					464,244
Sales Tax					343,103
Interest Income					397
Miscellaneous Income					6,406
Total General Revenues					<u>814,150</u>
Change in Net Position					32,393
Net Position at Beginning of Year					<u>702,646</u>
Net Position at End of Year					<u>\$ 735,039</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 121,164	\$ 3,302	\$ 124,466
Property Tax Receivable	24,906	-	24,906
Sales Tax Receivable	69,189	-	69,189
EMS Charges (Net of Allowance)	152,817	-	152,817
Accounts Receivable	-	28,972	28,972
TOTAL ASSETS	\$ 368,076	\$ 32,274	\$ 400,350
LIABILITIES			
Accounts Payable	\$ 61,444	\$ -	\$ 61,444
Payroll Liabilities	-	32,274	32,274
TOTAL LIABILITIES	61,444	32,274	93,718
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenue	20,474	-	20,474
Unavailable EMS Charges	152,817	-	152,817
TOTAL DEFERRED INFLOWS OF RESOURCES	173,291	-	173,291
FUND BALANCE			
Unassigned	133,341	-	133,341
TOTAL FUND BALANCE	133,341	-	133,341
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 368,076	\$ 32,274	\$ 400,350

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 133,341
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	772,962
Property taxes receivable are not available to pay current period expenditures and, therefore, are unavailable in the funds statements.	20,474
EMS revenues in the Statement of Activities do not provide current financial resources and are deferred in the fund statements.	152,817
Long-term notes payable are not due in the current period and therefore, are not reported in the funds.	<u>(344,555)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 735,039</u></u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
REVENUES			
Property Taxes	\$ 463,201	\$ -	\$ 463,201
Sales Tax	343,103	-	343,103
EMS Charges	218,704	-	218,704
Contributions/Grants	58,929	-	58,929
Interest and Other Income	397	-	397
Miscellaneous Income	5,915	492	6,407
TOTAL REVENUES	<u>1,090,249</u>	<u>492</u>	<u>1,090,741</u>
EXPENDITURES			
Current:			
Emergency Services	305,733	623,806	929,539
General Administration	72,253	2,384	74,637
Capital Outlay	187,494	-	187,494
<i>Debt Service:</i>			
Principal	69,251	-	69,251
Interest	10,315	-	10,315
TOTAL EXPENDITURES	<u>645,046</u>	<u>626,190</u>	<u>1,271,236</u>
Excess (Deficiency) Over (Under) Expenditures	445,203	(625,698)	(180,495)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(625,972)	625,972	-
Proceeds from Capital Lease	63,946	-	63,946
TOTAL OTHER FINANCING SOURCES (USES)	<u>(562,026)</u>	<u>625,972</u>	<u>63,946</u>
Net Change in Fund Balance	(116,823)	274	(116,549)
Fund Balance at Beginning of Year (Deficit)	<u>250,164</u>	<u>(274)</u>	<u>249,890</u>
Fund Balance at End of Year	<u>\$ 133,341</u>	<u>\$ -</u>	<u>\$ 133,341</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
 GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS \$ (116,549)

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

Governmental funds report capital outlays as expenditures. However,
 in the statement of activities the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expenses.

Current Year Additions	187,494	
Current Year Depreciation	<u>(91,283)</u>	96,211

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

Property Taxes	1,042	
EMS Charges	<u>46,384</u>	47,426

The issuance of long-term debt (e.g. notes payable and capital leases)
 provides current financial resources to governmental funds, while the
 repayment of the principal of long-term debt consumes the current
 financial resources of governmental funds. Neither transaction,
 however, has any effect on net position. This is the net effect of
 these differences in the treatment of long-term debt and related items.

Principal Payments of Notes Payable		69,251
Proceeds from Capital Lease		<u>(63,946)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 32,393

The accompanying notes are an integral part of these statements.



NOTES TO BASIC FINANCIAL STATEMENTS

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wilson County Emergency Services District No. 2 is a political subdivision of the State of Texas and was created by the Wilson County Commissioners' Court after a Public Election on November 2, 2010 to be effective January 1, 2011. The District was created to provide emergency services and promote public safety, welfare, health and convenience of persons residing in the District.

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

A. THE FINANCIAL REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 61, "The Financial Reporting Entity." The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The District has the following component unit:

District 2 Emergency Services, Inc. is a local nonprofit emergency services provider without powers of taxation, organized exclusively for the purpose of providing fire protection and emergency services to the area covered by Wilson County Emergency Services District No. 2. Wilson County Emergency Services District No. 2 appoints its Board of Commissioners as the directors of the nonprofit. The District has elected to present a blended presentation of those financial statements in the District's annual financial report. Complete financial statements of District 2 Emergency Services, Inc. for the year ended September 30, 2018 may be obtained from District management.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. Governmental activities are supported primarily by property taxes. The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds. The General Fund and District 2 Special Revenue Fund meets the criteria of a *major governmental fund*. The District has no other governmental funds.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2018

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

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

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Property taxes are recognized in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues other than EMS charges that are expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Property taxes which were levied prior to September 30, 2017, and became due October 1, 2017 have been assessed to finance the budget of the fiscal year beginning October 1, 2017.

Expenditures generally are recorded when an expense is incurred.

The government reports the following major governmental funds:

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

The Special Revenue Fund is a nonprofit corporation, District 2 Emergency Services. This corporation is considered a blended component unit.

D. CASH AND CASH EQUIVALENTS

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2018

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. INVESTMENTS

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

F. ACCOUNTS RECEIVABLE

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

Reimbursements for EMS services performed are recorded as receivables and revenue when they are earned in the government-wide statements.

G. CAPITAL ASSETS

Capital assets, which include land; buildings and improvements; and equipment and vehicles, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$500 or more for equipment, while computer equipment is defined as an asset with a cost of \$1,000 or more. Donated capital assets are recorded at estimated fair market value at the date of donation.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2018

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

G. CAPITAL ASSETS (CONT.)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building Improvements	20 years
Equipment	7 - 10 years
Vehicles	10 years

H. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

I. LONG-TERM OBLIGATIONS

In government-wide financial statements, long-term debt and other long-term obligations (if any) are reported as liabilities under governmental activities. Bond premiums and discounts are amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

J. FUND EQUITY

Fund balances in governmental funds are classified as follows:

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2018

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

J. FUND EQUITY (CONT.)

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

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

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

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

When an expenditure is incurred for a purpose in which multiple classifications are available, the District considers restricted balances spent first, committed second, assigned third, and unassigned fourth.

K. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

L. USE OF ESTIMATES

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

M. RECLASSIFICATIONS

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2018

NOTE 2 -- CASH AND CASH INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledge securities in an amount sufficient to protect District funds on a day to day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash

At September 30, 2018, the carrying amount of the District's deposits in the bank were fully covered by a combination of federal deposit insurance and pledged securities from the District's depository.

2. Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

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

The District had no investments at September 30, 2018.

NOTE 3 -- AD VALOREM (PROPERTY) TAXES

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

For fiscal year 2018, the assessed tax rate for the District was \$0.0974 per \$100 on an assessed valuation of \$480,688,049. Total tax levy for fiscal year 2018 was \$468,190. As of September 30, 2018, the delinquent current taxes for 2018 were \$8,940.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2018

NOTE 4 -- RECEIVABLES

The following is a summary of the gross property taxes and charges for services receivable and the related allowances for uncollectible amounts:

<u>Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Taxes:			
Property Taxes	\$ 24,906	\$ -	\$ 24,906
Sales Taxes	69,189	-	69,189
<i>Charges for Services:</i>			
EMS Charges	509,390	28,972	538,362
Gross Receivables	603,485	28,972	632,457
Less: Allowance for Uncollectibles	(356,573)	-	(356,573)
Net Total Receivables	<u>\$ 246,912</u>	<u>\$ 28,972</u>	<u>\$ 275,884</u>

NOTE 5 -- CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments and Disposals</u>	<u>Ending Balance</u>
Land	\$ 129,115	\$ -	\$ -	\$ 129,115
Building Improvements	28,509	-	-	28,509
Vehicles & Equipment	727,862	126,175	-	854,037
Construction In Progress	-	61,319	-	61,319
Less: Accumulated Depreciation	(208,735)	(91,283)	-	(300,018)
	<u>\$ 676,751</u>	<u>\$ 96,211</u>	<u>\$ -</u>	<u>\$ 772,962</u>

Depreciation expense was charged to governmental function in the Emergency Services.

Land and construction in progress are not depreciated.

NOTE 6 -- NOTE PAYABLE

On January 31, 2014 the District entered into a note payable with South Trust Bank, N.A. for the purchase of a new ambulance in the amount of \$117,000. The note calls for monthly payments of \$1,627 beginning March 1, 2014 through February 1, 2021. The interest rate on the note is at 3.75%, and the note is secured by the 2013 Ford F-450 ambulance. The District has recognized depreciation expense of \$18,386 on the ambulance as of September 31, 2018 and has accumulated depreciation of \$85,800.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2018

NOTE 6 -- NOTE PAYABLE (CONT.)

On July 2, 2015 the District entered into a note payable with First State Bank for the purchase of a new ambulance in the amount of \$120,000. The note calls for monthly payments of \$1,592 beginning August 2, 2015 and ending on July 2, 2022. The interest rate on the note is 3.125%, and the note is secured by granting the debtor a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the District. The District has recognized depreciation expense of \$19,154 on the ambulance as of September 31, 2018 and has accumulated depreciation of \$62,251.

On February 29, 2016 the District entered into a note payable with South Trust Bank, N.A. for the purchase of a new fire truck in the amount of \$250,410. The note calls for monthly payments of \$3,307 beginning May 7, 2016 through April 7, 2023. The interest rate on the note is at 2.99%, and the note is secured by granting the debtor a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the District. The District has recognized depreciation expense of \$25,041 on the fire truck as of September 31, 2018 and has accumulated depreciation of \$56,342.

On April 26, 2018 the District entered into a lease agreement with Ferno Financial Services for the purchase of two new stretchers in the amount of \$32,783. The agreement calls for 60 payments of \$622 beginning August 24, 2018 and ending July 24, 2023. The interest rate on the agreement is 5.25%. The District has recognized depreciation expense of \$2,929 on the ambulance as of September 31, 2018 and has accumulated depreciation of \$2,929.

On April 16, 2018 the District entered into a lease agreement with Community First National Bank for the purchase of one new air compressor in the amount of \$31,163. The agreement calls for 5 payments of \$7,048 beginning May 8, 2019 and ending May 8, 2023. The interest rate on the agreement is 4.24%. The District has recognized depreciation expense of \$336 on the ambulance as of September 31, 2018 and has accumulated depreciation of \$336.

Future minimum note payments are to be made as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 82,188	\$ 10,650	\$ 92,838
2020	85,054	7,784	92,838
2021	74,041	4,978	79,019
2022	67,514	2,615	70,129
2023	35,758	663	36,421
Total Debt Payments	<u>\$ 344,555</u>	<u>\$ 26,690</u>	<u>\$ 371,245</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2018

NOTE 6 -- NOTE PAYABLE (CONT.)

The changes in general long-term debt during the year are summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
<i>Notes Payable:</i>					
Loan #44863	\$ 60,379	\$ -	\$ (17,560)	\$ 42,819	\$ 18,229
Loan #7053	85,617	-	(16,670)	68,947	17,199
Loan #7323	203,864	-	(34,061)	169,803	35,093
<i>Total Notes Payable:</i>	<u>349,860</u>	<u>-</u>	<u>(68,291)</u>	<u>281,569</u>	<u>70,521</u>
 <i>Capital Lease Obligations:</i>					
Stretcher Lease	-	32,783	(960)	31,823	5,727
Air Compressor Lease	-	31,163	-	31,163	5,940
<i>Total Capital Lease Obligations:</i>	<u>-</u>	<u>63,946</u>	<u>(960)</u>	<u>62,986</u>	<u>11,667</u>
	<u>\$ 349,860</u>	<u>\$ 63,946</u>	<u>\$ (69,251)</u>	<u>\$ 344,555</u>	<u>\$ 82,188</u>

NOTE 7 -- CONTINGENT LIABILITIES

Litigation

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

NOTE 8 -- CONCENTRATION OF EXPENDITURES

For fiscal year 2018, the District paid District 2 Emergency Services District \$625,972 for providing emergency services to the District, which was approximately 99% of the total expenditures of the District.

NOTE 9 -- RISK MANAGEMENT

The Wilson County Emergency Services District No. 2 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To cover the risk the District contracts with Volunteer Firemen's Insurance Services (VFIS) of Texas to provide insurance coverage for Property/Casualty. Contributions are set annually by VFIS. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2018 were \$17,994.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2018

NOTE 10 -- SUBSEQUENT EVENT

On November 15, 2018 the District entered into a note payable with Government Capital Corporation for the construction of the new Cimarron Station for \$1,421,000. The note calls for yearly payments beginning November 15, 2019 and ending on November 15, 2038. The payment starts at \$75,000 and increases by \$5,000 until 2023. From 2024 until 2038 the yearly payments are \$117,999. The interest rate on the note is 4.25%, and the note is secured by granting the debtor a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the District.

NOTE 11 -- COMMITMENTS

The District has contracts with two engineering firms to provide services related to the construction of the Cimarron Station. The remaining balance on the contracts are as follows:

	Martinez Architects	AG/CM	Total
Original Contract Amount	\$ 71,675	\$ 20,300	\$ 91,975
Less Incurred to Date	48,849	9,715	58,564
Remaining as of 9/30/18	\$ 22,826	\$ 10,585	\$ 33,411



REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Special Revenue Fund

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Tax	\$ 438,455	\$ 438,455	\$ 463,201	\$ 24,746
Sales Tax	285,500	285,500	343,103	57,603
EMS Charges	176,000	176,000	218,704	42,704
Contributions/Grants	76,500	76,500	58,929	(17,571)
Interest and Other Income	250	250	397	147
Miscellaneous Income	53,500	53,500	5,915	(47,585)
TOTAL REVENUES	<u>1,030,205</u>	<u>1,030,205</u>	<u>1,090,249</u>	<u>60,044</u>
EXPENDITURES				
<i>Current:</i>				
Emergency Services	241,485	241,485	305,733	(64,248)
General Administrative	87,500	87,500	72,253	15,247
Capital Outlay	25,000	25,000	187,494	(162,494)
<i>Debt Service:</i>				
Principal	78,321	78,321	69,251	9,070
Interest	-	-	10,315	(10,315)
TOTAL EXPENDITURES	<u>432,306</u>	<u>432,306</u>	<u>645,046</u>	<u>(212,740)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	597,899	597,899	445,203	(152,696)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	(625,972)	(625,972)
Proceeds from Capital Lease	-	-	63,946	63,946
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(562,026)</u>	<u>(562,026)</u>
Net Change in Fund Balance	597,899	597,899	(116,823)	(714,722)
Fund Balance at Beginning of Year	<u>250,164</u>	<u>250,164</u>	<u>250,164</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 848,063</u>	<u>\$ 848,063</u>	<u>\$ 133,341</u>	<u>\$ (714,722)</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Miscellaneous Income	-	-	492	492
TOTAL REVENUES	-	-	492	492
EXPENDITURES				
<i>Current:</i>				
Emergency Services	591,856	591,856	623,806	(31,950)
General Administrative	6,000	6,000	2,384	3,616
TOTAL EXPENDITURES	597,856	597,856	626,190	(28,334)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(597,856)	(597,856)	(625,698)	(27,842)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	597,856	597,856	625,972	(28,116)
TOTAL OTHER FINANCING SOURCES (USES)	597,856	597,856	625,972	(28,116)
Net Change in Fund Balance	-	-	274	(55,958)
Fund Balance at Beginning of Year	(274)	(274)	(274)	-
Fund Balance at End of Year (Deficit)	<u>\$ (274)</u>	<u>\$ (274)</u>	<u>\$ -</u>	<u>\$ (55,958)</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEPTEMBER 30, 2018

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The District maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District’s Board and as such is a good management control device.

It is recommended that actual expenditures do not exceed appropriations, however, actual expenditures exceeded appropriations for the year ended September 30, 2018 due to costs associated with the District’s emergency services and capital outlay.

The District does not use encumbrances.



SUPPLEMENTARY INFORMATION

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

Such statements and schedule include:

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE BALANCE SHEETS – GENERAL FUND
 SEPTEMBER 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 121,164	\$ 223,052
Property Tax Receivable	24,906	22,495
Sales Tax Receivable	69,189	48,784
EMS Charges (Net of Allowance)	152,817	106,433
Prepaid Items	-	4,361
TOTAL ASSETS	\$ 368,076	\$ 405,125
LIABILITIES		
Accounts Payable	\$ 61,444	\$ 29,096
TOTAL LIABILITIES	61,444	29,096
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Tax Revenue	20,474	19,432
Unavailable EMS Charges	152,817	106,433
TOTAL DEFERRED INFLOWS OF RESOURCES	173,291	125,865
FUND BALANCE		
Nonspendable	-	4,361
Unassigned	133,341	245,803
TOTAL FUND BALANCE	133,341	250,164
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 368,076	\$ 405,125

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES – GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
REVENUES		
Property Taxes	\$ 463,201	\$ 398,593
Sales Tax	343,103	286,742
EMS Charges	218,704	699,295
Contributions	58,929	80,813
Interest and Other Income	6,312	9,087
TOTAL REVENUES	1,090,249	1,474,530
EXPENDITURES		
<i>Current:</i>		
Emergency Services	305,733	811,890
General Administration	72,253	116,377
Capital Outlay	187,494	106,841
<i>Debt Service:</i>		
Principal	69,251	66,132
Interest	10,315	12,189
TOTAL EXPENDITURES	645,046	1,113,429
Excess (Deficiency) Over (Under) Expenditures	445,203	361,101
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	(625,972)	(510,752)
Proceeds from the Capital Lease	63,946	-
TOTAL OTHER FINANCING SOURCES (USES)	(562,026)	(510,752)
Net Change in Fund Balance	(116,823)	(149,651)
Fund Balance at Beginning of Year	250,164	399,815
Fund Balance at End of Year	\$ 133,341	\$ 250,164

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE BALANCE SHEETS - SPECIAL REVENUE FUND
 DISTRICT 2 EMERGENCY SERVICES
 SEPTEMBER 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 3,302	\$ 19,862
Accounts Receivable	28,972	
TOTAL ASSETS	\$ 32,274	\$ 19,862
LIABILITIES		
Payroll Liabilities	\$ 32,274	\$ 20,136
TOTAL LIABILITIES	32,274	20,136
FUND BALANCE		
Unassigned (Deficit)	-	(274)
TOTAL FUND BALANCE (DEFICIT)	-	(274)
TOTAL LIABILITIES AND FUND BALANCE	\$ 32,274	\$ 19,862

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND
 DISTRICT 2 EMERGENCY SERVICES
 FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
REVENUES		
Contributions	\$ -	\$ 97,732
Miscellaneous Income	492	150
TOTAL REVENUES	492	97,882
EXPENDITURES		
<i>Current:</i>		
Emergency Services	623,806	588,280
General Administration	2,384	32,608
TOTAL EXPENDITURES	626,190	620,888
Excess (Deficiency) Over (Under) Expenditures	(625,698)	(523,006)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	625,972	510,752
Proceeds from the Capital Lease	-	11,980
TOTAL OTHER FINANCING SOURCES (USES)	625,972	522,732
Net Change in Fund Balance	274	(274)
Fund Balance at Beginning of Year (Deficit)	(274)	-
Fund Balance at End of Year (Deficit)	\$ -	\$ (274)

