

Hays County Emergency Services District No. 5

**Independent Auditor's Report and
Financial Statements
September 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Hays County Emergency Services District #5

We have audited the accompanying financial statements of the governmental activities of Hays County Emergency Services District #5 (the District), as of and for the year ended September 30, 2014, 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 of the Hays County Emergency Services District #5, as of September 30, 2014, and the respective changes in financial position 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 and budgetary comparison information on pages 3-6 and 11 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.

Jansen and Gregorczyk

Jansen and Gregorczyk

Kyle, Texas
July 8, 2015

**HAYS COUNTY EMERGENCY SERVICES DISTRICT #5
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2014**

Our discussion and analysis of the Hays County Emergency Services District # 5 (the District's) financial performance provides an overview of the District's financial activities for the year ended September 30, 2014. Please read it in conjunction with the District's financial statements, which follow this section.

The financial report consists of three parts: Management's Discussion and Analysis (this section), the financial statements, and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- During the year, the District had expenditures of \$2,063,923 compared to total revenues of \$2,262,939 resulting in an increase in net assets of \$199,016 for the year ended September 30, 2014.
- The District's cash balance increased by \$153,078 for the fiscal year.
- The District retired debt for vehicles during the year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements: The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting the District as a Whole

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities provide information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net position—the difference between assets and liabilities—as one way to measure the District's financial health, or *financial position*. Over time, increases or decreases in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax to assess the *overall health* of the District.

THE DISTRICT AS A WHOLE

The District's total net assets increased by \$199,016 in the year ended September 30, 2014. Our analysis of the District's activities below focuses on net assets (Table 1) and the changes in net assets (Table 2).

	2014	2013	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 769,784	\$ 561,786	\$ 207,998	37.0%
Capital assets, net	4,132,441	4,334,857	(202,416)	-4.7%
Total assets	<u>4,902,225</u>	<u>4,896,643</u>	5,582	0.1%
Current and other liabilities	331,146	137,322	193,824	141.1%
Long-term liabilities	2,907,491	3,294,750	(387,259)	-11.8%
Total liabilities	<u>3,238,637</u>	<u>3,432,072</u>	(193,435)	-5.6%
Net Position:				
Net investment in capital assets	1,068,136	980,138	87,998	9.0%
Unrestricted	595,452	484,433	111,019	22.9%
Total net position	<u>\$ 1,663,588</u>	<u>\$ 1,464,571</u>	<u>\$ 199,017</u>	13.6%
Revenues				
Ad Valorem Taxes	\$ 1,949,082	\$ 1,870,780	\$ 78,302	4.2%
Interest Income	2,586	2,063	523	25.4%
Other Income	311,271	113,889	197,382	173.3%
Grant Income	-	31,766	(31,766)	-100.0%
Total revenues	<u>2,262,939</u>	<u>2,018,498</u>	<u>\$ 244,441</u>	12.1%
Expenses				
Firefighting Operations	1,886,634	1,775,598	111,036	6.3%
Legal & Accounting	50,679	14,422	36,257	251.4%
Interest Expense	126,610	250,261	(123,651)	-49.4%
Total expenses	<u>2,063,923</u>	<u>2,040,281</u>	<u>23,642</u>	1.2%
Change in net position	199,016	(21,783)	220,799	1013.6%
Transfer of Net Assets	-	1,245,936	(1,245,936)	0.0%
Net position - beginning	<u>1,464,572</u>	<u>240,418</u>	<u>1,224,154</u>	509.2%
Net position - ending	<u>\$ 1,663,588</u>	<u>\$ 1,464,571</u>	<u>\$ 199,017</u>	13.6%

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were \$595,452 at September 30, 2014.

The District has sufficient revenues to pay expenses of the District.

General Fund Budgetary Highlights

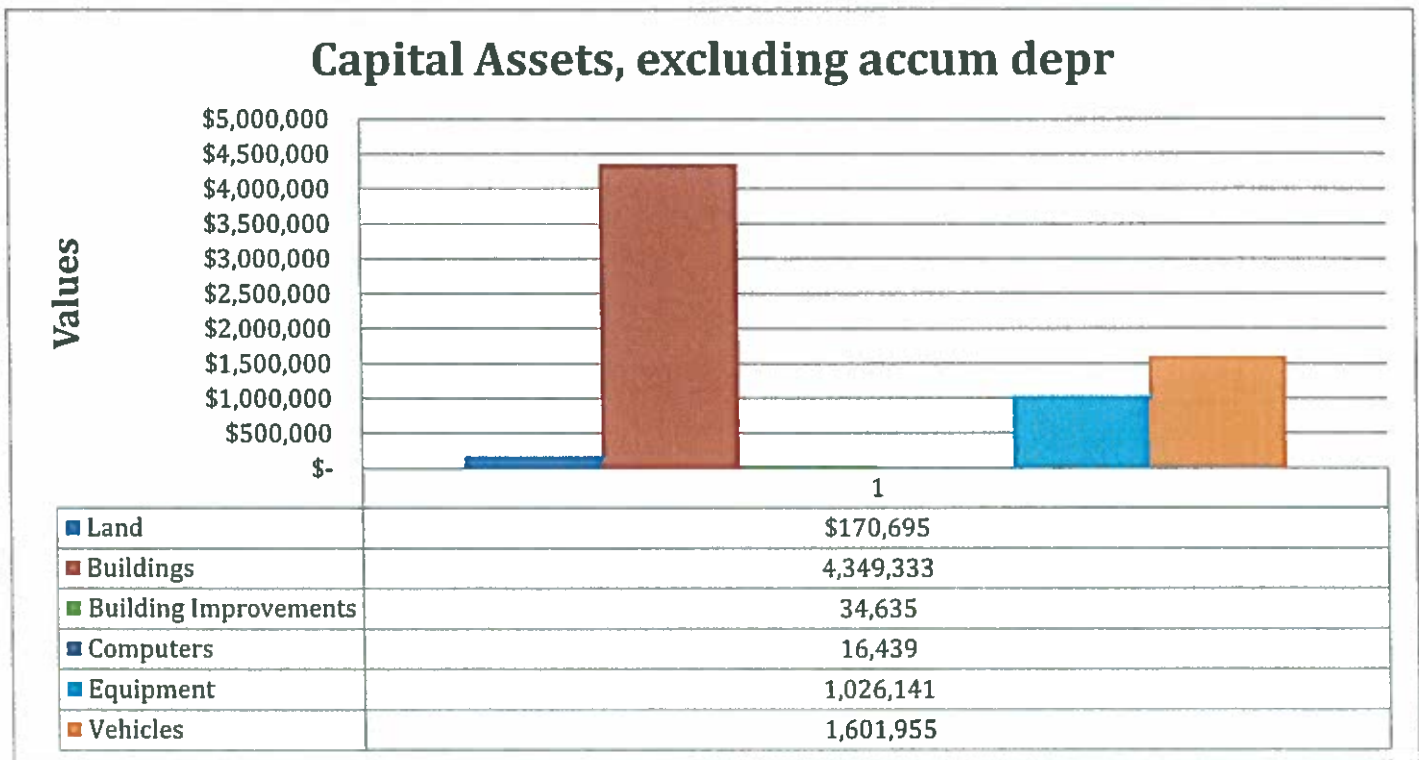
The General Fund had an excess of revenues over expenditures of \$108,187. The reasons for the budget difference included the following:

- Tax revenues were higher than anticipated.
- Overall firefighting expenses were higher than budgeted.

Capital Asset and Debt Administration

The District's investment in capital assets at September 30, 2014, net of accumulated depreciation, totaled \$4,122,156. Capital assets are classified as shown below:

Land	\$ 170,695
Bldgs & Impr	4,383,969
Vehicles & Eqpt	<u>2,644,535</u>
Accum	<u>(3,066,758)</u>
	<u>\$ 4,132,441</u>



Debt Administration

The District's long-term debt at September 30, 2014, net of the current portion, totaled \$2,907,491 for loans. The current portion of the long-term debt was \$156,814. Fire stations and fire apparatus are pledged as collateral.

Debt Service Ratio: The District maintains control over its debt load by maintaining its debt service to total revenues ratio (the "Debt Service Ratio") at 35% or less with the ad valorem tax rate at 10.00 cents per \$100 of assessed valuation. The District feels that the Debt Service Ratio is more meaningful than the debt to equity ratio because the Debt Service Ratio is a better indicator of the District's ability to service the debt and still be able to pay annual

operating expenses. The District's Debt Service Ratio as of September 30, 2014 is total debt service of \$369,911 / total revenues of \$ 2,262,939 for a ratio of 16.35%.

Economic Factors and Next Years Budgets and Rates

The District's appointed officials considered many factors when setting the fiscal year 2014 budget and tax rates. Some of those factors include the economy and the anticipated needs of the District for operations and capital outlay in the next year.

Contacting the District's Financial Management

This financial report is designed to provide the taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at:

Beth Smith, President
Hays County Emergency Services District #5
P.O. Box 1385
Kyle, TX 78640

Hays County Emergency Services District #5
Statement of Net Position and Governmental Funds Balance Sheet
As of September 30, 2014

	<u>General Fund</u>	<u>2014 Adjustments (Note 6)</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash	\$ 26,915		\$26,915
Investments	676,001		676,001
Accounts receivable	14,790		14,790
Taxes receivable	52,078	-	52,078
Capital assets:			
Land	-	170,695	170,695
Other capital assets, net of depreciation	-	3,961,746	3,961,746
	<u>769,784</u>		<u>4,902,225</u>
Total Assets	<u>\$ 769,784</u>		<u>\$ 4,902,225</u>
LIABILITIES			
Accounts payable	22,347	-	22,347
Accrued interest payable	-	79,591	79,591
Accrued payroll	72,394	-	72,394
Long -term liabilities:			
Due within 1 year	-	156,814	156,814
Due in more than 1 year	-	2,907,491	2,907,491
Total liabilities	<u>94,741</u>		<u>3,238,637</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 52,078	\$ (52,078)	\$ -
FUND BALANCES/NET POSITION			
Fund Balances			
Fund balance - unassigned	<u>622,965</u>	(622,965)	
	<u>\$ 769,784</u>		
NET POSITION			
Net investment in capital assets		1,068,136	1,068,136
Unrestricted		595,452	595,452
			<u>1,663,588</u>
			<u>\$ 4,902,225</u>

See accompanying notes to the financial statements

Hays County Emergency Services District #5
Statement of Activities and Governmental Funds Statement
of Revenues, Expenditures and Changes in Fund Balances
For the Year ended September 30, 2014

	General Fund	2014 Adjustments (Note 6)	Statement of Activities
Expenses:			
Firefighting and related expenses	\$ 295,669		\$ 295,669
Personnel and related expenses	1,125,932		1,125,932
Depreciation	-	305,271	305,271
Tax Collection Expenses	92,824		92,824
Professional Services	50,679		50,679
Administrative Expenses	24,120		24,120
Capital Outlay	149,968	(149,968)	-
Debt Service	243,301	(243,301)	-
Interest Expense	137,332	(10,722)	126,610
Insurance	42,818	-	42,818
Total expenses	<u>\$ 2,162,643</u>		<u>\$ 2,063,923</u>
General revenues:			
Ad Valorem Tax Revenues	1,956,973	(7,891)	1,949,082
Inspection and Training Income	51,781	-	51,781
F1 Contract and Site Lease Income	63,265		63,265
Sales and Use Tax Income	33,094		33,094
Grant Income	7,053		7,053
Other Income	40,078		40,078
Gain on sale of capital assets	-	116,000	116,000
Interest Income	2,586		2,586
Total general revenue	<u>\$ 2,154,830</u>		<u>\$ 2,262,939</u>
Revenue over/(under) expenditures	(7,813)		199,016
Other financing sources:			
Proceeds from sale of capital assets	116,000	(116,000)	-
Net change in fund balance	<u>108,187</u>		<u>199,016</u>
Net position/fund balance - beginning	514,778		1,464,572
Net position/fund balance - ending	<u><u>\$ 622,965</u></u>		<u><u>\$ 1,663,588</u></u>

See accompanying notes to the financial statements

Hays County Emergency Services District #5
Notes to the Financial Statements
For The Year Ending September 30, 2014

Note 1- Summary of Significant Accounting Policies

The accounting policies of the Hays County Emergency Services District #5 (the District) conform to U. S. generally accepted accounting principles applicable to governments promulgated by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The more significant of the District's policies are described below.

A. The Reporting Entity

The Hays County Emergency Services District #5 was created by an election of the residents of Hays County residents from within what would be the geographical boundaries for the District. The District was established to arrange for fire and rescue protection services within its boundaries. The District handles all financial matters for the fire department.

The District is under full control and management of a five commissioner Board of Commissioners. The commissioners are appointed by the Hays County Commissioners. For financial reporting purposes, the District includes all funds that are controlled by, or dependent upon, actions of the Board of Commissioners. Control by, or dependence upon, the Board was determined on the basis of the Board's full control of budget adoption and taxing authority.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operation; thus data from these units would be combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in separate organizations that meet the aforementioned criteria; therefore, none are included in the accompanying general-purpose financial statements.

Hays County ESD #5 is included in the basic financial statements of Hays County as a component unit as set forth in GASB 14. Hays County evaluated whether ESD's in the county should be included based on the criteria described in GASB 14, "The Financial Reporting Entity".

Effective October 1, 2012 the District assumed all operations from the Kyle Volunteer Fire Department.

B. Government-Wide Financial and Fund Financial Statements

The District is considered a special purpose government under GASB Statement No. 34. This allows the district to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported primarily by ad valorem taxes. The Statement of Activities demonstrates how the District used revenue.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Interest and taxes associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

D. Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates.

E. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position are 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimations 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 may differ from those estimates.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District reported unavailable revenue in the form of property taxes as Deferred Inflows of Resources in the Statement of Net Position. Deferred Inflows arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, monies received within thirty-one days after year-end are considered to have been for prior year services.

H. Compensated Absences

Full time regular employees work either a 40 or 45 hour per week schedule. Firefighters are scheduled based on either a day shift or 24/48 hour shift schedule and typically work 56 hours per week. Accruals for leave are based on length of service and the schedule worked. Employees may accrue up to 288 hours of paid leave but are only

allowed to carry forward a maximum of 48 hours to the next calendar year. Firefighters that have been with the department for more than 21 years can receive 432 hours of leave. If unused the leave will be paid to the employee. As of September 30, 2014, \$72,394 was accrued for as a payable for paid leave.

I. Capital Assets

All capital assets are recorded at historical cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000 for assets with a useful life of two years or more. The District does not possess any infrastructure. Improvements are capitalized. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses. Depreciation is calculated on a straight-line basis. Estimated useful lives are as follows:

Trucks and Equipment	5-10 years
Furniture and Fixtures	5-15 years
Buildings	40 years

NOTE 2 – Deposits

The District's deposits exposed to concentrations of credit risk consist of cash, which is deposited in one major financial institution. At September 30, 2014, the carrying amount of the District's cash deposits was \$702,917, and the bank balance was \$779,786. This District had Pledged Securities from the financial institution for the excess over the FDIC insurance maximum.

NOTE 3 – Budget Variances

The District adopts an annual budget for the General Fund. The District amends the budget as needed during the year. There were no current year amendments. Certain revenue and expenses were different than budgeted, resulting in a higher than budget fund balance.

NOTE 4 – Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on October 1 and are payable in full by the following January 31. The District employs the services of the Hays County Appraisal District for assessing and billing its property taxes and employs the services of the Hays County Tax Assessor/Collectors for the collection of its taxes. Revenues are recognized when received by the District. The tax rate was \$0.10 per \$100 of assessed valuation.

NOTE 5 – Capital Assets

	Balance 9/30/13	Additions	Retirements	Balance 9/30/14
Land	\$ 170,695	\$ -		\$ 170,695
Buildings	4,349,333	-	-	4,349,333
Building Improvements	34,635	-	-	34,635
Computers	16,439	-	-	16,439
Equipment	954,425	71,716	-	1,026,141
Vehicles	1,921,318	91,107	410,469	1,601,956
Total Capital Assets	\$ 7,446,845	\$ 162,823	\$ 410,469	\$ 7,199,199
Less: Accumulated Depreciation	(3,171,956)	410,469	(305,271)	(3,066,758)
Net Capital Assets	\$ 4,274,889	\$ 573,292	\$ 105,198	\$ 4,132,441

NOTE 6 – Adjustments to Convert Fund Statements to Government-Wide

Unrestricted fund balance - governmental fund	\$ 622,965
Increase net position for capital assets not reported in the governmental funds	4,132,441
Debt service not included in general fund	(3,064,305)
Taxes receivables deferred in the fund financial statements and in the government-wide financial statements	52,078
Accrued interest expense on long term debt not reported in the fund financials	(79,591)
Net position - governmental activities	<u>\$ 1,663,588</u>
Net change in fund balance - governmental fund	(7,813)
Capital outlays recognized as expenditures in the fund financial statements	149,968
Depreciation expense not recognized in the fund financial statements	(305,271)
Long-term debt principal payments are recognized as expenditures in the fund financial statements	243,301
Change in interest expense not recognized in the General Fund	10,722
Gain on sale of capital assets not reflected in the fund financials	116,000
Net increase in tax receivable deferred in the fund financial statements and not in the government-wide financial statements	(7,891)
Change in net position - governmental activities	<u>\$ 199,016</u>

NOTE 7 – Long Term Debt

Long term debt as of September 30, 2014 is as follows:

Bank	Desc	Collateral	Amount of Original Issue	Maturity Date	Interest Rate	Balance 9/30/13	Additions	Retirements	Balance
									9/30/14
Citizens NB	Loan	Station #1	\$ 3,336,772	2029	3.90%	\$ 3,202,316		\$ 147,935	\$ 3,054,381
Broadway	Loan	E23 and R21	135,000	2015	6.25%	92,435		92,435	-
			<u>\$ 3,471,772</u>			<u>\$ 3,294,751</u>		<u>\$ 240,370</u>	<u>3,054,381</u>
							Less: current portion		(153,702)
									<u>\$ 2,900,679</u>

Debt service payment by year.

Years	Principal	Interest	Total
2015	\$ 153,702	\$ 119,052	\$ 272,754
2016	159,693	113,061	272,754
2017	165,917	106,837	272,754
2018	172,384	100,370	272,754
2019	179,103	93,651	272,754
2020-2024	1,005,834	357,935	1,363,769
2025-2029	1,217,748	146,022	1,363,770
	<u>\$ 3,054,381</u>	<u>\$ 1,036,928</u>	<u>\$ 4,091,309</u>

NOTE 8 – Capital Leases

The District has entered into a lease agreement with Xerox Financial for the lease of a copier. The following schedule presents future minimum lease payments as of September 30, 2014.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
	\$ 3,623	\$ 3,623	\$ 3,624	\$ 10,870
Net minimum lease payments				10,870
Less amount representing interest				(945)
Present value of minimum lease payments				<u>\$ 9,925</u>

Amortization of lease equipment under capital assets is included with depreciation expense.

NOTE 9 – Other Matters

The City of Kyle paid a total of \$14,494 on behalf of the District for property insurance coverage. This has been recorded as an in kind income item and offset by the same amount as an insurance expense.

NOTE 10 – Subsequent Events

The board has reviewed subsequent events from year end to the date of this report, July 8, 2015.

NOTE 11 – Risk Management

The District is exposed to various risks of loss including general liability, property damage, and worker's compensation. The District insures against risk through participation in the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool, consisting of approximately 2,600 member cities/political subdivisions located throughout the State of Texas.

The District pays premiums to the risk pool for its general liability, property, auto and worker's compensation coverage. The District's risk is limited to the amount of premiums paid unless the pool should fail, in which case, the District would be liable for its ratable share of the pool deficit.

NOTE 12 – Pension and Deferred Compensation Plans

DISTRICT STAFF

The District provides a 457(b) Deferred Compensation Plan for all employees that are considered full time employees. Participation is voluntary and the employee is eligible to contribute from 2%-10% maximum and the District contributes up to a maximum of 2% of the employees gross salary.

Effective October 1, 2013 the District entered into a pension plan with Texas County & District Retirement System (TCDRS). The District provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide system, an agent multiple-employer defined benefit public employee retirement system. The plan provisions that have been adopted by the Board of the District are within the options available in the governing state statutes of TCDRS.

TCDRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TCDRS; the report also provides detail explanations of the contributions, benefits and actuarial methods and assumptions used by TCDRS. This report may be obtained by calling TCDRS at 800-823-7782; in addition, the report is available on TCDRS' website at www.tcdrs.org. Plan provisions for the District were as follows:

Employee deposit rate	2.85%
District contribution rate	4.00%
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	60/10, any/20, rule of 80
Updated service credit	100% repeating, transfers

CONTRIBUTIONS

Under the state law governing TCDRS, the contribution rate for each District is determined annually by the actuary, using the Entry Age actuarial cost method. Under this method, the expected future benefits of each employee are funded on a level basis over the employee's employment term. The District contributes to the TCDRS Plan at an actuarially determined rate. Both the employees and the District make contributions monthly. Actuarial valuations are based on a calendar year at December 31, with rate changes effective the following January 1st. The annual pension cost of the District for the year ended September 30, 2014 was \$0.

TREND INFORMATION

<u>Fiscal Year Ending September 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution Made</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation or (Asset)</u>
2014	\$ 24,487	\$ 24,487	100.00%	\$ 47,788

GENERAL SYSTEM-WIDE ACTUARIAL ASSUMPTIONS

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2013 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Valuation Date	12/31/2013
Actuarial Cost Method	Entry age
Amortization method	Level percentage of payroll, closed
Asset Valuation Method	5-year smoothed value
Investment Rate of Return (inflation at 3.0%)	8.00%
Projected Salary Increases (inflation at 3.0%)	4.90%
Cost-of-Living Adjustments	0.00%

The funded status as of December 31, 2013, the most recent actuarial valuation date is as follows:

Actual Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) (1)/(2) Funded Ratio	(4) (2)-(1) Unfunded AAL (UAAL)	(5) Covered Payroll	(6) (4)/(5) UAAL as a Percentage of Payroll
12/31/2013	\$ 15,265	\$ 63,053	24.21%	\$ 47,788	\$ 891,401	5.36%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information (if applicable) about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
 SCHEDULE OF FUNDING PROGRESS: (Unaudited)

Actual Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	(5) Covered Payroll	UAAL as a Percentage of Payroll
12/31/2013	\$ 15,265	\$ 63,053	24.21%	\$ 47,788	\$ 891,401	5.36%

Hays County Emergency Services District #5
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Ad valorem tax revenues	\$ 1,907,497	\$ 1,907,497	\$ 1,956,974	\$ 49,477
Inspection and Training Income	7,500	7,500	51,781	44,281
F1 contract and site lease income	16,800	16,800	63,265	46,465
Other income	152,907	152,907	80,225	(72,682)
Interest income	-	-	2,585	2,585
Total general revenue	<u>2,084,704</u>	<u>2,084,704</u>	<u>2,154,830</u>	<u>70,126</u>
Expenditures:				
Firefighting and related expenses	246,250	246,250	295,669	(49,419)
Personnel and related expenses	1,195,877	1,195,877	1,125,932	69,945
Tax Collection expenses	21,000	21,000	92,824	(71,824)
Professional Services	44,000	44,000	50,679	(6,679)
Administrative expenses	27,650	27,650	24,120	3,530
Debt Service	275,793	275,793	380,633	(104,840)
Insurance	50,612	50,612	42,818	7,794
Capital Outlay	343,522	343,522	149,968	193,554
Total Expenditures:	<u>2,204,704</u>	<u>2,204,704</u>	<u>2,162,643</u>	<u>42,061</u>
Revenues (under)/over expenditures	(120,000)	(120,000)	(7,813)	112,187
Other financing sources				
Proceeds from sale of capital assets	120,000	120,000	116,000	(4,000)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>108,187</u>	<u>108,187</u>
Beginning fund balance	<u>514,778</u>	<u>514,778</u>	<u>514,778</u>	<u>-</u>
Ending fund balance	<u>\$ 514,778</u>	<u>\$ 514,778</u>	<u>\$ 622,965</u>	<u>\$ 108,187</u>