

Bexar County Emergency Services District No.5

Financial Statements

For the Year Ended September 30, 2022

Bexar County Emergency Services District No.5

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LEAL & CARTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bexar County Emergency Services District No.5
Atascosa, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Bexar County Emergency Services District No.5 (the District) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Bexar County Emergency Services District No.5 (the District), as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bexar County Emergency Services District No.5 (the District) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bexar County Emergency Services District No.5 (the District) ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Seal & Carter, P.C.

San Antonio, Texas

May 19, 2023

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Bexar County Emergency Services District No. 5 (the District), we offer readers the following discussion and analysis (MD & A) of the District's financial activities for the year ended September 30, 2022. The MD & A should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

General Fund

At the end of the fiscal year, the total net position for the general fund was \$1,256,487. The total net position increased by \$396,105 from the 2021 fiscal year.

Enterprise Fund (Component Unit)

At the end of the fiscal year, the total net position for the enterprise fund was \$1,111,306. The total net position decreased by \$269,717 from the 2021 fiscal year.

Government Wide Statements

On a government-wide basis for governmental activities, the District had program expenses of \$3,803,767 and general revenues of \$4,209,645. The Proprietary Fund had program expenses of \$702,343 and general revenues of \$106,063. Charges of services and operating grants and contributions totaled \$865,997.

As of September 30, 2022, the District's governmental fund reported an ending net position balance of \$1,569,025 and enterprise fund activities reported an ending net position balance of \$1,111,306.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts - management's discussion and analysis (this section) and the basic financial statements.

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements and required supplementary information (General Fund Budget Comparison Schedule).

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are the government-wide financial statements that provide both long-term and short-term information about the District's overall financial status. Previously, the primary focus of local governmental financial statements has been summarized fund type information on a short financial resource basis. GASB 34 modified this approach, adding new statements, government-wide statements, which focus on the District as a whole.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. These statements tell what remains for future spending in general government service.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to statements of a private-sector business.

The statement of net position includes all of the government's assets and liabilities, with the difference between the two reported as net position.

Revenues and expenses for the fiscal year are accounted for in the statement of activities regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The two government-wide statements report the District's net position and how they have changed. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

The government-wide financial statements of the District are presented in a governmental activities format. The District's basic services (emergency services and administrative support) are paid for by ad valorem tax revenues.

Fund Financial Statements

The fund financial statements provide detailed information about an entity's major funds a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Shortly, the focus is now on major funds rather than fund types.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The District has two fund types:

Governmental Funds -The general fund is a governmental fund, which focuses 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.

This fund is reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental funds statements provide a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Enterprise Funds – The Bexar Co. ESD No.5 Fire & Rescue is an enterprise type fund, because the primary government wishes to monitor the costs of providing rural fire protection services to the service the area. This fund is reported using an accrual basis of accounting. Bexar Co. ESD No. 5 Fire & Rescue has also been determined to be a blended component unit of the District.

Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on schedules immediately following the governmental funds statements that explain the relationship (or differences) between them.

Notes the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position for the year-end is \$2,680,331. This is a \$675,595 increase over last year's net position of \$2,004,736. The District's change in net position is \$675,595. This is a \$177,101 increase over last year's change in net position of \$498,494.

In accordance with GASB Statement No. 34, comparative analysis of government-wide information from prior year to short year is presented.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

The following tables reflect the condensed statement of net position and statement of net activities:

Net Position

	Governmental Fund		Enterprise Fund	
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	2022	2021	2022	2021
Current and Other Assets	\$ 1,569,725	\$ 1,203,534	\$ 108,368	\$ 21,996
Capital Assets	58,783	60,701	3,930,062	4,157,688
Total Assets	<u>\$ 1,628,508</u>	<u>\$ 1,264,235</u>	<u>\$ 4,038,430</u>	<u>\$ 4,179,684</u>
Current and Other Liabilities	\$ 59,483	\$ 101,088	\$ 462,070	\$ 419,959
Long-term Liabilities			2,465,054	2,918,136
Total Liabilities	<u>\$ 59,483</u>	<u>\$ 101,088</u>	<u>\$ 2,927,124</u>	<u>\$ 3,338,095</u>
Net Position				
Invested in Capital Assets, net of related debt	\$ 58,783	\$ 60,701	\$ 1,039,035	\$ 856,639
Unrestricted	1,510,242	1,102,446	72,271	(15,050)
Total Net Position	<u>\$ 1,569,025</u>	<u>\$ 1,163,147</u>	<u>\$ 1,111,306</u>	<u>\$ 841,589</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

Statement of Activities

Functions/Programs	Governmental Fund		Enterprise Fund	
	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2021
Primary Government Expenses:				
General and Administration	732,400	628,206	-	-
Emergency Services	3,071,367	2,190,389	-	-
Total Government Activities	3,803,767	2,818,595	-	-
BESD No.5 Fire & Rescue - Services Expenses	-	-	702,343	710,492
Total Enterprise Activities	-	-	702,343	710,492
Total Expenses	\$ 3,803,767	\$ 2,818,595	\$ 702,343	\$ 710,492
Contributions & General Revenues:				
Property Taxes	4,207,241	3,390,560	-	-
Other Revenue	2,404	6,373	106,063	34,633
Emergency Service Contracts	-	-	865,997	596,015
Total Revenues	4,209,645	3,396,933	972,060	630,648
Change in Net Position	405,878	578,338	269,717	(79,844)
Net Position at Beginning of Year	1,163,147	584,809	841,589	921,433
Prior Period Adjustment	-	-	-	-
Net Position at Ending of Year	\$ 1,569,025	\$ 1,163,147	\$ 1,111,306	\$ 841,589

Capital Assets and Debt Administration

The District’s investment in capital assets, net of depreciation for the primary government and its component unit for the year ended September 30, 2022 totaled to \$3,988,846. This investment in capital assets includes land, buildings, furniture and equipment, vehicles and construction in progress. The total decrease in investment in capital assets for the year was \$229,543.

The component unit purchased a total of \$43,007 in fixed assets during the year. A total of \$43,007 was added to Construction in Progress in 2022, The disposed of several fixed assets in fiscal year 2022 with a total book cost of \$148,150.

	Governmental Fund		Enterprise Fund	
	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2021
Land	\$ 5,700	\$ 5,700	\$ 65,734	\$ 65,734
Buildings and Improvements	50,938	52,382	690,180	714,968
Furniture and Equipment	2,145	1,499	210,384	263,455
Vehicles	-	1,120	2,848,144	3,040,917
Construction in Progress	-	-	115,621	72,614
Totals	\$ 58,783	\$ 60,701	\$ 3,930,063	\$ 4,157,688

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

Additional information on the District’s capital assets can be found in Note 4 of the financial statements.

Long-Term Debt

At the end of the fiscal year, the District’s component unit had long-term debt outstanding of \$2,891,027. Of this amount, \$2,206,745 represents long-term debt related to lease-purchase agreements for fire vehicles. All debt is held by the Proprietary Fund.

Additional information on the Component Unit’s debt can be found in Notes 5 and 6 of the financial statements.

	Enterprise Fund	
	Fiscal Year	Fiscal Year
	2022	2021
Notes Payable	\$ 684,282	\$ 846,341
Capital Lease Liability	2,206,745	2,454,708
Total	<u>\$ 2,891,027</u>	<u>\$ 3,301,049</u>

ECONOMIC FACTORS

The annual budget is developed to provide efficient, effective, and economic uses of the District’s resources, as well as a means to accomplish the highest priority objectives. Through the budget, the District board sets the direction of the District, allocates its resources, and establish its priorities.

The budget was adopted based on estimated balances that would be available at the end of the fiscal year 2022 and estimated revenues to be received in fiscal year 2022.

Financial Contact

Questions concerning any of the information provided in the Management’s Discussion & Analysis should be addressed to:

Herschel Postert
Board President
Bexar Co. ESD No.5
11109 Kinney Road
Atascosa, TX 78002
Phone: (210) 384-4877

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

Statement of Net Position

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	Governmental Fund BESD No.5	Enterprise Fund BESD No.5 Fire & Rescue	
Assets			
Cash and Cash Equivalents	\$ 1,280,497	\$ 108,368	\$ 1,388,865
Taxes Receivable, Net	253,756	-	253,756
Due From - BESD No. 5 Fire & Rescue	35,472	-	35,472
Prepaid Deposit	-	-	-
Capital Assets:			
Property, Plant, and Equipment	98,524	5,316,751	5,415,275
Accumulated Depreciation	(39,741)	(1,386,689)	(1,426,430)
Property, Plant, and Equipment, Net	58,783	3,930,062	3,988,845
Total Assets	\$ 1,628,508	\$ 4,038,430	\$ 5,666,938
Liabilities			
Accrued Expenses	59,483	625	60,108
Due To - BESD No. 5	-	35,472	35,472
Long Term Liabilities:			
Due within one year	-	425,973	425,973
Due after one year	-	2,465,054	2,465,054
Total Liabilities	59,483	2,927,124	2,986,607
Net Position			
Invested in Capital Assets, Net of Related Debt	58,783	1,039,035	1,097,818
Unrestricted	1,510,242	72,271	1,582,513
Total Net Position	\$ 1,569,025	\$ 1,111,306	\$ 2,680,331

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

Statement of Activities

For the Year Ended September 30, 2022

Functions/Programs	Primary Government					
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
				Governmental Fund BESD No. 5	Enterprise Fund - BESD No. 5 Fire & Rescue	
<i>Primary Government</i>						
Governmental Activities:						
General and Administration	\$ 732,400	\$ -	\$ -	\$ (732,400)	\$ -	\$ (732,400)
Emergency Services	<u>3,071,367</u>	<u>-</u>	<u>-</u>	<u>(3,071,367)</u>	<u>-</u>	<u>(3,071,367)</u>
Total Government Activities	<u>3,803,767</u>	<u>-</u>	<u>-</u>	<u>(3,803,767)</u>	<u>-</u>	<u>(3,803,767)</u>
Business-Type Activities:						
BESD No.5 Fire & Rescue						
Emergency Services	<u>702,343</u>	<u>-</u>	<u>865,997</u>	<u>-</u>	<u>163,654</u>	<u>163,654</u>
Total Enterprise Activities	<u>702,343</u>	<u>-</u>	<u>865,997</u>	<u>-</u>	<u>163,654</u>	<u>163,654</u>
Total Primary Government	<u>\$ 4,506,110</u>	<u>\$ -</u>	<u>\$ 865,997</u>	<u>\$ (3,803,767)</u>	<u>\$ 163,654</u>	<u>\$ (3,640,113)</u>
Net (Expenses) Revenue				<u>\$ (3,803,767)</u>	<u>\$ 163,654</u>	<u>\$ (3,640,113)</u>
General Revenues:						
General Property & Sales Taxes				4,207,241	-	4,207,241
Gain on Sale of Assets				-	77,031	77,031
Other Revenue				<u>2,404</u>	<u>29,032</u>	<u>31,436</u>
Total General Revenues				<u>4,209,645</u>	<u>106,063</u>	<u>4,315,708</u>
Change in Net Position				<u>405,878</u>	<u>269,717</u>	<u>675,595</u>
Net Position at Beginning of Year				<u>1,163,147</u>	<u>841,589</u>	<u>2,004,736</u>
Prior Period Adjustment				<u>-</u>	<u>-</u>	<u>-</u>
Net Position at End of Year				<u>\$ 1,569,025</u>	<u>\$ 1,111,306</u>	<u>\$ 2,680,331</u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

Balance Sheet - Governmental Funds

September 30, 2022

	<u>Governmental Fund BESD No.5</u>
Assets	
Cash and Cash Equivalents	\$ 1,280,497
Taxes Receivable, Net	253,756
Due From - BESD No. 5 Fire & Rescue	35,472
Prepaid Deposit	-
Total Assets	<u><u>\$ 1,569,725</u></u>
Liabilities	
Accrued Expenses	<u>\$ 59,482</u>
Total Liabilities	<u>59,482</u>
Deferred Inflows of Resources	
Unavailable Revenue - Property Taxes	<u>253,756</u>
Total Deferred Inflows of Resources	<u>253,756</u>
Fund Balances	
Uassigned - Undesignated	<u>1,256,487</u>
Total Fund Balances	<u>1,256,487</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,569,725</u></u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

**Reconciliation of Balance Sheet-
Governmental Funds to Statement of Net Position**

September 30, 2022

Total Fund Balances - Governmental Funds	\$ 1,256,487
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	98,524
Accumulated depreciation for capital assets recorded in governmental activities are not reported in the funds	(37,823)
Property taxes receivable not available to pay current period's expenditures are deferred in the funds	253,756
Capital additions and capital lease payments are not reported as expenses in the statement of activities	-
Depreciation of capital assets used for governmental activities is not reported in the funds	<u>(1,918)</u>
Total Net Position - Governmental Activities	<u><u>\$ 1,569,026</u></u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

**Statement of Revenues, Expenses, and Changes in Fund Balances
- Governmental Funds**

For the Year Ended September 30, 2022

	Governmental Fund BESD No.5
Revenues	
Property & Sales Taxes	\$ 4,195,550
Other Income	2,404
	<hr/>
Total Revenues	4,197,954
	<hr/>
Expenses	
Administrative Expenses	343,713
Office Expenses	1,638
Professional Fees	106,088
Emergency Services	2,991,755
Equipment	5,395
Insurance Expense	280,961
Other Miscellaneous	72,299
	<hr/>
Total Expenses	3,801,849
	<hr/>
Excess (deficiency) of revenues over(under) expenditures	396,105
	<hr/>
Other Financing Sources:	
Gain on Sale of Capital Assets	-
	<hr/>
Net Changes in Fund Balance	396,105
Fund Balance at Beginning of Year	860,382
Prior period adjustment	-
	<hr/>
Fund Balance at Ending of Year	\$ 1,256,487
	<hr/> <hr/>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

**Reconciliation of Change in Fund Balance - Governmental Funds
To Change In Net Position - Governmental Activities**

September 30, 2022

Net Change in Fund Balance - Governmental Funds	\$ 396,105
Capital additions and capital lease payments are not reported as expenses in the statement of activities	-
Property taxes receivable not available to pay current period's expenditures are deferred in the funds	11,691
Depreciation of capital assets used for governmental activities is not reported in the funds	(1,918)
	<hr/>
Total Changes in Net Position - Governmental Activities	<u><u>\$ 405,878</u></u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

Statement of Net Position - Proprietary Funds

September 30, 2022

	Business Activities - Enterprise Fund BESD No.5 Fire & Rescue
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 108,368
Total Current Assets	<u>108,368</u>
Noncurrent Assets:	
Capital Assets:	
Property, Plant, Equipment	5,201,130
Construction in Progress	115,621
Accumulated Depreciation	<u>(1,386,689)</u>
Total Capital Assets, net	<u>3,930,062</u>
Total Noncurrent Assets:	<u>3,930,062</u>
Total Assets	<u>4,038,430</u>
Liabilities	
Current Liabilities:	
Accrued Expenses	625
Bank Overdraft	-
Due To - BESD No. 5	35,472
Notes Payable, Current	<u>425,973</u>
Total Current Liabilities	<u>462,070</u>
Noncurrent Liabilities:	
Notes Payable	<u>2,465,054</u>
Total Noncurrent Liabilities	<u>2,465,054</u>
Total Liabilities	<u>2,927,124</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	1,039,035
Unrestricted Net Position	<u>72,271</u>
Total Net Position	<u>\$ 1,111,306</u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO.5

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds**

For the Year Ended September 30, 2022

	Business Activities - Enterprise Fund BESD No.5 Fire & Rescue
Operating Revenues	
Contributions - Emergency Service Contracts	\$ 865,997
Other Income	29,032
Total Operating Revenues	<u>895,029</u>
Administrative Expenses	40,520
Office Expenses	82,743
Professional Fees	20,306
Emergency Services	-
Equipment	32,688
Insurance Expense	146
Fuel	84,493
Repairs & Maintenance	30,085
Other Miscellaneous	25,464
Depreciation	270,632
Interest Expense	115,266
Total Operating Expenses	<u>702,343</u>
Operating Income (Loss)	<u>192,686</u>
Nonoperating Revenues (Expenses):	
Gain or Loss on Sale of Capital Assets	77,031
Total Nonoperating Revenues (Expenses):	<u>77,031</u>
Change in Net Position	269,717
Net Position at Beginning of Year	<u>841,589</u>
Net Position at Ending of Year	<u><u>\$ 1,111,306</u></u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

Statement of Cash Flows - Proprietary Funds

For the Year Ended September 30, 2022

	Business Activities - Enterprise Fund BESD No.5 Fire & Rescue
Cash Flows from Operating Activities	
Receipts from Bexar County ESD 5	\$ 901,469
Other Receipts	29,032
Payments to Vendors	(468,132)
Net cash provided by operating activities	<u>462,369</u>
Cash Flows from Capital and Related Financing Activities	
Net purchases/sale of capital assets	(43,007)
Gain (Loss) on sale of capital assets	77,031
Net cash provided by capital and related financing activities	<u>34,024</u>
Cash Flows from Investing Activities	
Principal Payments on Debt	(410,021)
Financing of Capital Leases	-
Net cash used in investing activities	<u>(410,021)</u>
Net increase (decrease) in cash and cash equivalents	86,372
Cash and cash equivalents at beginning of year	<u>21,996</u>
Cash and cash equivalents at end of year	<u><u>\$ 108,368</u></u>
Reconciliation of Operating Income To Net Cash Provided (Used) By Operating Activities	
Operating income	\$ 192,686
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	270,632
Changes in:	
Accounts payable - trade	-
Bank Overdraft	(949)
Total Adjustments	<u>269,683</u>
Net cash provided by operating activities	<u><u>\$ 462,369</u></u>

The accompanying notes are an integral part of these statements

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bexar County Emergency Services District No. 5 (the District) is a political subdivision of the State of Texas and was created by the Bexar County Commissioner's Court after a public election on May 5, 2001. The District was created to provide emergency services and promote public safety, welfare, health and convenience for persons residing in the District. The District is financed through local property taxes; therefore, the activities of the District are accounted for and reported as a governmental type fund.

A. Reporting Entity

The accompanying financial statements present the activities of Bexar County Emergency Services District No. 5 (Primary Government) and its component unit, Bexar County ESD 5 Fire and Rescue (ESD 5 Fire and Rescue). As defined by Government Accounting Standards Board (GASB) Statement No. 14, as amended by GASB 39 & 61, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Component units are reported as either Blended Component units or Discretely Presented Component Units within the financial statements of the primary government. Blended Component Units are so intertwined with the primary government that they are, in substance, part of the primary government. These component unit's balances and transactions are reported in a manner similar to the balances and transactions of the primary government. All other component unit's balances and transactions are discretely presented in columns and rows separate from those of the primary government. The District's component unit is considered a blended component unit. The District is not a component unit of any other entity.

Blended Component Unit

Because the board members of the District are substantially the same as the board members of its component unit, Bexar County ESD 5 Fire and Rescue, and since under provisions of the newly implemented GASB 61 the District management has operational responsibility for ESD 5 Fire and Rescue, the component unit is reported as a blended component unit in accordance with GASB Statement No. 14, as amended by GASB 39 & 61. ESD 5 Fire and Rescue is a non-governmental, non-profit volunteer fire department which is subsidized by the District.

Due to the nature of the component unit and since the primary government funds the component unit based on the cost of providing rural fire protection services to the service area, the activities of the blended component unit are accounted for and reported as an Enterprise-type fund in these financial statements. ESD 5 Fire and Rescue does not issue separate financial statements.

The ESD 5 Fire and Rescue was incorporated in the State of Texas as a nonprofit corporation in January 25, 2009. The ESD 5 Fire and Rescue is exempt from federal income tax pursuant to Internal Revenue Code Section 501(c)(3) and is not a private foundation.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Primary government (the District) including its component unit, ESD 5 Fire and Rescue. These statements distinguish between the District's governmental and business-type activities. Governmental activities are supported mainly by taxes. Business-type activities are financed mostly by contributions from the District. The District does not have fiduciary funds and these are not included in the financial statements.

The statement of activities demonstrates 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 or segment. Program revenues include 1) charges of customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 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 among program revenues are reported instead as general revenues.

The fund financial statements provide information about the District's funds, including its blended component unit. Separate financial statements for each fund category – governmental and proprietary - are presented.

The ESD reports the following major governmental fund and enterprise fund:

The General Fund is the operating fund of the District and is always classified as a major fund. The general fund is used to account for all financial resources. Primary expenditures are for general government and public safety. The District has no other governmental funds.

The ESD 5 Fire and Rescue, the District's blended component unit, is reported as an enterprise fund. Disclosures in these notes to financial statements for the blended component unit activity will be distinguished as activity under the enterprise or proprietary funds or as business activities.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide and Proprietary Fund financial statements

The government-wide and proprietary fund 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.

Proprietary fund (ESD 5 Fire and Rescue) operating revenues include contributions and amounts received for emergency services contracts. Operating expenses for proprietary funds include the cost of services, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the ESD considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Amounts reported as program revenues include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

The District's cash includes cash on hand and demand deposits, and certificates of deposit, and all amounts are unrestricted. For the purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less from the purchase date to be cash equivalents.

E. Property Taxes Receivable

Property taxes are levied each October 1 on the taxable value as of the preceding January 1, the date a lien attaches, for all taxable real and personal property located in the ESD. Taxes are due by January 31 following the October 1 assessment date and become delinquent on February 1, at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date, and accordingly, receivables and revenues for property taxes are reflected on the government-wide statements based on the full accrual method of accounting. Property taxes receivables are shown net of allowance for uncollectible accounts, as applicable.

F. Deferred Inflow of Resources

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues less the allowance for uncollectible accounts not expected to be available for the current period are reported as deferred inflow of resources.

G. Fund Balances

The Board has implemented GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". In applying this Statement, the initial distinction that is made is reporting the fund balance information is identifying amounts that are considered *non-spendable*; such as, fund balance associated with inventories, and then identifying other amounts to be classified as *restricted, committed, assigned, and unassigned based* on the relative strength of the constraints that control how specific amounts can be spent.

The Board uses the following criteria when classifying fund balance amounts:

Non-spendable

Amounts not available to be spent either because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. Examples include inventories, prepaid items, and deferred expenditures.

Restricted

The restricted fund balance includes the portion of the spendable fund balance that reflects constraints on spending because of legal restriction stipulated by outside parties,

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fund Balances (Continued)

state statutes, or grant requirements placed on the use for specific purposes. Examples include encumbrances for goods or services with outside creditors or grantors outstanding at the end of the period.

Committed

The committed fund balance includes the portion of the spendable fund balance that reflects constraints that the Directors have imposed upon itself by a formal action of the Board of Directors, the highest level of decision-making authority. This constraint must be imposed prior to period end but the amount can be determined at a later date.

Assigned

The assigned fund balance is the portion of the spendable fund balance that reflects funds intended to be used by the District for specific purposes assigned by more informal operational plans. The authority to assign fund balance is retained by the District.

Unassigned

This is the residual classification for the Board's general fund and includes all spendable amounts not contained in the other classifications, and therefore, not subject to any constraints. Unassigned amounts are available for any purpose. Although there is generally no set spending plan for the unassigned portion, there is no need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered; in addition, the resources can be used to cover expenditures for revenues not yet received. For the fiscal year ended September 30, 2022, the Districts total fund balance was an Unassigned Fund Balance of \$1,510,242.

H. Net Position

Net position represents the difference between assets and liabilities. 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. For the fiscal year ended September 30, 2022, the District had an Unrestricted Net Position of \$72,271.

I. 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. For the fiscal year ended September 30, 2022, the District's only use of estimates was for the depreciation of Capital Assets described in Note J below.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the business-type activities column in the applicable governmental and/or business-type activities columns in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Only capital asset items with an initial, individual cost over \$5,000 are capitalized and are valued at cost or estimated cost. Donated capital assets are reported at fair market value at the time of acquisition.

Capital Assets are depreciated over their useful lives using the straight-line basis as follows:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Equipment	10-20
Vehicles	5-20

K. Contributions

The ESD 5 Fire and Rescue has adopted SFAS No. 116, "Accounting for Contributions Received or Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence of any donor restrictions, in the proprietary fund financial statements. The ESD 5 Fire and Rescue received only unrestricted contributions in fiscal year 2022, including \$865,997 from the District for fiscal year 2022 operating costs.

L. Income Taxes

The ESD 5 Fire & Rescue (proprietary fund) is exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code.

M. Use of Restricted Assets and Amounts

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

It is the District's policy to consider restricted amounts to have been spent when expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. Additionally, it is the District's policy to consider unassigned amounts to have been spent when expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget and Budgetary Accounting

The District has established requirements for the adoption of budgets and budgetary control. Expenditures of the District cannot legally exceed the final budget as amended and legally enacted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal period, the Directors are required to adopt a budget for the fiscal period beginning of the following October 1. The budget included proposed expenditures and the means of financing them.
2. Formal budgetary integration is utilized as a management control device. Annual budgets are adopted on the budgetary basis of accounting.

Annual budgets for the component unit are adopted on a basis consistent with general accepted accounting principles. Since comparative budget and actual data is not required in the basic financial statements for proprietary funds, comparative data is not presented in the District's basic financial statements.

3. All appropriations lapse at the end of the budget period to the extent that they shall not have been expended.

NOTE 3: CREDIT RISK

Financial instruments, which potentially subject the District to concentrations of credit risk, consist primarily of cash. Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. At September 30, 2022, the cash balance reported under Governmental Activities was \$1,280,497 and the balance reported under Business Activities was \$108,368.

The District's deposits in non-interest bearing accounts as of, and throughout the period ended September 30, 2022 were fully covered by FDIC insurance and approved collateral securities.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

<i>Governmental Activities</i>	Beginning Balance 9/30/2021	Additions	Deletions	Ending Balance 9/30/2022
Capital Assets Not being depreciated				
Land	\$ 5,700	\$ -	\$ -	\$ 5,700
	5,700	-	-	5,700
Capital Assets being depreciated				
Leasehold Improvements	57,730	-	-	57,730
Furniture & Equipment	3,325	-	-	3,325
Vehicles	31,769	-	-	31,769
Total Capital Assets	92,824	-	-	92,824
Accumulated Depreciation				
Vehicles	(37,823)	(1,918)	-	(39,741)
Total Accum. Depreciation	(37,823)	(1,918)	-	(39,741)
Total Capital Assets Net	\$ 60,701	\$ (1,918)	\$ -	\$ 58,783

Depreciation expense was \$1,918 for the year ended September 30, 2022.

<i>Business-Type Activities</i>	Beginning Balance 9/30/2021	Additions	Deletions	Ending Balance 9/30/2022
Capital Assets Not being depreciated				
Land	\$ 65,734	\$ -	\$ -	\$ 65,734
Construction in Progress	72,614	43,007	-	115,621
	138,348	43,007	-	181,355
Capital Assets being depreciated				
Buildings	901,638	-	-	901,638
Vehicles	3,834,076	-	(148,150)	3,685,926
Furniture & Equipment	547,832	-	-	547,832
Total Capital Assets	5,283,546	-	(148,150)	5,135,396
Accumulated Depreciation				
Buildings & Improvements	(186,670)	(24,788)	-	(211,458)
Vehicles	(793,159)	(192,773)	148,150	(837,782)
Furniture & Equipment	(284,377)	(53,071)	-	(337,448)
Total Accum. Depreciation	(1,264,206)	(270,632)	148,150	(1,386,688)
Total Capital Assets Net	\$ 4,157,688	\$ (227,625)	\$ -	\$ 3,930,063

Depreciation Expense was \$270,632 for the year ended September 30, 2022.

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5: NOTES PAYABLE

Business Type Activities

Notes Payable consist of interest-bearing Promissory Notes payable to Government Capital, due in periodic installments, for the purposes of construction fire stations for Fire & Rescue and Somerset Volunteer Fire Department and a note payable to Texas Community Bank to purchase computer equipment for fire truck. All debt is held by the ESD 5 Fire and Rescue, component unit.

Regarding notes payable to Government Capital, Government Capital has assigned these notes to investors who have incurred additional bundling and related fees that have been factored into their financing with no effect to the borrower's payment amounts or terms, unless the notes are paid before maturity. If the borrower pays such notes before maturity, any and all un-recaptured assignee loan costs that have not been recaptured at that time will be recouped in accordance with "Options to Purchase" (i.e., loan prepayment) schedule included with the loan documents.

The following debt is outstanding as of September 30, 2022:

	<u>Balance</u>
Government Capital, Secured by Property and Revenues, Payable in periodic installments of \$20,729 including Interest at 5.68%, maturing December, 2028	\$ 119,050
Government Capital, Secured by Property and Revenues, Payable in periodic installments of \$30,047 including interest at 3.826%, maturing December, 2028	\$ 182,965
Government Capital, Secured by Property and Revenues, Payable in periodic installments of \$6,728 including interest at 3.47%, maturing December, 2023	\$ 98,618
Lytle State Bank, Secured by Property, Payable in periodic installments of \$4,968, including Interest at 3.60%, maturing January, 2028	\$ 283,649

Annual debt service requirements to maturity are as follows:

Year Ended September 30,	Notes Payable		Total
	Principal	Interest	
2023	165,920	25,202	191,122
2024	110,956	19,617	130,573
2025	94,556	15,834	110,391
2026	98,376	12,014	110,391
2027	102,355	8,035	110,391
2028	112,118	8,704	120,821
	\$ 684,282	\$ 89,407	\$ 773,689

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5: NOTES PAYABLE (CONTINUED)

Debt activity for notes payable during FY 2022 is as follows:

Business Type Activities

	Beginning Balance 10/01/2021			Ending Balance 9/30/2022		Due within One Year
		Increase	(Decrease)			
Government Capital, December 2028	\$ 131,658	\$ -	\$ (12,608)	\$ 119,050	\$ 13,967	
Government Capital, December 2028	204,396	-	(21,431)	182,965	23,047	
Government Capital, December 2023	174,494		(75,876)	98,618	78,551	
Lytle State Bank, January 2028	335,787	-	(52,138)	283,649	50,033	
Total BESD Fire & Rescue	<u>\$ 846,335</u>	<u>\$ -</u>	<u>\$ (162,053)</u>	<u>\$ 684,282</u>	<u>\$ 165,598</u>	

NOTE 6: LEASES

Business Type Activities

The ESD 5 Fire and Rescue has entered into lease purchase agreements for financing the acquisition of five fire vehicles. The assets acquired through capital leases are as follows:

Asset:	Business- Type Activities
Vehicle	2,748,114
Less: Accumulated Depreciation	(391,762)
Total	<u>2,356,352</u>

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6: LEASES (CONTINUED)

The future minimum lease obligations on the next present value of these minimum lease payments as of September 30, 2022, are as follows:

Year Ended September 30,	Principal	Interest	Total
2023	\$ 260,375	\$ 70,171	\$ 330,546
2024	268,647	61,956	330,603
2025	239,854	53,472	293,327
2026	247,263	46,125	293,388
2027	254,908	38,544	293,452
2028-2031	935,699	73,413	1,009,112
Total minimum lease payments	2,206,745	343,683	\$ 2,550,428
Less: amount representing interest			343,683
Present Value of minimum lease payments			<u>2,206,745</u>

NOTE 7: RISK MANAGEMENT

The ESD is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The ESD contracts with the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program providing insurance coverage in the following areas: general liability, automobile liability and physical damage, worker's compensation, real and personal property, and errors and omissions liability. The agreement for formation of the Texas Municipal League Intergovernmental Risk Pool provides that the pool will be self-sustaining through member premiums and will be adjusted annually through an experience modifier.

The pooling agreement requires the pool to be self sustaining. It is not possible to estimate the amount of any losses for which the ESD might be liable. The Texas Municipal League Intergovernmental Risk Pool has published its own financial report for the period ended September 30, 2022 which can be obtained from the Texas Municipal League.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8: COMMITMENTS & CONTINGENCIES

In September 2021, the District entered into service contracts for FY2022 with Bexar County ESD5 Fire & Rescue. The contract was in the amount of \$800,000. As in the case of most government contracts, all payments from a general fund are contingent on budget approval for each year.

The District filed a lawsuit against the City of San Antonio on December 30, 2019 due to the annexation of real property within the District's boundaries which was dismissed by the Trial Court. The District has subsequently filed an appeal on February 22, 2021. A separate lawsuit against the City of San Antonio was filed on December 31, 2020 with the same claims made in the lawsuit filed on December 30, 2019. The amounts or effects to the District are not presently available, which may affect budgeted property tax revenue.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated the activity of District thru May 19, 2023, the date the financial statements were available to be issued.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

Supplemental Schedule
 Budgetary Comparison - Governmental Fund
 (Budget Basis)

Year Ended September 30, 2022

	<i>Original/Final Annual Budget</i>	<i>Actual results</i>	<i>Variances</i>
	<i>Fiscal Year Ended</i>	<i>Fiscal Year Ended</i>	<i>Favorable/ (Unfavorable)</i>
	<i>9/30/2022</i>	<i>9/30/2022</i>	<i>(Unfavorable)</i>
Revenues			
Taxes	\$ 4,929,266	\$ 4,195,550	\$ (733,716)
Other Income	-	2,404	2,404
Total Revenues	4,929,266	4,197,954	(731,312)
Expenses			
Administrative Expenses	185,000	343,713	(158,713)
Office Expenses	-	1,638	(1,638)
Professional Fees	178,436	106,088	72,348
Emergency Services	3,491,564	2,991,755	499,809
Equipment	-	5,395	(5,395)
Insurance Expense	435,902	280,961	154,941
Fuel	-	-	-
Repairs & Maintenance	-	-	-
Other Miscellaneous	390,000	72,299	317,701
Total Expenses	4,680,902	3,801,849	879,053
Excess (deficiency) of revenues over(under) expenditures	248,364	396,105	147,741
Other Financing Sources (Uses):			
Transfers In (Out)	-	-	-
Net Changes in Fund Balance	248,364	396,105	147,741
Fund Balance at Beginning of Year	288,713	860,382	-
Prior period adjustment	-	-	-
Fund Balance at Ending of Year	\$ 537,077	\$ 1,256,487	\$ 147,741