

**North Blanco County
Emergency Services District No. 1
Financial Statements
For the Year Ended
September 30, 2021**

Taber & Burnett, P.C.
A Professional Corporation
Certified Public Accountants

North Blanco County Emergency Services District No. 1

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION**

As management of the North Blanco County Emergency Services District No. 1 (the District), we are pleased to offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2021. We encourage readers to consider it in conjunction with the additional information presented in the accompanying basic financial statements and the notes to the financial statements.

Financial Statements

- The net position of the District increased by \$1,302,295 as a result of the current year's operations. Net position at year end consisted of invested in capital assets, net of related debt of \$2,548,234 and an unrestricted net position of \$1,467,567 for total net position of \$4,015,798.
- Total revenues from all sources were \$2,360,506. This represents an increase of \$63,136 due mainly to increases in sales tax collections.
- Total costs of all programs were \$1,058,211. This represents an increase of \$91,519 due to increased human resource expenses and depreciation.
- As of September 30, 2021, the District's governmental fund reported an ending fund balance of \$1,455,054, an increase of \$429,426.

Using this Annual Report

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the District as a whole.
2. Fund financial statements provide detailed information for the District's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. This information includes a management's discussion and analysis as well as a budgetary comparison schedule.

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 a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities of the District. The difference between assets and liabilities is reported as net position. Over time,

North Blanco County Emergency Services District No. 1

Management's Discussion and Analysis (Continued)

September 30, 2021

increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information on how the District's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Both the Statement of Net Position and the Statement of Activities present information for the following:

- Governmental activities—This includes all of the District's emergency response services which are primarily supported by property and sales taxes.

The government-wide financial statements begin on page 9. The following is a summary of net position as of September 30, 2021:

Table 1
Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current assets and other assets	\$ 1,492,807	\$ 1,514,603
Capital assets, net	<u>2,607,489</u>	<u>1,833,811</u>
Total assets	<u>4,100,296</u>	<u>3,348,414</u>
Deferred outflow of resources	<u>20,087</u>	<u>13,823</u>
Current liabilities	37,753	464,255
Other liabilities	<u>66,832</u>	<u>184,479</u>
Total liabilities	<u>104,585</u>	<u>648,734</u>
Net position:		
Invested in capital assets, net of related debt	2,548,234	1,649,786
Unrestricted	<u>1,467,564</u>	<u>1,063,717</u>
Total net position	\$ <u>4,015,798</u>	\$ <u>2,713,503</u>

The following table is a summary of changes in net position:

**Table 2
Changes in Net Position**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ -
Operating grants and contributions	59,939	-
Capital grants and contributions	409,258	834,592
General revenues:		
Property taxes	918,393	904,644
Sales taxes	963,193	489,458
Interest income	8,671	6,593
Miscellaneous revenue	<u>1,052</u>	<u>62,083</u>
Total revenues	<u>2,360,506</u>	<u>2,297,370</u>
Expenses:		
General government	39,681	36,176
Public safety	<u>1,018,530</u>	<u>930,516</u>
Total expenses	<u>1,058,211</u>	<u>966,692</u>
Changes in net position	1,302,295	1,330,678
Net position - October 1	<u>2,713,503</u>	<u>1,382,825</u>
Net position - September 30	\$ <u>4,015,798</u>	\$ <u>2,713,503</u>

Fund Financial Statements

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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the District's significant funds - not the District as a whole. The District's funds fall into one category - governmental funds.

The focus of the District's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

North Blanco County Emergency Services District No. 1

Management's Discussion and Analysis (Continued)

September 30, 2021

The *governmental funds statements* provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the District's short-term financing requirements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balance* provide a reconciliation to the government-wide financial statements. The governmental fund financial statements begin on page 11.

Notes to 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. The notes to the financial statements can be found on pages 15 through 32 of this report.

General Fund Budgetary Highlights

The District adopts an annual budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance. The budgetary comparison schedule is on page 34. The District Commissioners did not amend the budget during the year ended September 30, 2021.

Actual expenditure results on a budgetary basis were 102 percent over budgeted expenditures due mainly to capital outlay and debt service expenditures. The District's overall actual revenue was 68 percent more than budgeted due mainly to increased sales tax collections, and contributions.

Capital Assets

The District's investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$2,607,489 (net of accumulated depreciation). This investment in capital assets includes building, land, computers, machinery, equipment, and vehicles.

Capital Assets Governmental Activities (net of depreciation)

	<u>2021</u>	<u>2020</u>
Buildings and Improvements	\$ 1,458,385	\$ 357,651
Consturction in progress	-	621,961
Machinery and Equipment	173,723	62,289
Vehicles and Equipment	641,172	457,701
Land	<u>334,209</u>	<u>334,209</u>
	\$ <u>2,607,489</u>	\$ <u>1,833,811</u>

North Blanco County Emergency Services District No. 1

Management's Discussion and Analysis (Continued)

September 30, 2021

This year's major additions included:

Brush Truck 3 - Johnson City	\$	160,880
EMS Building		137,630
Ford 450 Ambulance		158,950
3 Stretchers		64,624
Fire Hall Construction - Round Mountain		<u>353,994</u>
	\$	<u>876,078</u>

Additional information on the District's capital assets can be found in Note 4 on page 23 of this report.

Debt Administration

As of September 30, 2021, the District was obligated on the following debt:

Outstanding Debt at Year End

	Governmental Activities	9/30/21 Total	9/30/20 Total
Construction loan line of credit	\$ -	\$ -	\$ 400,000
Johnson City truck loan	<u>59,255</u>	<u>59,255</u>	<u>183,716</u>
Total	\$ <u>59,255</u>	\$ <u>59,255</u>	\$ <u>583,716</u>

The District assumed no new loans during the year and paid off the line of credit. The total interest paid on the District's debt was \$9,356. Additional information on the District's non-current liabilities can be found in Note 5 beginning on page 24 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's tax revenues are expected to grow with property value increases and continued sales tax collections. These additional funds will be used to fund emergency fire services and emergency medical services.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives from the citizens of the North Blanco County Emergency Services District No. 1. If you have any questions about this report or need further information, contact the North Blanco County Emergency Services District No. 1, P.O. Box 494, Johnson City, TX 78636.

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INDEPENDENT AUDITORS' REPORT

To The Commissioners
North Blanco County Emergency Services District No. 1

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Blanco County Emergency Services District No. 1 (the District), as of and for the year ended September 30, 2021, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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 District's preparation and fair presentation of the basic 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 basic financial statements.

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the North Blanco County Emergency Services District No. 1 as of September 30, 2021, and the results of its operations for the periods then ended in conformity 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 other required supplementary information on pages 2 through 6 and 34 through 37 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. The supplementary information is the responsibility of management. 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.



Burnet, Texas
May 16, 2022

North Blanco County Emergency Services District No. 1

Statement of Net Position

As of September 30, 2021

	<u>Primary Government</u>	
	<u>Governmental</u>	
	<u>Activities</u>	<u>Total</u>
Assets		
Deposits and investments	\$ 1,438,899	\$ 1,438,899
Taxes receivable	49,205	49,205
Miscellaneous receivable	4,703	4,703
Capital assets, net	<u>2,607,489</u>	<u>2,607,489</u>
Total assets	<u>4,100,296</u>	<u>4,100,296</u>
Deferred Outflow of Resources		
Difference between projected and actual earnings - pensions	903	903
Difference between expected and actual experience - pensions	6,129	6,129
Changes in assumptions	5,964	5,964
Contributions subsequent to the measurement date	<u>7,091</u>	<u>7,091</u>
Total deferred outflow of resources	<u>20,087</u>	<u>20,087</u>
Liabilities		
Accounts payable	37,753	37,753
Non-current liabilities:		
Debt due within one year	40,804	40,804
Due in more than one year:		
Net pension liability	7,577	7,577
Long term debt	<u>18,451</u>	<u>18,451</u>
Total liabilities	<u>104,585</u>	<u>104,585</u>
Net Position		
Invested in capital assets, net of related debt	2,548,234	2,548,234
Unrestricted	<u>1,467,564</u>	<u>1,467,564</u>
Total Net Position	\$ <u>4,015,798</u>	\$ <u>4,015,798</u>

The accompanying notes are an integral part of the financial statements

North Blanco County Emergency Services District No. 1

Statement of Activities

For the Year Ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Services</u>	<u>Operating Contributions</u>	<u>Capital Contributions</u>	<u>Primary Government Governmental</u>	
					<u>Activities</u>	<u>Total</u>
Primary government:						
Governmental activities:						
General government	\$ 39,681	\$ -	\$ -	\$ -	\$ (39,681)	\$ (39,681)
Public safety - Johnson City VFD	223,657	-	-	-	(223,657)	(223,657)
Public safety - Round Mountain VFD	169,967	-	-	240,184	70,217	70,217
Public safety - North Blanco EMS	<u>624,906</u>	<u>-</u>	<u>59,939</u>	<u>169,074</u>	<u>(395,893)</u>	<u>(395,893)</u>
Total net (expense) revenue for governmental activities and the primary government	\$ <u>1,058,211</u>	\$ <u>-</u>	\$ <u>59,939</u>	\$ <u>409,258</u>	<u>(589,014)</u>	<u>(589,014)</u>
General revenues:						
Taxes:						
					918,393	918,393
					963,193	963,193
					8,671	8,671
					<u>1,052</u>	<u>1,052</u>
					<u>1,891,309</u>	<u>1,891,309</u>
					1,302,295	1,302,295
					<u>2,713,503</u>	<u>2,713,503</u>
					\$ <u>4,015,798</u>	\$ <u>4,015,798</u>

The accompanying notes are an integral part of the financial statements.

North Blanco County Emergency Services District No. 1*Balance Sheet - Governmental Funds**As of September 30, 2021*

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Deposits and investments	\$ 1,438,899	\$ 1,438,899
Taxes receivable	82,160	82,160
Miscellaneous receivable	<u>4,703</u>	<u>4,703</u>
Total Assets	<u>1,525,762</u>	<u>1,525,762</u>
Liabilities		
Accounts payable	<u>37,753</u>	<u>37,753</u>
Total Liabilities	<u>37,753</u>	<u>37,753</u>
Deferred Inflows of Resources		
Unavailable property taxes	<u>32,955</u>	<u>32,955</u>
Total Deferred Inflows of Resources	<u>32,955</u>	<u>32,955</u>
Fund Balance		
Unassigned	<u>1,455,054</u>	<u>1,455,054</u>
Total Fund Balance	<u>1,455,054</u>	<u>1,455,054</u>
Total Liabilities and Fund Balance	\$ <u>1,525,762</u>	\$ <u>1,525,762</u>

The accompanying notes are an integral part of the financial statements.

North Blanco County Emergency Services District No. 1

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

As of September 30, 2021

Total Fund Balance - Governmental Funds:	\$ 1,455,054
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. (See Note 4)	2,607,489
Deferred outflows are not financial resources and, therefore, are not reported in the funds.	20,087
Long-term liabilities are not due and payable in the current year and therefore are not reported as liabilities in the governmental funds balance sheet. (See Note 5)	(59,255)
Net pension liabilities not due and payable in current period and, therefore are not reported in the governmental funds balance sheet.	<u>(7,577)</u>
Net Position of Governmental Activities	\$ <u>4,015,798</u>

The accompanying notes are an integral part of the financial statements.

North Blanco County Emergency Services District No. 1*Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds**For the Year Ended September 30, 2021*

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues		
Blanco County ESD No. 2 Reimbursement	\$ 59,939	\$ 59,939
Contributions	409,258	409,258
Interest income	8,671	8,671
Miscellaneous revenue	1,052	1,052
Property taxes	942,804	942,804
Sales taxes	<u>963,193</u>	<u>963,193</u>
Total Revenues	<u>2,384,917</u>	<u>2,384,917</u>
Expenditures		
Capital outlay	980,520	980,520
Debt service	124,461	124,461
EMS payroll expenses	544,744	544,744
Insurance	140	140
Interest	9,335	9,335
Johnson City VFD payments	158,606	158,606
Office and administration	4,622	4,622
Round Mountain VFD payments	98,250	98,250
Professional fees	32,113	32,113
Travel and training	<u>2,700</u>	<u>2,700</u>
Total Expenditures	<u>1,955,491</u>	<u>1,955,491</u>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	429,426	429,426
Fund Balance, Beginning of Year	<u>1,025,628</u>	<u>1,025,628</u>
Fund Balance, End of Year	\$ <u>1,455,054</u>	\$ <u>1,455,054</u>

The accompanying notes are an integral part of the financial statements.

North Blanco County Emergency Services District No. 1

*Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds to the Statement
of Activities*

For the Year Ended September 30, 2021

Net Change in Fund Balance-Governmental Funds \$ 429,426

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

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the net effect of these differences in the treatment of capital
outlays and related items. (See Note 4) 773,678

Revenues in the government-wide statement of activities that do not provide
current financial resources are not reported as revenues in the funds. (24,320)

Pension expenditures reported in the funds use current financial
resources, however, pension expenses in the statement of activities will be
expensed as incurred. (950)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term debt
consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net assets. This amount is the net effect
of these differences in the treatment of long-term debt and related items.
(See Note 5) 124,461

Change in Net Position of Governmental Activities \$ 1,302,295

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

North Blanco County Emergency Services District No. 1 (the District) was created by election held in May 1989. The District operates under Article III, Section 48-e of the Texas Constitution and Chapter 775 of the Texas Health and Safety Code and is run by a Board of Commissioners appointed by the Blanco County Commissioners Court. The District's major activities include providing emergency services to the residents of and visitors to the district.

As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of the District (the primary government) and its component units. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in U.S. generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant indication of this ability is financial interdependency. Other indications of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. The District had no component units for the year ended September 30, 2021.

Government-Wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the District's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position

The Statement of Net Position is designed to display the financial position of the primary government (governmental activities) and its discretely presented component units, if any. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - invested in capital assets, net of related debt; restricted; and unrestricted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of Activities

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements

In the fund financial statements, financial transactions of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are provided for the government funds.

General Fund

The General Fund is the principal fund of the District which accounts for all financial transactions not accounted for in other funds. The District had no other funds for the year ended September 30, 2021.

Fund Balance Classification

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the Board, the Districts highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by the District's Board.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the current reporting model, governments are required to provide the District's original budget with the comparison of final budget and actual results.

The budget is adopted by the Commissioners prior to the beginning of the fiscal year. Amendments, if any, are only made during the year with approval from the Commissioners.

Basis of Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Accounting

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. As of September 30, 2021, the District had no business-type activities.

In the government-wide Statement of Net Position, the governmental column is to be presented on a consolidated basis, and is reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety), which are otherwise being supported by general government revenues (property and sales taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety). The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The District does not allocate indirect expenses.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

In the fund financial statements, financial transactions of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile funds based on fund financial statements with the governmental column of the government-wide presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The focus of the reporting model is on the District as a whole and the fund financial statements, including the major individual funds of the governmental category. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statement of net position and statement of activities, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net position.

All revenue and expenditure recognition for governmental funds are accounted for using the modified accrual basis of accounting. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The District’s revenues are recognized when they become measurable and available as current assets. Available means collectible within the current period or as soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Penalties and interest, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Estimates

The preparation of financial statements in conformity with U.S. 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 expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

The District’s investment guidelines are defined by a written investment policy that is approved by the District Board. In accordance with this policy, the investment funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill and caution.

Capital Assets

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements of the District. Depreciation is recorded on general fixed assets on a government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation is computed using the straight line method.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Estimated useful lives for depreciable assets are as follows:

Building and Improvements	40 years
Furniture and Fixtures	5 to 7 years
Machinery and Equipment	3 to 15 years
Vehicles and Equipment	5 to 15 years

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County & District Retirement System (TCDRS) and additions to/deductions from TCDRS Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in these categories.

- Pension contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five-year period.
- Difference in projected and actual experience and changes in assumptions for pension assets - These differences are deferred and amortized over the average service life for all active, inactive, and retired members.

NOTE 2 - PROPERTY TAXES

The District's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real property located in the District. The tax levy for October, 2020 was \$940,905.

The tax assessment of October 1, 2020 sets the tax levy at \$0.0986 per \$100 of assessed valuation at 100 percent of market value.

Delinquent property taxes estimated to be the collectible within the next fiscal year are recognized as revenues. Other delinquent property taxes receivable at year end that are deemed to be ultimately collectible are recorded as deferred inflows of resources.

NOTE 3 - DEPOSITS AND INVESTMENTS

The District’s deposits and investments at September 30, 2021 are comprised of demand deposits of \$802,272 and certificates of deposits in the amount of \$636,627.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that, in the event of the failure of the depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s policy requires all deposits to be fully secured in accordance with Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian. At September 30, 2021, \$140,469 of the District’s cash balances were unsecured.

NOTE 4 - CHANGES IN CAPITAL ASSETS

Changes in governmental capital assets during the year ended September 30, 2021, were as follows:

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Capital Assets Not Being Depreciated				
Land	\$ 334,209	\$ -	\$ -	\$ 334,209
Other Capital Assets				
Construction in progress	621,961	-	621,961	-
Machinery and equipment	63,423	153,768	-	217,191
Buildings and improvements	373,712	1,132,960	-	1,506,672
Vehicles and equipment	<u>702,754</u>	<u>1,038,282</u>	<u>99,425</u>	<u>1,641,611</u>
Total Other Capital Assets	1,761,850	2,325,010	721,386	3,365,474
Less accumulated depreciation	<u>(262,248)</u>	<u>(929,371)</u>	<u>(99,425)</u>	<u>(1,092,194)</u>
Other Capital Assets, Net	<u>1,499,602</u>	<u>1,395,639</u>	<u>621,961</u>	<u>2,273,280</u>
Total Capital Assets, Net of Depreciation	<u>\$ 1,833,811</u>	<u>\$ 1,395,639</u>	<u>\$ 621,961</u>	<u>\$ 2,607,489</u>

North Blanco County Emergency Services District No. 1*Notes to the Financial Statements**September 30, 2021***NOTE 4 - CHANGES IN CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 106
Public safety - Johnson City VFD	62,004
Public safety - Round Mountain VFD	65,429
Public safety - North Blanco EMS	<u>79,303</u>
Total depreciation expense - Governmental Activities	\$ <u>206,842</u>

NOTE 5 - CHANGES IN NONCURRENT LIABILITIES

The following is a summary of noncurrent liability transactions during the year ended September 30, 2021:

	Balance October 1, <u>2020</u>	<u>Additions</u>	<u>Payments</u>	Balance September 30, <u>2021</u>
Johnson City VFD truck loan	\$ <u>183,716</u>	\$ <u>-</u>	\$ <u>124,461</u>	\$ <u>59,255</u>
Total	\$ <u>183,716</u>	\$ <u>-</u>	\$ <u>124,461</u>	\$ <u>59,255</u>
				<u>Principal Balance</u>

Payee and Terms

Johnson City Bank, loan to provide for the refinance of the purchase of vehicles. The loan of \$195,350 payable in monthly installments of \$3,485 (including interest at 2.5%) until May 2025. Secured by the trucks.	\$ <u>59,255</u>
Total non-current liabilities	59,255
Less current portion	<u>(40,804)</u>
Total Long-Term Debt	\$ <u>18,451</u>

NOTE 5 - CHANGES IN NONCURRENT LIABILITIES (Continued)

Annual payments required to amortize all long-term debt outstanding as of September 30, 2021 including interest payments, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 40,804	\$ 1,016	\$ 41,820
2023	<u>18,451</u>	<u>123</u>	<u>18,574</u>
	\$ <u>59,255</u>	\$ <u>1,139</u>	\$ <u>60,394</u>

NOTE 6 - CONTRACTS

The District has contracted with the Johnson City and Round Mountain Volunteer Fire Departments for fire-fighting services and with the North Blanco County EMS for emergency medical services.

NOTE 7 - PENSION PLAN

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer, public employee retirement system consisting of over 800 active participating counties and districts throughout Texas. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or at www.tcdrs.org.

Benefits Provided

The plan provisions are adopted by the governing body of the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years of service regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

NOTE 7 - PENSION PLAN (Continued)

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, or death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the District’s Board within certain guidelines.

1. All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
2. The plan provides retirement, disability and survivor benefits.
3. TCDRS is a savings-based plan. For the district’s plan 4% of each employee’s pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched by an employer set percentage (current match is 125%) and is then converted to an annuity.
4. There are no automatic COLAs. Each year, the district may elect to ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
5. Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.

Employees covered by benefit terms: At December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees Accounts:	
Receiving benefits	0
Entitled to but not yet receiving benefits	<u>8</u>
	8
Active employees	19

Contributions

The District has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the

North Blanco County Emergency Services District No. 1

Notes to the Financial Statements

September 30, 2021

NOTE 7 - PENSION PLAN (Continued)

TCDRS Act, the contribution rate of the District is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

	<u>Contribution Rates</u>
	<u>2021</u>
Member	4%
Employers	2.20%
Fiscal year Employer Contributions	\$ 9,659
Fiscal year Member Contributions	\$ 17,590

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/ demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions and changes or inputs	Straight-line amortization over expected working life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	Varies by age and service 3.00% average over career including inflation.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-Of-Living Adjustments	Cost-of-Living Adjustments for North Blanco County Emergency Services District #1 are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

NOTE 7 - PENSION PLAN (Continued)

Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Based on RP-2014 mortality tables.

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over the years 2013 - 2016. Assumptions were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2017 and first used in the December 31, 2017 actuarial valuation.

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore the discount rate for calculation the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirement under our funding policy and the legal requirements under the TCDRS Act.

NOTE 7 - PENSION PLAN (Continued)

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UALL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is based on a 10-year time horizon; the most recent analysis was performed in January 2021.

North Blanco County Emergency Services District No. 1*Notes to the Financial Statements**September 30, 2021***NOTE 7 - PENSION PLAN (Continued)**

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return (Expected minus inflation)</u>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities- Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities- Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associated Distressed Securities Index	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.25%
Cash Equivalents	90-Day US Treasury	2.00%	-0.70%
Hedge Funds	Hedge Funds Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At September 30, 2021, the District reported a net pension liability of \$7,577 measured at December 31, 2020. For the year ended September 30, 2021, the District recognized pension expense of \$9,234.

North Blanco County Emergency Services District No. 1

Notes to the Financial Statements

September 30, 2021

NOTE 7 - PENSION PLAN (Continued)

Changes in the net pension liability for the measurement year ended December 31, 2020 are as follows:

<u>Changes in Net Pension Liability/(Asset)</u>	<u>Total Pension Liability</u> <u>(a)</u>	<u>Fiduciary Net Position</u> <u>(b)</u>	<u>Net Pension Liability/(Asset)</u> <u>(a) - (b)</u>
Balances as of December 31, 2019	\$ 28,065	\$ 27,611	\$ 454
Changes for the year:			
Service cost	26,184	-	26,184
Interest on total pension liability	4,394	-	4,394
Effect of plan changes	-	-	-
Effect on economic/demographic gains or losses	656	-	656
Effect on assumptions changes or inputs	6,627	-	6,627
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(43)	43
Member contributions	-	17,515	(17,515)
Net investment income	-	2,908	(2,908)
Employer contributions	-	9,554	(9,554)
Other	-	804	(804)
Balances as of December 31, 2020	\$ 65,926	\$ 58,349	\$ 7,577

Sensitivity Analysis

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the North Blanco Emergency Services District No. 1 net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
Total pension liability	\$ 82,430	\$ 65,926	\$ 53,141
Fiduciary net position	<u>58,349</u>	<u>58,349</u>	<u>58,349</u>
Net pension liability / (Asset)	\$ 24,081	\$ 7,577	\$ (5,208)

North Blanco County Emergency Services District No. 1*Notes to the Financial Statements**September 30, 2021***NOTE 7 - PENSION PLAN (Continued)**

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 82	\$ 6,211
Changes in assumptions	-	5,964
Net difference between projected and actual earnings	-	903
Contributions made subsequent to measurement date	N/A	7,091

The \$7,091 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2022.

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2021	\$ 1,558
2022	1,558
2023	1,547
2024	1,368
2025	1,282
Thereafter	5,683

NOTE 8 - SUBSEQUENT EVENTS

The District did not have any subsequent events through May 16, 2022, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the fiscal year ended September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

North Blanco County Emergency Services District No. 1

Budgetary Comparison Schedule

For the Year Ended September 30, 2021

	General Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual Amounts Budgetary Basis	
	Original	Final		
Revenues				
Blanco County ESD No. 2 reimbursements	\$ -	\$ -	\$ 59,939	\$ 59,939
Contributions	-	-	409,258	409,258
Interest income	3,500	3,500	8,671	5,171
Miscellaneous revenue	-	-	1,052	1,052
Property taxes	987,680	987,680	942,804	(44,876)
Sales taxes	<u>425,000</u>	<u>425,000</u>	<u>963,193</u>	<u>538,193</u>
Total Revenues	<u>1,416,180</u>	<u>1,416,180</u>	<u>2,384,917</u>	<u>968,737</u>
Expenditures				
Capital outlay	75,000	75,000	980,520	(905,520)
Debt service	41,820	41,820	124,461	(82,641)
EMS payroll services	544,550	544,550	544,744	(194)
Insurance	4,500	4,500	140	4,360
Interest	-	-	9,335	(9,335)
Johnson City VFD payments	160,250	160,250	158,606	1,644
Office and administration	17,875	17,875	4,622	13,253
Professional fees	43,000	43,000	32,113	10,887
Round Mountain VFD payments	78,250	78,250	98,250	(20,000)
Travel and training	<u>3,000</u>	<u>3,000</u>	<u>2,700</u>	<u>300</u>
Total Expenditures	<u>968,245</u>	<u>968,245</u>	<u>1,955,491</u>	<u>(987,246)</u>
Excess (Deficiencies) of Revenues and Other Sources Over Expenditures and Other (Uses)	\$ <u>447,935</u>	\$ <u>447,935</u>	429,426	\$ <u>(18,509)</u>
Fund Balance, Beginning of Year			<u>1,025,628</u>	
Fund Balance, End of Year			\$ <u>1,455,054</u>	

North Blanco County Emergency Services District No. 1

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	\$ 26,184	\$ 18,367	\$ 1,355	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interest on total pension liability	4,394	1,598	110	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Effect of plan changes	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Effect of assumption changes or inputs	6,627	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Effect of economic/demographic (gains) or losses	656	6,745	(110)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Benefit payments/refunds of contributions	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net change in total pension liability	37,861	26,710	1,355	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total pension liability, beginning	28,065	1,355	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total pension liability, ending (a)	\$ 65,926	\$ 28,065	\$ 1,355	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary Net Position										
Employer contributions	\$ 9,554	\$ 8,678	\$ 596	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Member contributions	17,515	16,070	1,104	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Investment income new of investment expenses	2,908	265	19	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Benefit payments/refund of contributions	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Administrative expenses	(43)	(21)	(1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other	804	851	50	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net change in fiduciary net position	30,738	25,843	1,768	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary net position, beginning	27,611	1,768	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary net position, ending (b)	\$ 58,349	\$ 27,611	\$ 1,768	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net pension liability / (asset), ending = (a) - (b)	\$ 7,577	\$ 454	\$ (413)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary net position as a % of total pension liability	88.51%	98.38%	130.40%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pensionable covered payroll	\$ 437,883	\$ 401,746	\$ 27,599	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net pension liability as a % of covered payroll	1.73%	0.11%	-1.49%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

North Blanco County Emergency Services District No. 1

Schedule of Employer Contributions

Year Ending <u>December 31</u>	Actuarially Determined <u>Contribution</u>	Actual Employer <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Pensionable Covered <u>Payroll(1)</u>	Actual Contribution as a % of Covered <u>Payroll</u>
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	596	596	-	27,599	2.2%
2019	8,678	8,678	-	401,746	2.2%
2020	9,546	9,554	(8)	437,883	2.2%

(1) Payroll is calculated based on contributions as reported to TCDRS.

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment rate of Return	7.50%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age of service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for Females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.

North Blanco County Emergency Services District No. 1

Schedule of Employer Contributions (Continued)

Changes in Assumption and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality, and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provision Reflected in the Schedule of Employer Contributions	2015: No changes to plan provisions were reflected in the schedule. 2016: No changes to plan provisions were reflected in the schedule. 2017: No changes to plan provisions were reflected in the schedule. 2018: No changes to plan provisions were reflected in the schedule. 2019: No changes to plan provisions were reflected in the schedule. 2020: No changes to plan provisions were reflected in the schedule.