



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

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2020**



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020

DISTRICT OFFICIALS

PRESIDENT	LARRY PHILLIPS
VICE PRESIDENT	GLENN CUNNINGHAM
SECRETARY	RUDY CANTU
TREASURER	KELLY HAWKINS
ASST. TREASURER	PAUL WITEK
WILSON COUNTY COMMISSIONER PCT.4	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, 2020

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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, each major fund and the aggregate remaining fund information of the Wilson County Emergency Services District No. 2, as of and for the year ended September 30, 2020, 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, each major fund, and the aggregate remaining fund information of Wilson County Emergency Services District No. 2, as of September 30, 2020, 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.

May 28, 2021

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, 2020. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s total net position was \$398 thousand at September 30, 2020.
- During the year, the District’s expenses were \$161 thousand more than the \$1.3 million generated in taxes and other revenues for governmental activities.
- The total cost of the District’s programs was \$1.5 million.
- Sales and use tax generated \$499 thousand as of September 30, 2020.
- Property tax generated \$543 thousand this year.
- The general fund reported a fund balance this year of \$120 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

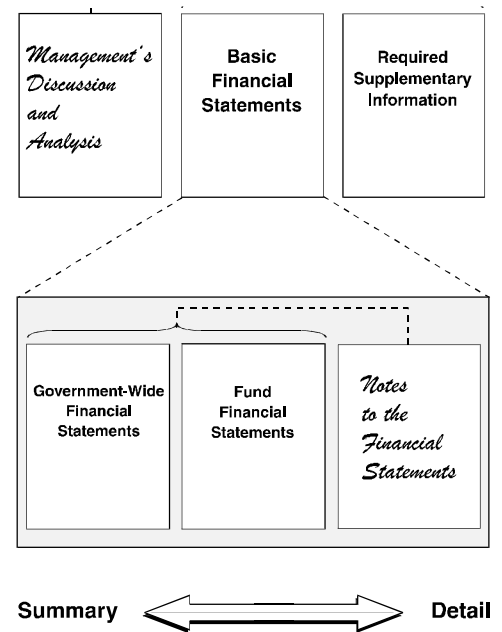


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of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

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements		
<i>Type of Statements</i>	Fund Statement	
	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 \$398 thousand at September 30, 2020. (See Table A-1).

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

	Governmental Activities		Total Percentage Change
	2020	2019	2020-2019
Current assets:			
Cash and Investments	\$ 73,816	\$ 301,547	-75.5%
Property Tax Receivable	24,888	23,715	4.9%
Sales Tax Receivable	86,452	67,185	28.7%
EMS Receivable (Net of Allowance)	-	163,335	-100.0%
Prepaid Items	6,904	11,424	-39.6%
Noncurrent Assets:			
Capital Assets	1,850,764	1,950,255	-5.1%
Total Assets	<u>2,042,824</u>	<u>2,517,461</u>	-18.9%
Liabilities			
Liabilities	154,660	374,443	-58.7%
Long-term Liabilities	1,490,252	1,583,706	-5.9%
Total Liabilities	<u>1,644,912</u>	<u>1,958,149</u>	-16.0%
Net Position:			
Net Investment in Capital Assets	266,496	389,256	-31.5%
Unrestricted	131,416	170,056	-22.7%
Total Net Position	<u>\$ 397,912</u>	<u>\$ 559,312</u>	

Changes in Net Position. The District’s total revenues were \$1.3 million, an increase of 11.4%. A significant portion, 42% comes from property taxes, 38% comes from sales taxes, 16% comes from grants and contributions, and 4% comes from charges for services and other revenues.

The total cost of all programs and services was \$1.5 million.

Governmental Activities

- Property tax rates were assessed at \$0.1 per \$100 valuation.

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

	Governmental Activities		Total Percentage Change
	2020	2019	2020-2019
General Revenues			
Property Taxes	\$ 542,500	\$ 498,784	8.8%
Sales Tax	499,480	377,783	32.2%
Charges for Services	41,150	198,752	-79.3%
Investment Income	1,169	18,412	-93.7%
Miscellaneous Income	7,659	15,129	-49.4%
Operating Grants and Contributions	156,772	7,775	1916.4%
Capital Grants and Contributions	57,788	56,500	2.3%
Total Revenues	<u>1,306,518</u>	<u>1,173,135</u>	11.4%
General Expenses			
Emergency Services	1,190,262	1,251,719	-4.9%
General Government	192,584	85,481	125.3%
Interest on Long-term Debt	85,072	11,662	629.5%
Total Expenses	<u>1,467,918</u>	<u>1,348,862</u>	8.8%
Increase (Decrease) in Net Position	<u>\$ (161,400)</u>	<u>\$ (175,727)</u>	-8.2%

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 \$1.5 million.
- The amount that our taxpayers paid for these activities through property taxes was \$543 thousand

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

	Total Cost of Services		Total Percentage Change
	2020	2019	2020-2019
Emergency Services	\$ 1,190,262	\$ 1,251,719	-4.9%
General Administration	192,584	85,481	125.3%
Interest on long term debt	85,072	11,662	629.5%
	<u>\$ 1,467,918</u>	<u>\$ 1,348,862</u>	8.8%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$1.5 million, an increase of 28% from the prior year. The increase in local revenues is a result of increased sales tax for the year.

General Fund Budgetary Highlights

The District budgeted \$1.5 million for expenditures. Actual expenditures were \$4,230 thousand more than budget amounts. The most significant variances resulted from increased EMS services and personnel costs.

Revenues were \$136 thousand less than the final budgeted amount, caused primarily by grants and bad debt related to EMS charges.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the District had invested \$1.9 million 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
	2020	2019	2020-2019
Land	\$ 129,115	\$ 129,115	0.0%
Building Improvements	1,381,999	28,509	4747.6%
Vehicles & Equipment	826,378	859,198	-3.8%
Construction In Progress	-	1,334,229	-100.0%
Totals at Historical Cost	2,337,492	2,351,051	-0.6%
Total Accumulated Depreciation	(486,728)	(400,796)	21.4%
Net Capital Assets	\$ 1,850,764	\$ 1,950,255	-5.1%

Long Term Debt

At year-end the District had \$1.6 million 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
	2020	2019	2020-2019
Long-term Debt	1,584,268	1,833,367	-14%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The property tax rate for the fiscal year 2021 remained the same at \$0.1000 per \$100 valuation. Appraised value used for the 2021 budget provides an anticipated revenue generation of \$529 thousand.
- General fund spending for 2021 was estimated at \$1.4 million or a 86% increase over 2020 actual expenses.
- If the estimates are realized, the District's budgetary general fund balance is expected to increase less than 1% by the close of 2021.

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, 2020

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, 2020

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 57,361
Investments	16,455
Property Tax Receivable	24,888
Sales Tax Receivable	86,452
Prepaid Items	6,904
<i>Total Current Assets</i>	<u>192,060</u>
<i>Noncurrent Assets:</i>	
<i>Property and Equipment:</i>	
Land	129,115
Buildings & Improvements	1,381,999
Equipment & Vehicles	826,378
Accumulated Depreciation	(486,728)
<i>Total Property and Equipment</i>	<u>1,850,764</u>
<i>Total Noncurrent Assets</i>	<u>1,850,764</u>
 TOTAL ASSETS	 <u>\$ 2,042,824</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF NET POSITION (CONT.)
SEPTEMBER 30, 2020

	<u>Governmental Activities</u>
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 18,877
Accrued Interest	10,338
Accrued Expenses	31,429
Due within One Year	<u>94,016</u>
<i>Total Current Liabilities</i>	<u>154,660</u>
 <i>Noncurrent Liabilities:</i>	
Due in more than One Year	<u>1,490,252</u>
<i>Total Noncurrent Liabilities</i>	<u>1,490,252</u>
TOTAL LIABILITIES	<u><u>1,644,912</u></u>
 NET POSITION	
Net Investment in Capital Assets	266,496
Unrestricted	<u>131,416</u>
TOTAL NET POSITION	<u><u>\$ 397,912</u></u>

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, 2020

Functions and Programs	Expenses	Program Revenues			Net (Expenses), Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Emergency Services	\$ 1,190,262	\$ 41,150	\$ 156,772	\$ 57,788	\$ (934,552)
General Administration	192,584	-	-	-	(192,584)
Interest on Long-term Debt	85,072	-	-	-	(85,072)
Total Governmental Activities	<u>1,467,918</u>	<u>41,150</u>	<u>156,772</u>	<u>57,788</u>	<u>(1,212,208)</u>
Total Primary Government	<u><u>\$ 1,467,918</u></u>	<u><u>\$ 41,150</u></u>	<u><u>\$ 156,772</u></u>	<u><u>\$ 57,788</u></u>	<u>(1,212,208)</u>
General Revenues:					
General Property Taxes					542,500
Sales Tax					499,480
Interest Income					1,169
Miscellaneous Income					7,659
Total General Revenues					<u>1,050,808</u>
Change in Net Position					(161,400)
Net Position at Beginning of Year					<u>559,312</u>
Net Position at End of Year					<u>\$ 397,912</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 50,240	\$ 7,121	\$ 57,361
Investments	16,455	-	16,455
Property Tax Receivable	24,888	-	24,888
Sales Tax Receivable	86,452	-	86,452
Prepaid Insurance	6,904	-	6,904
Due from Other Funds	-	24,308	24,308
TOTAL ASSETS	<u>\$ 184,939</u>	<u>\$ 31,429</u>	<u>\$ 216,368</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Accounts Payable	\$ 18,877	\$ -	\$ 18,877
Payroll Liabilities	-	31,429	31,429
Due to Other Funds	24,308	-	24,308
TOTAL LIABILITIES	<u>43,185</u>	<u>31,429</u>	<u>74,614</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenue	21,334	-	21,334
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,334</u>	<u>-</u>	<u>21,334</u>
FUND BALANCE			
Nonspendable	6,904	-	6,904
Unassigned	113,516	-	113,516
TOTAL FUND BALANCE	<u>120,420</u>	<u>-</u>	<u>120,420</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 184,939</u>	<u>\$ 31,429</u>	<u>\$ 216,368</u>

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, 2020

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 120,420
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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.	1,850,764
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Property taxes receivable are not available to pay current period expenditures and, therefore, are unavailable in the funds statements.	21,334
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Long-term notes payable are not due in the current period and therefore, are not reported in the funds.	(1,584,268)
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Accrued interest payable on long-term debt is not due and payable in the current period and, therefore, are not reported in the funds.	<div style="border-top: 1px solid black; display: inline-block;">(10,338)</div>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 397,912</div>
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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, 2020

	General Fund	Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
REVENUES			
Property Taxes	\$ 539,750	\$ -	\$ 539,750
Sales Tax	499,480	-	499,480
EMS Charges	204,485	-	204,485
Contributions/Grants	64,158	148,959	213,117
Interest and Other Income	1,169	-	1,169
Miscellaneous Income	9,101	-	9,101
TOTAL REVENUES	<u>1,318,143</u>	<u>148,959</u>	<u>1,467,102</u>
EXPENDITURES			
Current:			
Emergency Services	348,649	819,026	1,167,675
General Administration	91,242	5,176	96,418
Capital Outlay	19,261	-	19,261
Debt Service:			
Principal	249,100	-	249,100
Interest	74,734	-	74,734
TOTAL EXPENDITURES	<u>782,986</u>	<u>824,202</u>	<u>1,607,188</u>
Excess (Deficiency) Over (Under) Expenditures	535,157	(675,243)	(140,086)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(675,243)	675,243	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(675,243)</u>	<u>675,243</u>	<u>-</u>
Net Change in Fund Balance	(140,086)	-	(140,086)
Fund Balance at Beginning of Year	<u>260,506</u>	<u>-</u>	<u>260,506</u>
Fund Balance at End of Year	<u><u>\$ 120,420</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,420</u></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, 2020

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS **\$ (140,086)**

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.

Capital Outlay	19,261	
Loss on Disposal of Capital Assets	(17,411)	
Current Year Depreciation	<u>(101,342)</u>	(99,492)

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	2,751	
EMS Charges	<u>(163,335)</u>	(160,584)

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 and Capital Leases	249,100
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Some expenses reported in the Statement of Activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in the governmental funds:

Accrued Interest	<u>(10,338)</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (161,400)**



NOTES TO BASIC FINANCIAL STATEMENTS

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020 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, 2020

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, 2019, and became due October 1, 2019 have been assessed to finance the budget of the fiscal year beginning October 1, 2019.

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, 2020

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, 2020

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:

<u>Assets</u>	<u>Years</u>
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, 2020

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, 2020

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, 2020, 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's investments at September 30, 2020 consist of \$16,455 in Texas Class, a 2a7-like public funds investment pool. Texas Class operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAM. The investment in Texas Class is included in cash and cash equivalents and is reported at net asset value, which approximates fair market value.

3. Analysis of Specific Deposits and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the specific investment risks at year end and if so, the reporting of certain related disclosures. The District has analyzed its investment risks and determined that for the year ending September 30, 2020 the District was not exposed to any significant risks.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

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 2020, the assessed tax rate for the District was \$0.1000 per \$100 on an assessed valuation of \$538,832,471. Total tax levy for fiscal year 2020 was \$538,832. As of September 30, 2020, the delinquent current taxes for 2020 were \$9,873.

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>
Taxes:	
Property Taxes	\$ 24,888
Sales Taxes	86,452
Gross Receivables	111,340
Less: Allowance for Uncollectibles	-
Net Total Receivables	<u>\$ 111,340</u>

As of September 30, 2020, the District wrote off \$1,482,149 worth of EMS receivables due to a change in billing service providers that took effect October 1, 2020.

NOTE 5 -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, 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	19,261	1,334,229	1,381,999
Vehicles & Equipment	859,199	-	(32,821)	826,378
Construction In Progress	1,334,229	-	(1,334,229)	-
Less: Accumulated Depreciation	(400,796)	(101,342)	15,410	(486,728)
	<u>\$ 1,950,256</u>	<u>\$ (82,081)</u>	<u>\$ (17,411)</u>	<u>\$ 1,850,764</u>

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

Land and construction in progress are not depreciated.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 6 – NOTES AND LEASES PAYABLE

1. Notes 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.

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.

On February 29, 2016 the District entered into a note payable with Southside Bank, 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.

On August 29, 2019, the District took out a short-term operating loan in the amount of \$150,000. Interest on the loan was 1.79% and the entire amount was due December 15, 2019. As of September 20, 2020, the District has paid back the full amount of the loan.

On November 15, 2018 the District entered into a note payable with Government Capital Corporation, which was then sold to Southside Bank, for the construction of a new fire/EMS substation in the amount of \$1,421,000. The note calls for increasing annual payments beginning November 15, 2019 of \$75,000 through November 15, 2024 when the annual payment remains at \$117,999 through November 15, 2038. 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. As well as the operation or ownership of the property, its receivables and revenues.

2. Leases Payable

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 \$7,029 on the stretchers as of September 31, 2020 and has accumulated depreciation of \$16,985.

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 \$4,037 on the air compressor as of September 31, 2020 and has accumulated depreciation of \$8,409.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 6 -- NOTE PAYABLE (CONT.)

Future note payments are to be made as follows:

Fiscal Year Ending	Principal	Interest	Total
2021	\$ 81,451	\$ 63,052	\$ 144,503
2022	80,165	60,447	140,612
2023	55,119	58,032	113,151
2024	38,565	56,435	95,000
2025	63,203	54,796	117,999
2026-2030	358,663	231,330	589,993
2031-2035	441,638	148,355	589,993
2036-2038	425,810	46,183	471,993
Total Debt Payments	<u>\$1,544,614</u>	<u>\$ 718,630</u>	<u>\$2,263,244</u>

Future lease payments are to be made as follows:

Fiscal Year Ending	Lease Payments
2021	14,517
2022	14,517
2023	13,832
Total	42,866
Less: Amount Representing Interest	(3,212)
	<u>\$ 39,654</u>

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
<i>Notes Payable:</i>					
Loan #44863	\$ 24,590	\$ -	\$ (18,926)	\$ 5,664	\$ 5,664
Loan #7053	51,748	-	(17,744)	34,004	18,307
Loan #7323	134,710	-	(36,156)	98,554	37,251
Loan #8444	1,421,000	-	(14,608)	1,406,392	20,228
Loan #3344937	150,000	-	(150,000)	-	-
<i>Total Notes Payable:</i>	<u>1,782,048</u>	<u>-</u>	<u>(237,434)</u>	<u>1,544,614</u>	<u>81,450</u>
<i>Capital Lease Obligations:</i>					
Stretcher Lease	25,883	-	(5,939)	19,944	5,970
Air Compressor Lease	25,437	-	(5,727)	19,710	6,596
<i>Total Capital Lease Obligations:</i>	<u>51,320</u>	<u>-</u>	<u>(11,666)</u>	<u>39,654</u>	<u>12,566</u>
	<u>\$1,833,368</u>	<u>\$ -</u>	<u>\$ (249,100)</u>	<u>\$1,584,268</u>	<u>\$ 94,016</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2020

NOTE 7 -- CONTINGENT LIABILITIES

Litigation

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

NOTE 8 -- CONCENTRATION OF EXPENDITURES

For fiscal year 2020, the District paid District 2 Emergency Services, Inc. \$843,960 for providing emergency services to the District, which was 100% 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, 2020 were \$27,692.

NOTE 10 -- DUE TO OTHER FUNDS

The District provides 100% of financial support to District 2 Emergency Services, Inc. As of September 30, 2020, District 2 payroll liabilities exceeded cash in the amount of \$24,308. This is shown as an Due to Other Funds in the general fund.



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, 2020

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Tax	\$ 527,878	\$ 527,878	\$ 539,750	\$ 11,872
Sales Tax	420,000	420,000	499,480	79,480
EMS Charges	245,000	245,000	204,485	(40,515)
Contributions/Grants	260,000	260,000	64,158	(195,842)
Interest and Other Income	-	-	1,169	1,169
Miscellaneous Income	1,140	1,140	9,101	7,961
TOTAL REVENUES	<u>1,454,018</u>	<u>1,454,018</u>	<u>1,318,143</u>	<u>(135,875)</u>
EXPENDITURES				
<i>Current:</i>				
Emergency Services	340,961	340,961	348,649	7,688
General Administrative	94,700	94,700	91,242	(3,458)
Capital Outlay	19,261	19,261	19,261	-
<i>Debt Service:</i>				
Principal	249,100	249,100	249,100	-
Interest	74,734	74,734	74,734	-
TOTAL EXPENDITURES	<u>778,756</u>	<u>778,756</u>	<u>782,986</u>	<u>4,230</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	675,262	675,262	535,157	(140,105)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(675,243)</u>	<u>(675,243)</u>	<u>(675,243)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(675,243)</u>	<u>(675,243)</u>	<u>(675,243)</u>	<u>-</u>
Net Change in Fund Balance	19	19	(140,086)	(140,105)
Fund Balance at Beginning of Year	<u>260,506</u>	<u>260,506</u>	<u>260,506</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 260,525</u>	<u>\$ 260,525</u>	<u>\$ 120,420</u>	<u>\$ (140,105)</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, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Government Grant	\$ -	\$ 143,514	\$ 143,514
Other Grants and Contributions	-	5,445	5,445
TOTAL REVENUES	-	148,959	148,959
EXPENDITURES			
<i>Current:</i>			
Emergency Services	813,049	\$ 819,026	5,977
General Administrative	2,800	5,176	2,376
TOTAL EXPENDITURES	815,849	824,202	8,353
Excess (Deficiency) of Revenues Over (Under) Expenditures	(815,849)	(675,243)	140,606
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	793,428	675,243	118,185
TOTAL OTHER FINANCING SOURCES (USES)	793,428	675,243	118,185
Net Change in Fund Balance	(22,421)	-	(22,421)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ (22,421)	\$ -	\$ (22,421)

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEPTEMBER 30, 2020

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, 2020 due to costs associated with the District's emergency services.

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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and Cash Equivalents	\$ 50,240	\$ 156,885
Investments	16,455	122,368
Property Tax Receivable	24,888	23,715
Sales Tax Receivable	86,452	67,185
EMS Charges Receivables (Net of Allowance)	-	163,335
Prepaid Items	6,904	11,424
TOTAL ASSETS	<u><u>\$ 184,939</u></u>	<u><u>\$ 544,912</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Accounts Payable	\$ 18,877	\$ 23,398
Retainage Payable	-	59,126
Due to Other Funds	24,308	19,964
TOTAL LIABILITIES	<u><u>43,185</u></u>	<u><u>102,488</u></u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Tax Revenue	21,334	18,583
Unavailable EMS Charges	-	163,335
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>21,334</u></u>	<u><u>181,918</u></u>
FUND BALANCE		
Nonspendable	6,904	11,424
Unassigned	113,516	249,082
TOTAL FUND BALANCE	<u><u>120,420</u></u>	<u><u>260,506</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 184,939</u></u>	<u><u>\$ 544,912</u></u>

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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Property Taxes	\$ 539,750	\$ 500,675
Sales Tax	499,480	377,783
EMS Charges	204,485	188,235
Contributions	64,158	64,275
Interest and Other Income	1,169	18,412
Miscellaneous Income	9,101	15,129
TOTAL REVENUES	<u>1,318,143</u>	<u>1,164,509</u>
EXPENDITURES		
<i>Current:</i>		
Emergency Services	348,649	286,513
General Administration	91,242	61,962
Capital Outlay	19,261	1,301,058
<i>Debt Service:</i>		
Principal	249,100	82,189
Interest	74,734	11,662
Debt Issuance Costs	-	21,000
TOTAL EXPENDITURES	<u>782,986</u>	<u>1,764,384</u>
Excess (Deficiency) Over (Under) Expenditures	535,157	(599,875)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	(675,243)	(843,960)
Proceeds from the Notes Payable	-	1,571,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(675,243)</u>	<u>727,040</u>
Net Change in Fund Balance	(140,086)	127,165
Fund Balance at Beginning of Year	<u>260,506</u>	<u>133,341</u>
Fund Balance at End of Year	<u>\$ 120,420</u>	<u>\$ 260,506</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
COMPARATIVE BALANCE SHEETS - SPECIAL REVENUE FUND
DISTRICT 2 EMERGENCY SERVICES
SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and Cash Equivalents	\$ 7,121	\$ 22,294
Due from Other Funds	<u>24,308</u>	<u>19,964</u>
TOTAL ASSETS	<u><u>\$ 31,429</u></u>	<u><u>\$ 42,258</u></u>
LIABILITIES		
Payroll Liabilities	<u>\$ 31,429</u>	<u>\$ 42,258</u>
TOTAL LIABILITIES	<u><u>31,429</u></u>	<u><u>42,258</u></u>
FUND BALANCE		
Unassigned	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u><u>-</u></u>	<u><u>-</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 31,429</u></u>	<u><u>\$ 42,258</u></u>

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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Government Grant	\$ 143,514	\$ -
Other Grants and Contributions	<u>5,445</u>	<u>-</u>
TOTAL REVENUES	<u>148,959</u>	<u>-</u>
EXPENDITURES		
<i>Current:</i>		
Emergency Services	819,026	841,441
General Administration	<u>5,176</u>	<u>2,519</u>
TOTAL EXPENDITURES	<u>824,202</u>	<u>843,960</u>
Excess (Deficiency) Over (Under) Expenditures	(675,243)	(843,960)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>675,243</u>	<u>843,960</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>675,243</u>	<u>843,960</u>
Net Change in Fund Balance	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

