

**NUECES COUNTY EMERGENCY
SERVICES DISTRICT NO. 4**

**Annual Financial Report
For the Year Ended September 30, 2021**

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NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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S. NOEL SNEDEKER, II

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UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners – Nueces County Emergency Services District No. 4
Corpus Christi, Texas

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nueces County Emergency Services District No. 4 as of and for the year ended September 30, 2021, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Nueces County Emergency Service District No. 4 as of September 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-9 and 37-38 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. I 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 my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nueces County Emergency Services District No. 4's basic financial statements. The introductory section and fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.



S. Noel Snedeker, II
Certified Public Accountant

February 28, 2022

NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
P.O. BOX 260176
CORPUS CHRISTI, TEXAS 78426-0176
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February 28, 2022

The Honorable Commissioners – Emergency Services District No. 4
Corpus Christi, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Nueces County Emergency Services District No. 4, discuss and analyze the District's financial performance for the fiscal year ended September 30, 2021. Please read it in conjunction with our independent auditors' report on page 3, and the District's Basic Financial Statements which begin on page 12.

FINANCIAL HIGHLIGHTS

- The District's Net Position increased by \$397,756 as a result of current year's operations.
- During the year, the District's General Fund had expenses that were \$460,158 less than the \$1,130,289 generated in tax and other revenues for governmental programs. This compares to last year when revenues exceeded expenditures by \$228,846.
- Total cost of all of the District's programs was \$735,298 which was \$5,167 more than in the prior year.
- The General Fund ended the year with a fund balance of \$1,283,926, which is an increase of \$460,158 from the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 12 and 13). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 14) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 20) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 12. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's Net Position and changes in them. The District's Net Position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we report the District as:

- Governmental activities—Most of the District's basic services are reported here.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the District as a whole. The District's governmental funds account as follows:

- Governmental funds—Most of the District's basic services are reported in governmental funds. This use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position of the District's governmental activities increased from \$1,780,039 to \$2,177,795. This increase in governmental Net Position was the result of current year's operations. Unrestricted Net Position – the part of Net Position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – were \$1,348,223 at September 30, 2021.

Table I
NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
CHANGES IN NET POSITION

	Governmental Activities	
	2021	2020
Current and other assets	\$ 1,348,223	\$ 885,299
Capital assets	829,572	894,740
Total assets	<u>2,177,795</u>	<u>1,780,039</u>
Long-term liabilities	-	-
Other liabilities	-	-
Total liabilities	<u>-</u>	<u>-</u>
Net Assets:		
Invested in capital assets, net of related debt	829,572	894,740
Unrestricted	1,348,223	885,299
Total Net Assets	<u>\$ 2,177,795</u>	<u>\$ 1,780,039</u>

Table II
NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
CHANGES IN NET POSITION

	Governmental Activities	
	2021	2020
General Revenues:		
Maintenance and Operations Taxes	\$ 646,331	\$ 689,593
Debt Service Taxes	-	-
Grants and Contributions not Restricted to Specific Functions	357,300	237,900
Charges for Services	128,671	169,525
Investment Earnings	752	459
Miscellaneous		
Total Revenue	<u>1,133,054</u>	<u>1,097,477</u>
Expenses:		
Fire Protection	161,934	228,486
EMS	573,364	501,645
Loan Interest	-	-
Total Expenses	<u>735,298</u>	<u>730,131</u>
Increase (decrease) in Net Assets before		
Transfers and Special Items	397,756	367,346
Proir Period Adjustment	-	-
Net Position, Beginning	1,780,039	1,412,693
Net Position, Ending	<u>\$ 2,177,795</u>	<u>\$ 1,780,039</u>

The assessed valuation before exemptions at January 1, 2021 totaled \$636,719,358 million. The current tax rate is \$.10000 per \$100 valuation with a current tax levy of \$637,582. The current tax rate is used to finance payment of principal and interest on general long-term debt as well as direct operations.

Through the month of September 2021, the Tax Assessor/Collector's office reports \$616,033 of the current levies had been collected. Current tax collections funds were 96.70% of the amount levied. Delinquent taxes in the amount of \$17,826 were collected and reported in the tax year 2021 bringing total collections to \$633,859 or 99.50%. Expenditures of the operating fund totaled \$670,131 and revenues totaled \$1,130,289.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a fund balance of \$1,283,926, which is more than last year's total of \$823,768. Included in this year's total change in District's General Fund Balance was an increase of \$460,158.

The District's General Fund balance of \$1,283,926 reported on pages 14 and 16 differs from the General Fund's budgetary fund balance of \$692,229 reported in the budgetary comparison schedule on pages 18 and 38. This is principally due to the District's actual revenues being more than the amount budgeted and actual expenditures being less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had \$2,051,166 invested in a broad range of capital assets, including bridges, facilities and equipment.

Debt

At year-end, the District had no debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Nueces County is currently 9.8 percent, which is an (5.9%) increase from the prior year. The County's unemployment rate is higher than the State's average of 8.3 percent. The State of Texas is slightly higher than the national rate of 7.9 percent however the County was 1.9 percent higher than the national rate.
- As compared to last year:
 - School enrollment decreased by 337 students.
 - Retail sales were up (3.26%) as compared to prior year.
 - County net property taxable value (NTV) increased by 4.31 percent, last year it was up 4.18 percent.
 - Port tonnage increased by 28.01 percent from the prior year to \$117,548,299 in 2020.
 - Population increased by 2.91 percent.

None of these factors were not considered in preparing the District's budget for the 2021/2022 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors 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 Nueces County Emergency Services District No. 4 at its accounting office 361-241-2452.

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BASIC FINANCIAL STATEMENTS

NUECES COUNTY EMERGENCY DISTRICT #4
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

EXHIBIT A-1

	Primary Government
	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 346,128
Investments - Current	901,198
Taxes Receivable, Net	64,297
Due from County	36,600
Capital Assets:	
Land Purchase and Improvements	71,753
Buildings, Net	295,972
Furniture and Equipment, Net	461,847
Total Assets	2,177,795
 NET POSITION	
Net Investment in Capital Assets	829,572
Unrestricted	1,348,223
Total Net Position	\$ 2,177,795

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY EMERGENCY DISTRICT #4
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-1

Net (Expense)
Revenue and
Changes in Net
Position

Primary Gov.
Governmental
Activities

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions		
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
Fire Protection	\$ 161,934	\$ -	\$ -	\$ (161,934)
EMS	573,364	128,671	-	(444,693)
TOTAL PRIMARY GOVERNMENT	\$ 735,298	\$ 128,671	\$ -	(606,627)

General Revenues:

Property Taxes, Levied for General Purposes	646,331
Grants and Contributions Not Restricted	190,000
Intergovernmental Revenue	167,300
Interest	752
Total General Revenues	1,004,383
Change in Net Position	397,756
Net Position-- Beginning	1,780,039
Net Position - Ending	\$ 2,177,795

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY EMERGENCY DISTRICT #4
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 346,128
Investments - Current	901,198
Taxes Receivable	75,644
Allowance for Uncollectible Taxes (credit)	(11,347)
Due from County	36,600
	<hr/>
Total Assets	\$ 1,348,223
	<hr/> <hr/>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 64,297
	<hr/>
Total Deferred Inflows of Resources	64,297
	<hr/>
FUND BALANCE	
Unassigned Fund Balance	1,283,926
	<hr/>
Total Fund Balance	1,283,926
	<hr/>
Total Deferred Inflows & Fund Balance	\$ 1,348,223
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY EMERGENCY DISTRICT #4
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total Fund Balances - Governmental Funds	\$	1,283,926
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		894,739
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase (decrease) net position.		45,783
The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(110,950)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		64,297
Net Position of Governmental Activities	\$	<u>2,177,795</u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY EMERGENCY DISTRICT #4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT C-3

	General Fund
<hr/>	
REVENUES:	
Property Taxes	\$ 643,566
Intergovernmental Revenue and Grants	167,300
EMS Revenue	128,671
Investment Earnings	752
Contributions & Donations from Private Sources	190,000
Total Revenues	<u>1,130,289</u>
EXPENDITURES:	
Public Safety	172,780
Fire Protection	497,351
Total Expenditures	<u>670,131</u>
Net Change in Fund Balance	460,158
Fund Balance - October 1 (Beginning)	<u>823,768</u>
Fund Balance - September 30 (Ending)	<u><u>\$ 1,283,926</u></u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY EMERGENCY DISTRICT #4
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	460,158
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase (decrease) the change in net position.		45,783
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(110,950)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		2,765
Change in Net Position of Governmental Activities	<u>\$</u>	<u>397,756</u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY EMERGENCY DISTRICT #4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 643,566	\$ 643,566
Property Tax - Current	603,961	603,961	-	(603,961)
Property Tax - Delinquent	12,000	12,000	-	(12,000)
Intergovernmental Revenue and Grants	-	-	167,300	167,300
EMS Revenue	250,000	250,000	128,671	(121,329)
Investment Earnings	100	100	752	652
Contributions & Donations from Private Sources	-	-	190,000	190,000
Total Revenues	866,061	866,061	1,130,289	264,228
EXPENDITURES:				
Public Safety	234,550	338,500	172,780	165,720
Fire Protection	594,850	659,100	497,351	161,749
Total Expenditures	829,400	997,600	670,131	327,469
Net Change	36,661	(131,539)	460,158	591,697
Fund Balance - October 1 (Beginning)	823,768	823,768	823,768	-
Fund Balance - September 30 (Ending)	\$ 860,429	\$ 692,229	\$ 1,283,926	\$ 591,697

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Nueces County Emergency Services District No. 4 (the district) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard – setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. REPORTING ENTITY

The Nueces County Emergency Services District No. 4. was created in 1984 and its primary duty is the protection of life and property from fire and for the conservation of natural and human resources. It was created and operates under the provision of Chapter 775 of the Texas Health and Safety Code. The Nueces County appoints all the fire commissioners on a periodic basis. The District conversion allows the District the ability to adopt a tax rate of up to 10 cents per 100 valuation and for the period under audit was \$.1000 cents per 100 valuation.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all the Nueces County Emergency Services District No. 4 non-fiduciary with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, grants and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. If revenue is not program revenue, it is general revenue used to support all the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

D. FUND ACCOUNTING

The District uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self – balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

GENERAL OPERATING FUND

The General Operating Fund is used to account for all revenues and expenditures of the District.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net current assets.

All governmental fund types use the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transactions can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one – year availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

E. OTHER ACCOUNTING POLICIES

1. The District reports inventories of supplies at cost including consumable maintenance. Supplies are recorded as expenditures when they are consumed. The District has no reportable inventory at September 30, 2021.
2. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District had \$ -- in loans at September 30, 2021.

3. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.
4. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building	20
Improvements	
Infrastructure	50
Vehicles	15
Office Equipment	7
Computer	7
Equipment	

5. The District has no restricted assets at September 30, 2021.
6. The District has no self-insurance plans.
7. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

8. For purposes of the statement of Net Position, cash and equivalents include all demand and time deposits of the District.
9. The preparation of financial statements in conformity with generally accepted accounting principals require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
10. The current tax levy, reduced by an allowance for uncollectible taxes receivable, is recognized in the accounts when levied October 1, and is recorded as deferred revenue at that time. Such deferred revenues are recognized as revenue in the fiscal year they become available. The allowance is adjusted at the end of each fiscal year to equal one – half percent of the current property tax levy for the ten most recent years plus 100% of its appraised value.

Tax billings and collections are handled via the Nueces County Tax Assessor Collectors office.

Property taxes are measurable but not available and hence are not susceptible to accrual. They are not available because the district has decreed that the taxes levied on October 1 will not be available for expenditures or appropriation until the next year (the year to which they apply.)

Allowances for uncollectible tax receivables within the General are based upon historical experience in collecting property taxes. Uncollectable personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

	General Fund	Debt Service Fund	Total
Delinquent Taxes Receivable	\$ 75,644	\$ -	\$ 75,644
Allowance for Uncollectable Taxes	(11,347)	-	(11,347)
Net Delinquent Taxes Receivable	<u>\$ 64,297</u>	<u>\$ -</u>	<u>\$ 64,297</u>

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the Net Position for governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets at the Beginning of the Year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
Land	\$ 71,753	\$ -	\$ 71,753	
Buildings/Infrastructure	524,772	225,361	299,411	
Furniture & Equipment	1,408,858	885,283	523,575	
Fire Trucks	-	-	-	
Vehicles	-	-	-	
Capital Leases	-	-	-	
Change in Net Position				<u>894,739</u>
<u>Long-term Liabilities at the Beginning of the Year</u>				
Bonds Payable	-	-	-	
Loans Payable	-	-	-	
Capital Leases Payable	-	-	-	
Compensated Absences	-	-	-	
Other	-	-	-	
Change in Net Position				<u>-</u>
 Net Adjustment to Net Position				 <u>\$ 894,739</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in Net Position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in Net Position. The details of this adjustment are as follows:

NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Amount	Adjustments to Changes in Net Position	Adjustments to Net Position
<u>Current Year Capital Outlay</u>			
Land	\$ -	\$ -	\$ -
Buildings & Improvements	7,200	7,200	7,200
Other Improvements	-	-	-
Furniture & Equipment	-	-	-
Equipment	38,583	38,583	38,583
Vehicles & Machinery	-	-	-
Total Capital Outlay	<u>45,783</u>	<u>45,783</u>	<u>45,783</u>
<u>Debt Principal Payments</u>			
Bond Principal	-	-	-
Loan Principal	-	-	-
Capital Lease Payments	-	-	-
Other	-	-	-
Total Principal Payments	<u>-</u>	<u>-</u>	<u>-</u>
 Total Adjustment to Net Position		 <u>\$ 45,783</u>	 <u>\$ 45,783</u>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	Amount	Adjustments to Change in Net Position	Adjustments to Net Position
<u>Adjustments to Revenue and Unearned Revenue</u>			
Taxes Collected from Prior Year Levies	\$ 64,297	\$ 64,297	\$ 64,297
Uncollected Taxes (Assumed Collectible) from Current Year Levy	-	-	-
Uncollected Taxes (Assumed Collectible) from Prior Year Levy	-	-	-
Other	(61,532)	(61,532)	-
<u>Reclassify Proceeds of Bonds, Loans & Capital Leases</u>			
New Bond Issue	-	-	-
Discount (Premium) on Issuance of Bonds	-	-	-
Capital Lease Proceeds	-	-	-
Other	-	-	-
Prepaid Insurance Premiums	-	-	-
Total		<u>\$ 2,765</u>	<u>\$ 64,297</u>

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The District is required to adopt a legal budget; the District prepares and adopts a budget every fiscal year prior to its October 1 beginning fiscal year. The Commissioners may increase or decrease each line item of the budget; however, the total expenditures cannot exceed the District's estimate of revenues and available cash unless allowed by special resolution. After the Commissioners have properly adopted the budget, the District's administration and designees have the responsibility to monitor the expenditures to prevent expenditures from exceeding appropriations and to advise the Commissioners as to the conditions of the various expenditure accounts. The District does not use Encumbrance Accounting. The budget for the General Fund is adopted on a basis consistent with Generally Accepted Accounting principles (GAAP) in all material respects.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Some expenditure line items exceeded appropriations however total expenditures were \$327,469 less than the amount budgeted.

C. DEFICIT FUND EQUITY

None

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by (state an appropriate policy, such as, limiting all deposits denominated in a foreign currency to less than 5% of all deposits.)

As of September 30, 2021, the following are the District's cash and cash equivalents with respective maturities and credit rating:

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over Over 10 Years	Credit Rating
Cash	\$ 346,125	0.0%	\$ -	\$ -	\$ -	-
Money markets and FDIC Insured Accounts	-	0.0%	-	-	-	-
Investment Pools:						
Texas Class	901,198	72.3%	-			-
Total Investment Pools:						
Total Cash and Cash Equivalents	<u>\$ 1,247,323</u>	<u>72%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Compliance with the Public Funds Investment Act

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Additional policies and contractual provisions governing investments for the District are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in (list investments covered by the district's credit risk policy, such as commercial paper, corporate bonds, mutual bond funds) to the top (or top 2 or 3) ratings issued by nationally recognized statistical rating organizations (NRSROs). As of September 30, 2018, the district's investments in (category such as commercial paper) were rated (give appropriate information, for example, A1 by Standard & Poor's, F-1 by Fitch Ratings, etc.) (If a credit quality disclosure is required and the investment is unrated, the disclosure should indicate that fact.)

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires (specify some policy guideline such as "at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis").

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by (state an appropriate policy, such as, "limiting all investments denominated in a foreign currency to less than 5% of all investments".)

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

In this discussion and in the table below, investments are defined according to GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. An asset initially reported as a capital asset and later held for sale would not subsequently be reclassified as an investment.

As of September 30, 2021, the District had the following investments subject to the fair value measurement.

	Fair Value Measurements Using			
	Balance at Sept. 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	-	-	-	-
Total Debt Securities	-	-	-	-
Equity Securities:				
(Describe)	-	-	-	-
Total Equity Securities	-	-	-	-
Venture Capital Investments:				
(Describe)	-	-	-	-
Total Venture Capital Investments	-	-	-	-
Total Investments by Fair Value Level	\$ -	\$ -	\$ -	\$ -
Mutual Funds Total				

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of no investments at September 30, 2021 was determined primarily based on level 2 inputs. The District estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

The District has no investments measured at the Net Asset Value (NAV) per Share (or its equivalent).

Investment Accounting Policy

The District’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

C. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

NONE

D. INTERFUND BALANCES AND TRANSFERS

None

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2021, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$ 75,644	\$ 36,600	\$ -	\$ -	\$ 112,244
Total - Governmental Activities	<u>\$ 75,644</u>	<u>\$ 36,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,244</u>

Payables at September 30, 2021, were as follows:

	<u>Loans, Leases and Bonds Payable Current Year</u>	<u>Accounts</u>	<u>Due to Other Funds</u>	<u>Due to Other Governments</u>	<u>Other</u>	<u>Total Payables</u>
Governmental Activities:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Governmental Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended September 30, 2021, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental Activities:				
Land	\$ 71,753	\$ -	\$ -	\$ 71,753
Buildings/Infrastructure	524,772	7,200	-	531,972
Furniture & Equipment	1,408,858	38,583	-	1,447,441
Other Equipment	-	-	-	-
Vehicles	-	-	-	-
Totals at Historic Cost	<u>1,761,705</u>	<u>45,783</u>	<u>-</u>	<u>2,051,166</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	225,361	10,639	-	236,000
Furniture & Equipment	885,283	100,311	-	985,594
Other Equipment	-	-	-	-
Vehicles	-	-	-	-
Total Accumulated Depreciation	<u>927,079</u>	<u>110,950</u>	<u>-</u>	<u>1,221,594</u>
Governmental Activities Capital Assets, Net	<u>\$ 834,626</u>			<u>\$ 829,572</u>

Depreciation expense was charged to governmental functions as follows:

Fire Protection	\$ 27,737
EMS	83,213
Total Depreciation Expense	<u>\$ 110,950</u>

F. SHORT-TERM DEBT PAYABLE

The District's short-term loans payable at September 30, 2021 was \$-0-.

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

G. LOAN OBLIGATION PAYABLE

A summary of changes in general long-term debt for the year ended September 30, 2021 is as follows:

<u>DESCRIPTION</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Interest Current Year</u>	<u>Payable Amounts Outstanding 10/1/2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 9/30/2021</u>
Tanker Truck	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

H. DEBT SERVICE REQUIREMENTS – LOANS

Debt service requirements are as follows:

<u>Year Ended September 30</u>	<u>General Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
Thereafter	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

I. COMMITMENTS UNDER OPERATING LEASES

The District had no Operating leases at September 30, 2021.

J. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended September 30, 2021, was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and Notes Payable:					
Loans	\$ -	\$ -	\$ -	\$ -	\$ -
Total Governmental Activities					
Long-term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

K. DEFERRED INFLOWS OF RESOURCES

Unearned revenue at yearend consisted of the following:

	General Fund	Debt Service Fund	Total
Net Tax Revenue	\$ 64,297	\$ -	\$ 64,297
State & Federal Governments	-	-	-
Total Deferred Revenue	\$ 64,297	\$ -	\$ 64,297

M. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Total
Property Taxes	\$ 643,566	\$ -	\$ 643,566
Charges for Services	128,671	-	128,671
Intergovernmental	167,300	-	167,300
Investment Income	752	-	752
Other	190,000	-	190,000
Total	\$ 1,130,289	\$ -	\$ 1,130,289

N. LITIGATION

None

O. RETIREMENT PLAN

The District had no retirement plan at September 30, 2021.

P. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and natural and other occurrences. The District maintains coverage at a cost that is considered to be economically justifiable. There were not significant reductions in insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Q. PRIOR PERIOD ADJUSTMENT

None

NUECES COUNTY EMERGENCY SERVICES DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

R. FUND BALANCE

Fund balances are included on the Balance Sheet as follows:

Non-spendable - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Commissioners or state statute. Commissioners or a District official delegated that authority by the Commissioners.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

S. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 28, 2022, the date which the financial statements were available to be issued.

The 2020 COVID-19 (Coronavirus) pandemic has caused extensive disruptions to businesses in America and the entire World. In the face of these disruptions, the fluid situation has become difficult to assess the likely impact to not only the economy in America but also the local economy. The District is striving to be highly attuned and is maintaining a heightened state of readiness for the principal risks and increased uncertainties ahead. Given the potential for rapid spreading of the virus, management will be evaluating the current and potential effects on its operations and financial reporting.

SUPPLEMENTAL SCHEDULES

Nueces County Emergency Services District No. 4
 Budgetary Comparison Schedule - General Fund
 Budget (GAAP Basis) and Actual
 Year ended September 30, 2021

Revenues:	Actual	Budget (Revised)	Variance Favorable (Unfavorable)
Property taxes, including penalty and interest	\$ 629,338	\$ 603,961	\$ 25,377
Interest	751	100	651
Property Taxes Delinquent	14,228	12,000	2,228
County Income	167,300	-	167,300
Intergovernmental Rev. & Grants	190,000	-	190,000
EMS Revenue	128,671	250,000	(121,329)
Total Revenues	<u>1,130,289</u>	<u>866,061</u>	<u>264,228</u>
Expenditures:			
<u>FIRE</u>			
Station Maintenance	20,008	22,000	1,992
Communications CC Radio	1,441	30,000	28,559
Fuel Fire	3,147	4,000	853
Fire- Wages and Salaries	0	8,000	8,000
Building Maintenance Fire	4,014	25,000	20,986
Insurance General	0	15,000	15,000
Dues & Subscriptions	131	450	319
Legal/ Accounting Fire	21,500	23,000	1,500
Utilities	4,914	5,000	86
Bunker Gear	738	20,000	19,262
Meals Fire	7,822	9,250	1,428
Fire Supplies	6,655	20,000	13,345
Office Expenditures Fire	4,803	4,750	(53)
Incentives	7,988	12,000	4,012
Medical Expense	293	0	(293)
Training Fire	4,006	5,350	1,344
Miscellaneous Fire	0	500	500
Truck Maintenance Fire	8,109	15,000	6,891
1990 International Green T42	869	1,200	331
2013 Freightliner T41		5,000	5,000
2018 Dodge Command C41	1,663	0	(1,663)
B 41	2,279	3,000	721
B42	163	800	637
E41 2010 Ferrera	113	2,000	1,887
R41	259	450	191
Ford F250 2011	9,829	10,000	171
5 Ton Brush Truck #1	0	2,500	2,500
5 Ton Brush Truck #2	26	14,000	13,975
5 Ton Brush Truck #3	0	1,500	1,500
2 1/2 GI	0	250	250
R42 Hummer	3,874	5,500	1,626
Rescue Equipment	41,846	56,000	14,154
Forestry Service B44	10,564	0	(10,564)
Federal Surplus	1,590	0	(1,590)
Comm. Fees	686	0	(686)
Capital	0	15,000	15,000
Public Relations Fire	3,452	2,000	(1,452)
Subtotal Fire	<u>172,780</u>	<u>338,500</u>	<u>165,720</u>

Continued

The notes to the financial statements are an integral part of this statement.

Nueces County Emergency Services District No. 4
 Budgetary Comparison Schedule - General Fund
 Budget (GAAP Basis) and Actual
 Year ended September 30, 2021

Expenditures:

<u>EMS</u>	Actual	Budget (Revised)	Favorable (Unfavorable)
Advertising	330	0	(330)
Fuel, Tires, Oil	15,322	19,100	3,778
Disposal	3,185	3,500	315
Bunker Gear	0	500	500
Legal/ Accounting	21,728	31,000	9,272
Insurance General	27,412	39,000	11,588
Uniforms	0	600	600
Postage	0	1,100	1,100
Tax collection Fee	5,798	37,500	31,702
Taxes Other	8,180	8,200	20
Supplies	16,290	19,500	3,210
Com. Equip. Supplies	0	300	300
Communication Fees	0	800	800
Office Expense	3,819	5,100	1,281
Bank Charges	493	650	157
Dues and Subscriptions	1,423	1,000	(423)
Meals / Entertainment	1,112	2,000	888
Public Relations	367	750	383
Equipment Rental	413	0	(413)
Medical expenses	0	600	600
Professional Services	17,121	19,000	1,879
Training School	2,306	2,500	194
Utilities	9,167	9,500	333
Incentives	1,817	3,000	1,183
Truck Maintenance	0	5,000	5,000
Payroll (EMS)	311,863	325,500	13,637
Payroll Taxes	20,952	28,800	7,848
Health Expense	8,900	8,000	(900)
Miscellaneous	171	600	429
Building Maintenance	11,325	19,500	8,175
2018 Dodge Command C41	0	4,000	4,000
Frazer 2016 Dodge Ambulance	1,493	4,000	2,507
2012 Dodge Ram Ambulance	6,366	8,500	2,134
Capital Outlay	0	50,000	50,000
Subtotal EMS	<u>497,351</u>	<u>659,100</u>	<u>161,749</u>
Total Expenditures	<u>670,131</u>	<u>997,600</u>	<u>327,469</u>
Excess of Revenues over (under) expenditures	460,158	(131,539)	
Fund Balance October 1, 2020	<u>823,768</u>	<u>823,768</u>	
Fund Balance September 30, 2021	<u>\$ 1,283,926</u>	<u>\$ 692,229</u>	

The notes to the financial statements are an integral part of this statement.