

**Burnet County Emergency
Services District No. 8
Financial Statements
For the Year Ended
December 31, 2011**

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

Burnet County Emergency Services District No. 8

Table of Contents

December 31, 2011

	Page
Management’s Discussion and Analysis.	2
Independent Auditors’ Report.	7
Statement of Net Assets	8
Statement of Activities	9
Balance Sheet - Governmental Funds.	10
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements.	13
Required Supplementary Information Budgetary Comparison Schedule	22

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

As management of the Burnet County Emergency Services District No. 8 (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 December 31, 2011. 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 assets of the District increased by \$37,660 as a result of the current year's operations. Net assets at year end consisted of invested in capital assets, net of related debt of \$650 and unrestricted net assets of \$132,582 for total net assets of \$133,232.
- Total revenues from all sources were \$104,185.
- Total costs of all programs were \$66,525.
- As of December 31, 2011, the District's governmental fund reported an ending fund balance of \$125,482, an increase of \$40,148.

Using this Annual Report

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

5. Government-wide financial statements provide information for the District as a whole.
6. Fund financial statements provide detailed information for the District's significant funds.
7. 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.

The District was created by an election held in November 2009. As a result of this first full year of operations, only current information is provided in this year's Management's Discussion and Analysis. Comparative analysis of the financial statement data will be presented in future periods.

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 Assets* presents information on all of the assets and liabilities of the District. The difference between assets and liabilities is reported as net assets. Over time, increases or decreases in net assets 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 assets 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 Assets and the Statement of Activities present information for the following:

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

The government-wide financial statements begin on page 8. The following is a summary of net assets as of December 31, 2011:

Table 1
Net Assets

	<u>Governmental Activities</u>
	<u>2011</u>
Current assets	\$ 132,582
Capital assets, net	<u>650</u>
Total assets	<u>133,232</u>
Current liabilities	<u>-</u>
Total liabilities	<u>-</u>
Net assets:	
Invested in capital assets, net of related debt	650
Unrestricted	<u>132,582</u>
Total net assets	\$ <u>133,232</u>

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

**Table 2
Changes in Net Assets**

	<u>Governmental Activities</u> <u>2011</u>
Revenues:	
Program revenues:	
Charges for services	\$ -
Operating grants and contributions	-
Capital grants and contributions	-
General revenues:	
Property taxes	<u>104,185</u>
Total revenues	<u>104,185</u>
Expenses:	
General government	5,681
Public safety	<u>60,844</u>
Total expenses	<u>66,525</u>
Increase in net assets	37,660
Net assets - January 1	<u>95,572</u>
Net assets - December 31	\$ <u><u>133,232</u></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 government's net resources available for spending at the end of the fiscal period.

Burnet County Emergency Services District No. 8

Management's Discussion and Analysis (Continued)

December 31, 2011

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 District adopts an annual budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance. The governmental fund financial statements begin on page 10, and the budgetary comparison schedule is on page 22.

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 13 through 20 of this report.

General Fund Budgetary Highlights

The District Commissioners did not amend the budget during the year ended December 31, 2011.

Actual results on a budgetary basis were 32 percent less than budgeted expenditures due primarily to fewer professional expenses. The District's overall actual revenue was eight percent more than budgeted due to unexpected property tax collections.

Capital Assets

The District investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$650 (net of accumulated depreciation). This investment in capital assets includes computers, machinery and equipment.

**Capital Assets
Governmental Activities
(net of depreciation)**

	<u>2011</u>
Equipment	\$ <u>650</u>
	\$ <u>650</u>

Burnet County Emergency Services District No. 8

Management's Discussion and Analysis (Continued)

December 31, 2011

This year's major additions at cost included:

Computer and printer	\$	<u>812</u>
	\$	<u>812</u>

Additional information on the District's capital assets can be found in Note 4 on page 19 of this report.

Debt Administration

The District has no debt as of December 31, 2011.

Additional information on the District's non-current liabilities can be found in Note 5 beginning on page 20 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's tax revenues are expected to continue to grow with the steady population growth. These additional funds will be used for funding of the Volunteer Fire Departments as needed.

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 Burnet County Emergency Services District No. 8. If you have any questions about this report or need further information, contact the Burnet County Emergency Services District No. 8, P.O. Box 361, Briggs, TX 78608.

Taber & Burnett, P.C.

*A Professional Corporation
Certified Public Accountants*

*P.O. Box 1519, 412 Buchanan Drive, Burnet, Texas 78611
512/756-4904; Fax: 512/756-4227*

INDEPENDENT AUDITORS' REPORT

To The Commissioners
Burnet County Emergency Services District No. 8

We have audited the accompanying basic financial statements of the Burnet County Emergency Services District No. 8 (District), as of and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Burnet County Emergency Services District No. 8 as of December 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Taber & Burnett, PC

Burnet, Texas
June 25, 2012

Burnet County Emergency Services District No. 8*Statement of Net Assets**As of December 31, 2011*

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Total</u>
	<u>Activities</u>	
Assets		
Cash and cash equivalents	\$ 69,565	\$ 69,565
Taxes receivable, net of allowance of \$3,342	63,017	63,017
Capital assets, net	<u>650</u>	<u>650</u>
Total assets	<u>133,232</u>	<u>133,232</u>
Liabilities		
Accounts payable	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Net Assets		
Invested in capital assets, net of related debt	650	650
Unrestricted assets	<u>132,582</u>	<u>132,582</u>
Total Net Assets	\$ <u>133,232</u>	\$ <u>133,232</u>

The accompanying notes are an integral part of the financial statements

Burnet County Emergency Services District No. 8

Statement of Activities

For the Year Ended December 31, 2011

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Activities</u>	<u>Primary Government Governmental Total</u>	
Primary government:						
Governmental activities:						
General government	\$ 5,681	\$ -	\$ -	\$ -	\$ (5,681)	\$ (5,681)
Public safety	<u>60,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,844)</u>	<u>(60,844)</u>
Total net (expense) revenue for governmental activities and the primary government	\$ <u>66,525</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	<u>(66,525)</u>	<u>(66,525)</u>
General revenues:						
Taxes:						
					<u>104,185</u>	<u>104,185</u>
					<u>104,185</u>	<u>104,185</u>
					37,660	37,660
					<u>95,572</u>	<u>95,572</u>
					\$ <u>133,232</u>	\$ <u>133,232</u>

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

Burnet County Emergency Services District No. 8

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Cash	\$ 69,565	\$ 69,565
Taxes receivable	<u>66,360</u>	<u>66,360</u>
Total Assets	<u>135,925</u>	<u>135,925</u>
Liabilities		
Deferred revenue	<u>10,443</u>	<u>10,443</u>
Total Liabilities	<u>10,443</u>	<u>10,443</u>
Fund Balance		
Unassigned	<u>125,482</u>	<u>125,482</u>
Total Fund Balance	<u>125,482</u>	125,482
Total Liabilities and Fund Balance	\$ <u>135,925</u>	

Amounts reported for governmental activities
in the Statement of Net Assets 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)	650
Other long-term assets that are not available to pay for current year expenditures are not reported in the governmental funds balance sheet.	7,100
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)	<u>-</u>
Net Assets of Governmental Activities	\$ <u>133,232</u>

The accompanying notes are an integral part of the financial statements.
Burnet County Emergency Services District No. 8

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds

For the Year Ended December 31, 2011

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues		
Property taxes	\$ 109,822	\$ 109,822
Total Revenues	<u>109,822</u>	<u>109,822</u>
Expenditures		
Capital outlay	812	812
Contract fire disbursements	60,844	60,844
Insurance	1,233	1,233
Legal and professional	3,564	3,564
Office and administration	121	121
Rent	<u>600</u>	<u>600</u>
Total Expenditures	<u>67,174</u>	<u>67,174</u>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	42,648	42,648
Other Financing Sources (Uses):		
Loan payments	<u>(2,500)</u>	<u>(2,500)</u>
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(2,500)</u>
Excess (Deficiencies) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	40,148	40,148
Fund Balance, Beginning of Year	<u>85,334</u>	<u>85,334</u>
Fund Balance, End of Year	\$ <u>125,482</u>	\$ <u>125,482</u>

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

Burnet County Emergency Services District No. 8

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

For the Year Ended December 31, 2011

Net Change in Fund Balance-Governmental Funds \$ 40,148

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) 650

Revenues in the government-wide statement of activities that do not
provide current financial resources are not reported as revenues in the funds. (5,638)

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) 2,500

Change in Net Assets of Governmental Activities \$ 37,660

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Reporting Entity***

Burnet County Emergency Services District No. 8 (the District) was created by election held on November 3, 2009. 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 Burnet County Commissioners Court. The District's major activities include providing emergency services to the residents of the district.

As required by 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 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 December 31, 2011.

Financial Reporting Model

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***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, including bridges and roads, 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 Assets

The Schedule of Net Assets 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 Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - invested in capital assets, net of related debt; restricted; and unrestricted.

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

Fund financial statements are provided for the governmental 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 December 31, 2011.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Fund Balance Classification***

The District implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. 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.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the Board, the District's 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 GASB 34 reporting model, governments are required to provide the District's original budget with the comparison of final budget and actual results.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The budget is adopted by the Commissioners prior to the beginning of the fiscal year. Amendments are made during the year on approval by the Commissioners. The District adopted the current year's budget on a line item basis.

Basis of Presentation

The accounting and reporting policies of the District relating to the accompanying financial statements conform to generally accepted accounting principles as applicable to governmental units. Generally accepted accounting principles for governmental units include those principles prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and appropriate pronouncements of the American Institute of Certified Public Accountants (AICPA).

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 December 31, 2011, the District had no business-type activities.

In the government-wide Statement of Net Assets, 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 District generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The District may defer the use of restricted assets based on a review of the specific transaction.

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 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 District does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, as well as the fiduciary funds, and the component units (if any). 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 assets 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 assets.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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:

Equipment	5 years
-----------	---------

Burnet County Emergency Services District No. 8

Notes to the Financial Statements

December 31, 2011

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, 2011 was \$111,009.

The tax assessment of October 1, 2011 sets the tax levy at \$0.10 per \$100 of assessed valuation at 100 percent of market value.

Delinquent property taxes estimated to be 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 revenues.

NOTE 3 - DEPOSITS, SECURITIES AND INVESTMENTS

As of December 31, 2011, cash deposits were with a depository bank, and these balances approximated fair value. All of the District's balances are insured by the FDIC.

NOTE 4 - CHANGES IN CAPITAL ASSETS

Changes in general fixed assets during the year ended December 31, 2011, were as follows:

	Balance January 1, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Capital Assets				
Equipment	\$ -	\$ 812	\$ -	\$ 812
Less accumulated depreciation	<u>-</u>	<u>(162)</u>	<u>-</u>	<u>(162)</u>
Capital Assets, Net	\$ <u>-</u>	\$ <u>650</u>	\$ <u>-</u>	\$ <u>650</u>

Current year depreciation expense of \$162 was charged to general government operations.

Burnet County Emergency Services District No. 8*Notes to the Financial Statements**December 31, 2011***NOTE 5 - CHANGES IN NONCURRENT LIABILITIES**

The following is a summary of noncurrent liability transactions during the year ended December 31, 2011:

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Payments</u>	Balance December 31, <u>2011</u>
Miscellaneous payable	\$ <u>2,500</u>	\$ <u>-</u>	\$ <u>2,500</u>	\$ <u>-</u>
Total	\$ <u>2,500</u>	\$ <u>-</u>	\$ <u>2,500</u>	\$ <u>-</u>
				Principal Balance at December 31, <u>2011</u>
<u>Payee and Terms</u>				
Oakalla Volunteer Fire Department, payable in one annual installment of \$2,500 interest free.				\$ <u>-</u>

NOTE 6 - COMMITMENTS

Effective January 1, 2011, the District entered into agreements with the Brigg's Volunteer Fire Department and the Oakalla Volunteer Fire Department. These entities agreed to provide emergency services to all persons and property within the Emergency Services District, including response to life-threatening emergencies and rescue calls by making available adequate volunteers and administrative assistance.

Amounts to be paid to the entities shall be disbursed at the discretion of the Commissioners and may include expenses for operations and other expenditures approved by the District for maintaining emergency services within the District.

REQUIRED SUPPLEMENTARY INFORMATION

Burnet County Emergency Services District No. 8

Budgetary Comparison Schedule

For the Year Ended December 31, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual Amounts Budgetary Basis	
	Original	Final		
Revenues				
Property taxes	\$ 101,463	\$ 101,463	\$ 109,822	\$ 8,359
Total Revenues	<u>101,463</u>	<u>101,463</u>	<u>109,822</u>	<u>8,359</u>
Expenditures				
Capital outlay	15,219	15,219	812	14,407
Contract fire disbursements	53,344	53,344	60,844	(7,500)
Insurance	1,800	1,800	1,233	567
Legal and professional	27,600	27,600	3,564	24,036
Office and administration	1,000	1,000	121	879
Rent	-	-	600	(600)
Total Expenditures	<u>98,963</u>	<u>98,963</u>	<u>67,174</u>	<u>31,789</u>
Excess (Deficiencies) of Revenues Over (Under) Expenditures	<u>2,500</u>	<u>2,500</u>	<u>42,648</u>	<u>40,148</u>
Other Financing Sources (Uses):				
Loan payments	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Excess (Deficiencies) of Revenues and Other Sources Over Expenditures and Other (Uses)	\$ <u>-</u>	\$ <u>-</u>	40,148	\$ <u>40,148</u>
Fund Balance, Beginning of Year			<u>85,334</u>	
Fund Balance, End of Year			\$ <u>125,482</u>	