

**Bexar County Emergency Services District No.5**

Financial Statements

For the Year Ended September 30, 2020

**Bexar County Emergency Services District No.5**

Table of Contents

Independent Auditors' Report .....1-2

Management Discussion and Analysis.....3-8

**Government-Wide Financial Statements:**

Statement of Net Position.....9

Statement of Activities.....10

**Fund Financial Statements:**

Balance Sheet – Governmental Funds.....11

Reconciliation of Balance Sheet – Governmental  
Funds to Statement of Net Assets.....12

Statements of Revenues, Expenses, and Changes  
in Fund Balance-Governmental Funds.....13

Reconciliation of Change in Fund Balance – Governmental  
Funds to Change in Net Position.....14

Statement of Net Position- Proprietary Fund 15

Statement of Revenues, Expenditures and Changes in  
Fund Net Position – Proprietary Fund 16

Statement of Cash Flows- Proprietary Fund.....17

Notes to Financial Statements.....18-29

**Supplemental Schedule:**

Budget Comparison – Governmental Fund (Budget Basis).....30

# LEAL & CARTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Frank J. Leal, CPA  
Roberto Carter, CPA

16011 University Oak  
San Antonio, Texas 78249  
Telephone:(210) 696-6206  
Fax:(210) 492-6209

## INDEPENDENT AUDITOR'S REPORT

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

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) for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the District, for the year ended September 30, 2020, 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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 8 and the budgetary comparison information on page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



San Antonio, Texas

May 13, 2021

## **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, 2020. 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 \$289,213. The total net position increased by \$102,421 from the 2020 fiscal year.

##### Enterprise Fund (Component Unit)

At the end of the fiscal year, the total net position for the enterprise fund was \$921,433. The total net position increased by \$111,847 from the 2020 fiscal year.

##### Government Wide Statements

On a government-wide basis for governmental activities, the District had program expenses of \$2,750,732 and general revenues of \$2,877,008. The Proprietary Fund had program expenses of 543,028 and general revenues of \$7,680. Charges of services and operating grants and contributions totaled \$647,195.

As of September 30, 2020, the District's governmental fund reported an ending net position balance of \$584,809 and enterprise fund activities reported an ending net position balance of \$921,433.

#### **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 \$1,506,242. This is a \$238,123 increase over last year's net position of \$1,268,119. The District's change in net position is \$238,123. This is a \$69,549 increase over last year's change in net position of \$168,574.

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**

	<b>Governmental Fund</b>		<b>Enterprise Fund</b>	
	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Fiscal Year</b>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 593,949	\$ 449,115	\$ 110,995	\$ 53,310
Capital Assets	63,118	69,536	2,363,812	2,430,699
<b>Total Assets</b>	<b><u>\$ 657,067</u></b>	<b><u>\$ 518,651</u></b>	<b><u>\$2,474,807</u></b>	<b><u>\$2,484,009</u></b>
Current and Other Liabilities	\$ 72,258	\$ 60,118	\$ 265,099	\$ 215,091
Long-term Liabilities			1,288,275	1,459,332
<b>Total Liabilities</b>	<b><u>\$ 72,258</u></b>	<b><u>\$ 60,118</u></b>	<b><u>\$1,553,374</u></b>	<b><u>\$1,674,423</u></b>
<b>Net Position</b>				
Invested in Capital Assets, net of related debt	\$ 63,118	\$ 69,536	\$ 873,049	\$ 761,709
Unrestricted	521,691	388,997	48,384	47,877
<b>Total Net Position</b>	<b><u>\$ 584,809</u></b>	<b><u>\$ 458,533</u></b>	<b><u>\$ 921,433</u></b>	<b><u>\$ 809,586</u></b>

**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 2020	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2019
Primary Government Expenses:				
General and Administration	600,183	518,627	-	-
Emergency Services	2,150,549	1,836,193	-	-
<b>Total Government Activities</b>	<b>2,750,732</b>	<b>2,354,820</b>	-	-
BESD No.5 Fire & Rescue - Services Expenses	-	-	543,028	549,508
<b>Total Enterprise Activities</b>	-	-	<b>543,028</b>	<b>549,508</b>
<b>Total Expenses</b>	<b>\$ 2,750,732</b>	<b>\$ 2,354,820</b>	<b>\$ 543,028</b>	<b>\$ 549,508</b>
Contributions & General Revenues:				
Property Taxes	2,836,567	2,362,963	-	-
Other Revenue	40,441	20,326	7,680	62,849
Emergency Service Contracts	-	-	647,195	536,764
<b>Total Revenues</b>	<b>2,877,008</b>	<b>2,383,289</b>	<b>654,875</b>	<b>599,613</b>
<b>Change in Net Position</b>	<b>126,276</b>	<b>28,469</b>	<b>111,847</b>	<b>50,105</b>
<b>Net Position at Beginning of Year</b>	<b>458,533</b>	<b>430,064</b>	<b>809,586</b>	<b>759,481</b>
<b>Prior Period Adjustment</b>	-	-	-	-
<b>Net Position at Ending of Year</b>	<b>\$ 584,809</b>	<b>\$ 458,533</b>	<b>\$ 921,433</b>	<b>\$ 809,586</b>

**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, 2020 totaled to \$2,426,930. 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 \$99,819.

The District purchased a total of \$86,161 in fixed assets during the year. A total of \$86,161 was added to vehicles in fiscal year 2020. The District disposed of several fixed assets in fiscal year 2020 with a total book cost of \$67,500.

	Governmental Fund		Enterprise Fund	
	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2019
Land	\$ 5,700	\$ 5,700	\$ 65,734	\$ 65,734
Buildings and Improvements	53,824	55,267	731,087	755,644
Furniture and Equipment	1,974	2,449	1,223,950	1,239,295
Vehicles	1,620	6,120	316,527	370,026
Construction in Progress	-	-	26,514	-
<b>Totals</b>	<b>\$ 63,118</b>	<b>\$ 69,536</b>	<b>\$2,363,812</b>	<b>\$2,430,699</b>

**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 \$1,490,763. Of this amount, \$495,819 represents long-term debt related to lease-purchase agreements for fire vehicles. All debt is held by the Proprietary Fund.

The Proprietary Fund’s debt decreased by \$178,226 during the fiscal year. This is attributable to the principal payments made in fiscal year 2020 on the note payables.

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

	<b>Enterprise Fund</b>	
	<b>Fiscal Year</b>	<b>Fiscal Year</b>
	<b>2020</b>	<b>2019</b>
Notes Payable	\$ 994,944	\$ 1,142,173
Leases Payable	495,819	526,816
Total	<u>\$ 1,490,763</u>	<u>\$ 1,668,989</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 2020 and estimated revenues to be received in fiscal year 2020. There was a \$81,294 increase in Taxes, due to sales taxes being collected in fiscal year 2020.

**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, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	Governmental Fund BESD No.5	Enterprise Fund BESD No.5 Fire & Rescue	
<b>Assets</b>			
Cash and Cash Equivalents	\$ 325,999	\$ 110,995	\$ 436,994
Taxes Receivable, Net	232,478	-	232,478
Due From - BESD No. 5 Fire & Rescue	35,472		35,472
Capital Assets:			
Property, Plant, and Equipment	98,524	3,359,099	3,457,623
Accumulated Depreciation	(35,406)	(995,287)	(1,030,693)
Property, Plant, and Equipment, Net	63,118	2,363,812	2,426,930
<b>Total Assets</b>	<b>\$ 657,067</b>	<b>\$ 2,474,807</b>	<b>\$ 3,131,874</b>
<b>Liabilities</b>			
Accrued Expenses	72,258	27,139	99,397
Due To - BESD No. 5		35,472	35,472
Long Term Liabilities:			
Due within one year	-	202,488	202,488
Due after one year	-	1,288,275	1,288,275
<b>Total Liabilities</b>	<b>72,258</b>	<b>1,553,374</b>	<b>1,625,632</b>
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Deb Unrestricted	63,118 521,691	873,049 48,384	936,167 570,075
<b>Total Net Position</b>	<b>\$ 584,809</b>	<b>\$ 921,433</b>	<b>\$ 1,506,242</b>

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, 2020**

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	\$ 600,183	\$ -	\$ -	\$ (600,183)	\$ -	\$ (600,183)
Emergency Services	2,150,549	-	-	(2,150,549)	-	(2,150,549)
<b>Total Government Activities</b>	<u>2,750,732</u>	<u>-</u>	<u>-</u>	<u>(2,750,732)</u>	<u>-</u>	<u>(2,750,732)</u>
Business-Type Activities:						
BESD No.5 Fire & Rescue						
Emergency Services	543,028	-	647,195	-	104,167	104,167
<b>Total Enterprise Activities</b>	<u>543,028</u>	<u>-</u>	<u>647,195</u>	<u>-</u>	<u>104,167</u>	<u>104,167</u>
Total Primary Government	<u>\$ 3,293,760</u>	<u>\$ 45,315</u>	<u>\$ 13,200</u>	<u>\$ (2,750,732)</u>	<u>\$ 104,167</u>	<u>\$ (2,646,565)</u>
Net (Expenses) Revenue				<u>\$ (2,750,732)</u>	<u>\$ 104,167</u>	<u>\$ (2,646,565)</u>
General Revenues:						
General Property & Sales Taxes				2,836,567	-	2,836,567
Gain on Sale of Assets				38,347	-	38,347
Other Revenue				2,094	7,680	9,774
<b>Total General Revenues</b>				<u>2,877,008</u>	<u>7,680</u>	<u>2,884,688</u>
Change in Net Position				126,276	111,847	238,123
Net Position at Beginning of Year				458,533	809,586	1,268,119
Prior Period Adjustment				-	-	-
Net Position at End of Year				<u>\$ 584,809</u>	<u>\$ 921,433</u>	<u>\$ 1,506,242</u>

The accompanying notes are an integral part of these statements

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**Balance Sheet - Governmental Funds**

**September 30, 2020**

	<b>Governmental Fund BESD No.5</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 325,999
Taxes Receivable, Net	232,478
Due From - BESD No. 5 Fire & Rescue	35,472
<b>Total Assets</b>	<b>\$ 593,949</b>
<b>Liabilities</b>	
Accrued Expenses	\$ 72,258
<b>Total Liabilities</b>	<b>72,258</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue - Property Taxes	232,478
<b>Total Deferred Inflows of Resources</b>	<b>232,478</b>
<b>Fund Balances</b>	
Uassigned - Undesignated	289,213
<b>Total Fund Balances</b>	<b>289,213</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 593,949</b>

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, 2020**

<b>Total Fund Balances - Governmental Funds</b>	\$ 289,213
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	(28,988)
Property taxes receivable not available to pay current period's expenditures are deferred in the funds	232,478
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>(6,418)</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 584,809</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, 2020**

	<b>Governmental Fund BESD No.5</b>
<b>Revenues</b>	
Property & Sales Taxes	\$ 2,806,294
Other Income	2,094
<b>Total Revenues</b>	<u>2,808,388</u>
<b>Expenses</b>	
Administrative Expenses	126,725
Office Expenses	5,962
Professional Fees	283,862
Emergency Services	2,094,777
Equipment	4,546
Insurance Expense	183,634
Repairs & Maintenance	-
Other Miscellaneous	44,808
Depreciation	-
<b>Total Expenses</b>	<u>2,744,314</u>
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<u>64,074</u>
<b>Other Financing Sources:</b>	
Gain on Sale of Capital Assets	<u>38,347</u>
<b>Net Changes in Fund Balance</b>	102,421
<b>Fund Balance at Beginning of Year</b>	186,792
<b>Prior period adjustment</b>	<u>-</u>
<b>Fund Balance at Ending of Year</b>	<u><u>\$ 289,213</u></u>

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, 2020**

<b>Net Change in Fund Balance - Governmental Funds</b>	<b>\$ 64,074</b>
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	(6,418)
	<hr/>
<b>Total Changes in Net Position - Governmental Activities</b>	<b><u><u>\$ 57,656</u></u></b>

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, 2020**

	<b>Business Activities - Enterprise Fund BESD No.5 Fire &amp; Rescue</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 110,995
Total Current Assets	<u>110,995</u>
Noncurrent Assets:	
Capital Assets:	
Property, Plant, Equipment	3,332,585
Construction in Progress	26,514
Accumulated Depreciation	<u>(995,287)</u>
Total Capital Assets, net	<u>2,363,812</u>
Total Noncurrent Assets:	<u>2,363,812</u>
<b>Total Assets</b>	<u>2,474,807</u>
<b>Liabilities</b>	
Current Liabilities:	
Accrued Expenses	27,139
Due To - BESD No. 5	35,472
Notes Payable, Current	<u>202,488</u>
Total Current Liabilities	<u>265,099</u>
Noncurrent Liabilities:	
Notes Payable	<u>1,288,275</u>
Total Noncurrent Liabilities	<u>1,288,275</u>
<b>Total Liabilities</b>	<u>1,553,374</u>
<b>Net Position</b>	
Invested in Capital Assets, Net of Related Debt	873,049
Unrestricted Net Position	<u>48,384</u>
<b>Total Net Position</b>	<u>\$ 921,433</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, 2020**

	<b>Business Activities - Enterprise Fund BESD No.5 Fire &amp; Rescue</b>
<b>Operating Revenues</b>	
Contributions - Emergency Service Contracts	\$ 647,195
Other Income	7,680
	<hr/>
<b>Total Operating Revenues</b>	<b>654,875</b>
	<hr/>
Administrative Expenses	12,368
Office Expenses	107,039
Professional Fees	32,508
Emergency Services	-
Equipment	101,033
Insurance Expense	361
Fuel	32,764
Repairs & Maintenance	25,698
Other Miscellaneous	11,664
Depreciation	163,062
Interest Expense	50,231
	<hr/>
<b>Total Operating Expenses</b>	<b>536,728</b>
	<hr/>
<b>Operating Income (Loss)</b>	<b>118,147</b>
	<hr/>
<b>Nonoperating Revenues (Expenses):</b>	
Gain or Loss on Sale of Capital Assets	(6,300)
	<hr/>
<b>Total Nonoperating Revenues (Expenses):</b>	<b>(6,300)</b>
	<hr/>
<b>Change in Net Position</b>	<b>111,847</b>
	<hr/>
<b>Net Position at Beginning of Year</b>	<b>809,586</b>
	<hr/>
<b>Prior period adjustment</b>	<b>-</b>
	<hr/>
<b>Net Position at Ending of Year</b>	<b>\$ 921,433</b>
	<hr/> <hr/>

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, 2020**

	<b>Business Activities - Enterprise Fund BESD No.5 Fire &amp; Rescue</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from Bexar County ESD 5	\$ 682,667
Other Receipts	7,680
Payments to Vendors	<u>(378,474)</u>
Net cash provided by operating activities	<u>311,873</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Net purchases/sale of capital assets	(75,961)
Gain (Loss) on sale of capital assets	<u>-</u>
Net cash provided by capital and related financing activities	<u>(75,961)</u>
<b>Cash Flows from Investing Activities</b>	
Principal Payments on Debt	<u>(178,227)</u>
Net cash used in investing activities	<u>(178,227)</u>
Net increase (decrease) in cash and cash equivalents	57,685
Cash and cash equivalents at beginning of year	<u>53,310</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 110,995</u></u>
<b>Reconciliation of Operating Income To Net Cash Provided (Used) By Operating Activities</b>	
Operating income	\$ 118,147
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	163,062
Changes in:	
Accounts payable - trade	(4,808)
Due To - BESD No. 5	<u>35,472</u>
Total Adjustments	<u>193,726</u>
Net cash provided by operating activities	<u><u>\$ 311,873</u></u>

The accompanying notes are an integral part of these statements

## BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

### NOTES TO FINANCIAL STATEMENTS

#### 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**

**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**

**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.

**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.

## BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 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, 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.

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Fund Balances (Continued)**

*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, 2020, the Districts total fund balance was an Unassigned Fund Balance of \$289,213.

**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, 2020, the District had an Unrestricted Net Position of \$48,384.

**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, 2020, 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**

**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 2020, including \$647,195 from the District for fiscal year 2020 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**

**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, 2020, the cash balance reported under Governmental Activities was \$325,999 and the balance reported under Business Activities was \$110,995.

The District's deposits in non-interest bearing accounts as of, and throughout the period ended September 30, 2020 were fully covered by FDIC insurance.

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2020, was as follows:

<i>Governmental Activities</i>	Beginning	Additions	Deletions	Ending
	Balance			Balance
	9/30/2019			9/30/2020
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	54,269	-	(22,500)	31,769
Total Capital Assets	115,324	-	(22,500)	92,824
Accumulated Depreciation				
Vehicles	(51,488)	(6,418)	22,500	(35,406)
Total Accum. Depreciation	(51,488)	(6,418)	22,500	(35,406)
Total Capital Assets Net	\$ 69,536	\$ (6,418)	\$ -	\$ 63,118

Depreciation expense was \$6,418 for the year ended September 30, 2020.

<i>Business-Type Activities</i>	Beginning	Additions	Deletions	Ending
	Balance			Balance
	9/30/2019			9/30/2020
Capital Assets Not being depreciated				
Land	\$ 65,734	\$ -	\$ -	\$ 65,734
Construction in Progress	-	26,514	-	26,514
	65,734	26,514	-	92,248
Capital Assets being depreciated				
Buildings	892,433	-	-	892,433
Vehicles	1,785,425	86,161	(45,000)	1,826,586
Furniture & Equipment	547,832	-	-	547,832
Total Capital Assets	3,225,690	86,161	(45,000)	3,266,851
Accumulated Depreciation				
Buildings & Improvements	(136,789)	(24,557)	-	(161,346)
Vehicles	(546,130)	(85,006)	28,500	(602,636)
Furniture & Equipment	(177,806)	(53,499)	-	(231,305)
Total Accum. Depreciation	(860,725)	(163,062)	28,500	(995,287)
Total Capital Assets Net	\$ 2,430,699	\$ (50,387)	\$ (16,500)	\$ 2,363,812

Depreciation Expense was \$163,062 for the year ended September 30, 2020.

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**NOTES TO FINANCIAL STATEMENTS**

**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, 2020:

	<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	\$ 143,589
Government Capital, Secured by Property and Revenues, Payable in periodic installments of \$30,047 including interest at 3.826%, maturing December, 2028	\$ 225,037
Government Capital, Secured by Property and Revenues, Payable in periodic installments of \$6,728 including interest at 3.47%, maturing December, 2023	\$ 247,786
Lytle State Bank, Secured by Property, Payable in periodic installments of \$4,968, including Interest at 3.60%, maturing January, 2028	\$ 379,394

Annual debt service requirements to maturity are as follows:

<u>Year End</u>	<u>Note Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	154,035	37,087	191,122
2022	159,865	31,257	191,122
2023	165,920	25,202	191,122
2024	110,956	19,617	130,573
2025	94,556	15,834	110,390
2026-2030	310,473	26,702	337,175
	<u>\$ 995,805</u>	<u>\$ 155,699</u>	<u>\$ 1,151,504</u>

**BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5: NOTES PAYABLE (cont.)**

Debt activity for notes payable during FY 2020 is as follows:

	Beginning			Ending	
	Balance 10/01/2019	Increase	(Decrease)	Balance 9/30/2020	Due within One Year
Government Capital, December 2028	\$ 154,909	\$ -	\$ (11,320)	\$ 143,589	\$ 12,608
Government Capital, December 2028	245,096	-	(20,059)	225,037	21,431
Government Capital, December 2023	318,582		(70,796)	247,786	73,292
Lytle State Bank, January 2028	424,448	-	(45,054)	379,394	46,705
<b>Total BESD Fire &amp; Rescue</b>	<b>\$ 1,143,035</b>	<b>\$ -</b>	<b>\$ (147,229)</b>	<b>\$ 995,806</b>	<b>\$ 154,036</b>

**NOTE 6: CAPITAL LEASES**

*Business Type Activities*

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

	<u>Business-Type Activities</u>
Asset:	
Vehicles	\$ 740,625
Less: Accumulated Depreciation	(116,950)
<b>Total</b>	<b>\$ 623,675</b>

The future minimum lease obligations on the next present value of these minimum lease payments as of September 30, 2020, are as follows:

Year Ended September 30,	Principal	Interest	Total
2021	\$ 48,595	\$ 35,299	\$ 83,894
2022	65,571	18,323	83,894
2023	68,185	15,709	83,894
2024	70,903	12,991	83,894
2025	36,395	10,163	46,558
2026-2030	206,170	26,624	232,794
Total minimum lease payments	495,819	119,109	614,928
Less: amount representing interest			119,109
<b>Present Value of minimum lease payments</b>			<b>\$ 734,037</b>

## **BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 7: OPERATING LEASES**

Twin Valley Terrence Building. Bexar ESD #5 has been provided with the rent free use of this Bexar County owned Building as a Fire and Rescue Substation in exchange for Bexar ESD #5's provision of Fire and rescue services to Bexar County. This arrangement was provided for under the terms of a Special Warranty Deed dated October 4, 2016. Among other items, the terms of this Warranty Deed provide for Bexar ESD #5's rent free use of the subject building for 10 (ten) years, starting on October 4, 2016. Under present governmental realty lease accounting and reporting guidance, all leases not meeting the criteria of a capital lease are deemed as operating leases for which minimum future payment commitments; leasing arrangements and any related parties to the lease must be disclosed. The above described leasing arrangement does not appear to meet the criteria of a capital lease. Accordingly, the operating lease disclosures appear to apply. With respect to such disclosures; Bexar County ESD # 5 has no related future lease payments; it generally leases equipment and realty for ESD operations; and the Bexar County government is not considered a "related Party" for purposes of such lessee operating lease requirements. A commitment to Bexar County for ESD services under this arrangement has been disclosed within the commitment section of the below disclosure notes. The "fair Rental Value" of this building is not being recorded or reported as no definitive governmental accounting and reporting guidance for "In-Kind" income and related expenses presently exists.

#### **NOTE 8: 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, 2020 which can be obtained from the Texas Municipal League.

#### **NOTE 9: COMMITMENTS & CONTINGENCIES**

In January 2019, the District entered into service contracts for FY2020 with Bexar County ESD5 Fire & Rescue & Lytle Volunteer Fire Departments. The contracts were in the amounts of \$680,000 & \$72,000 respectively. As in the case of most government contracts, all payments from a general fund are contingent on budget approval for each year.

## **BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 9: COMMITMENTS & CONTINGENCIES - continued**

Additionally, as indicated in Note 7 in exchange for a 10 year rent free lease of a building, the District has made a commitment to Bexar County to provide Bexar County ESD services for that period of time.

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. 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 10: COVID-19 financial statement impacts**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The District is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the District's employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the District's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

#### **NOTE 11: SUBSEQUENT EVENTS**

Management has evaluated the activity of District thru May 13, 2021, 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, 2020**

	<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>9/30/2020</i>	<i>9/30/2020</i>	<i>(Unfavorable)</i>
<b>Revenues</b>			
Taxes	\$ 2,725,000	\$ 2,806,294	\$ 81,294
Other Income	-	2,094	2,094
<b>Total Revenues</b>	<b>2,725,000</b>	<b>2,808,388</b>	<b>83,388</b>
<b>Expenses</b>			
Administrative Expenses	125,000	126,725	(1,725)
Office Expenses	2,500	5,962	(3,462)
Professional Fees	385,162	283,862	101,300
Emergency Services	2,256,900	2,094,777	162,123
Equipment	-	4,546	(4,546)
Insurance Expense	200,000	183,634	16,366
Fuel	-	-	-
Repairs & Maintenance	-	-	-
Other Miscellaneous	40,000	44,808	(4,808)
<b>Total Expenses</b>	<b>3,009,562</b>	<b>2,744,314</b>	<b>265,248</b>
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<b>(284,562)</b>	<b>64,074</b>	<b>348,636</b>
<b>Other Financing Sources (Uses):</b>			
Transfers In (Out)	-	-	-
<b>Net Changes in Fund Balance</b>	<b>(284,562)</b>	<b>64,074</b>	<b>348,636</b>
<b>Fund Balance at Beginning of Year</b>	<b>186,792</b>	<b>186,792</b>	<b>-</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance at Ending of Year</b>	<b>\$ (97,770)</b>	<b>\$ 250,866</b>	<b>\$ 348,636</b>