

**ROBERTS COUNTY
EMERGENCY SERVICES
DISTRICT NO. 1**

ANNUAL FINANCIAL STATEMENTS

For Year Ended September 30, 2024

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ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
ANNUAL FINANCIAL STATEMENTS
For Year Ended September 30, 2024

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To the Board of Directors
Roberts County Emergency Services
District No. 1
Miami, Texas

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Roberts County Emergency Services District No. 1, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Roberts County Emergency Services District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Roberts County Emergency Services District No. 1, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Roberts County Emergency Services District No. 1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Roberts County Emergency Services District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Roberts County Emergency Services District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Roberts County Emergency Services District No. 1's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The MD&A, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The independent auditors' opinion is not affected by the omission of the MD&A.

DOSHIER, PICKENS & FRANCIS, L.L.C.

Doshier, Pickens & Francis, LLC
Amarillo, Texas
May 1, 2025

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BASIC FINANCIAL STATEMENTS

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 60,696
Investments	455,331
Delinquent taxes receivable, net	2,096
Prepaid expenses	20,902
Capital assets, net of accumulated depreciation	<u>110,628</u>
 Total assets	 <u>649,653</u>
 LIABILITIES	
Due to other governmental entities	1,330
Noncurrent liabilities:	
Due in one year	<u>388</u>
 Total liabilities	 <u>1,718</u>
 NET POSITION	
Net investment in capital assets	110,240
Unrestricted	<u>537,695</u>
 Total net position	 <u><u>\$ 647,935</u></u>

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

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Primary government					
Governmental Activities					
Administrative	\$ 74,268	\$ -	\$ -	\$ -	\$ (74,268)
Public safety	161,915	-	-	-	(161,915)
Interest on long-term debt	26	-	-	-	(26)
Total	<u>\$ 236,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(236,209)</u>
General revenues:					
Property taxes					207,250
Investment earnings					23,133
Miscellaneous					<u>4,454</u>
Total general revenues					<u>234,837</u>
Change in net position					(1,372)
Net position - beginning					<u>649,307</u>
Net position - ending					<u>\$ 647,935</u>

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

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2024

ASSETS

Cash and cash equivalents	\$ 60,696
Investments	455,331
Delinquent taxes receivable, net	2,096
Prepaid expenditures	<u>20,902</u>
 Total assets	 <u><u>\$ 539,025</u></u>

LIABILITIES

Due to other governmental entities	<u>\$ 1,330</u>
 Total liabilities	 <u>1,330</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	<u>2,076</u>
 Total deferred inflows of resources	 <u>2,076</u>

FUND BALANCE

Nonspendable	
Prepaid expenditures	20,902
Committed for	
Capital Replacement	455,331
Unassigned	<u>59,386</u>
 Total fund balance	 <u>535,619</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u><u>\$ 539,025</u></u>

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

**ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL
FUND TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Total fund balances - governmental fund	\$ 535,619
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	110,628
Certain accounts receivable are not available to pay for current-period expenditures and, therefore, are shown as unavailable revenue in the fund financial statements.	2,076
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements:	
Leases payable	<u>(388)</u>
Net position - governmental activities	<u><u>\$ 647,935</u></u>

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

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Fund</u>
REVENUES:	
Property taxes	\$ 207,180
Investment earnings	23,133
Miscellaneous	<u>4,454</u>
Total revenues	<u>234,767</u>
EXPENDITURES:	
Current:	
Administrative	74,268
Public safety	127,285
Capital outlay	77,813
Debt Service:	
Principal	2,308
Interest and other charges	<u>26</u>
Total expenditures	<u>281,700</u>
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(46,933)
FUND BALANCE - BEGINNING	<u>582,552</u>
FUND BALANCE - ENDING	<u><u>\$ 535,619</u></u>

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

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Net change in fund balances - total governmental fund	\$	(46,933)
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The Governmental fund reports outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays, \$77,813, exceeded depreciation, \$34,630, in the current period.		43,183
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Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenue.		70
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In the Statement of Net Assets, incurring debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayments of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.

Principal repayments:		
Capital lease payable		2,308

Change in net position of governmental activities	\$	(1,372)
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The accompanying notes are an integral part of these financial statements.

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Roberts County Emergency Services District No. 1 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the District are described in the following notes to the financial statements.

A. Financial Reporting Entity

The District was created November 2, 2004 by an election of the voters of Roberts County, Texas. The District was created and operates under Article III, Section 48-e, of the Constitution of the State of Texas and Chapter 776, Texas Health and Safety Code. The District provides services as permitted by the Texas Health and Safety Code that include, but are not limited to, providing emergency medical and ambulance services inside and outside the boundaries of the District. The District encompasses all of Roberts County, Texas.

B. Government-wide and Fund Financial Statements

Government-Wide Statements

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. 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. General revenues include all taxes, investment earnings, and other miscellaneous revenues.

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Fund-Level Statements

Separate **fund financial statements** are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Continued

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

C. Financial Statement Presentation, Measurement Focus and Basis of Accounting

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Receivables which are measureable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenues.

Revenues susceptible to accrual include property taxes, interest income, and charges for service and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental fund:

The **General Fund** is the general operating fund of the District. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, intergovernmental revenues and investment of idle funds. Primary expenditures are for administration, public safety and capital acquisition.

D. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits. Statutes authorize the District to keep funds in demand deposits, time deposits, or securities of the United States. The District's custodial banks are required to pledge for the purpose of securing District funds, securities of the following kind, in an amount equal to the amount of such District funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes. The carrying value (cost) and market value are equal for these deposits.

The District is required by Government Code Chapter 2256, the Public Funds Investment Act ("Act"), to adopt, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

Continued

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

1. Deposits and Investments – Continuation

The Act requires an annual audit of investment policies. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that in the area of investment practices, management has reported and established appropriate policies. The District adheres to the requirements of the Act. Additionally, investment practices of the District are in accordance with local policies.

2. Accounts Payable

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

3. Property Tax Calendar and Revenues

Property taxes are based on taxable value at January 1 and become due October 1 and past due after January 31 of the following year. Tax collections before December 31 are treated as early payments and entitled to a discount, 3% in October, 2% in November and 1% in December. Tax collections after February 1 are treated as late payments and are subject to penalty and interest. Uncollected taxes from the current tax roll become delinquent on July 1 and are subject to additional penalties and interest. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. All property tax receivables are shown net of an allowance for uncollectible accounts. The property tax receivable allowance is \$7,017 at September 30, 2024.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent “available spendable resources”.

5. Capital Assets

Capital assets, which include equipment and vehicles, are reported in the governmental column in the government-wide financial statements. The District has no infrastructure assets. The District defines capital assets as assets with an initial, individual cost of \$2,500 or more and having an estimated useful life of five years or more. 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.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

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. Capital assets are depreciated using the straight line method of the following estimated useful lives:

Equipment	5 - 7 years
Vehicles	7 years

Continued

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

6. Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported, if necessary, in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- Leave or compensation is attributable to services already rendered
- Leave or compensation is not contingent on a specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements, if necessary, to the extent the liabilities have matured (i.e. are due for payment). Compensated absences would be accrued in the government-wide statements if material.

Regular full-time employees are entitled to vacation and sick time of up to 10 days each per year as earned. Vacation time earned, but not taken, is paid upon termination, but cannot be accumulated beyond one calendar year (10 day maximum accumulation each). At the end of the year any amount earned over the maximum accumulation is automatically paid to the employee leaving only the maximum accumulation to carry forward. The accrual for these amounts is immaterial at September 30, 2024, so no accrual has been recorded in the government-wide statements.

7. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) 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, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Continued

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

8. Fund Balances – Continuation

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board of Directors. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

Assigned Fund Balance – includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Board of Directors or (b) a body (a budget, finance committee, or General Manager) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance – this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

9. Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three categories.

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Unrestricted Net Position – This amount is all net position amounts that do not meet the definition of “net investment in capital assets” or “restricted net position.”

10. Use of Restricted Assets

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August 1, the proposed budget is submitted to the Board of Directors of the District.
2. Prior to October 1, the budget is legally adopted by the Board of Directors for the General Fund.

Continued

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation

A. Budgetary Information – Continuation

3. The budget is prepared by fund with the legal level of control being at the fund level. Emergency expenditures to meet unusual or unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget, whereby total expenditures of the fund have been increased must be authorized by the Board as emergency amendments to the original budget. Management may not amend the budget at any level without approval from the Board of Directors. Amounts shown in the financial statements represent the original budget amounts and all supplemental appropriations. Supplemental appropriations to the original adopted budget are in the Final Budget Amounts column of the Budgetary Comparison Schedule for the General Fund.
4. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) on the modified accrual basis of accounting on an annual basis.
5. Formal budgetary integration on an annual basis is employed at as a management control device during the year for the General Fund.
6. All appropriations, except those in grant funds, lapse at the end of the District's fiscal year and may be re-budgeted the next year.

NOTE 3 – CASH AND INVESTMENTS

Following is a reconciliation of the District's cash and deposit balances as of September 30, 2024:

Cash and deposit balances consist of:

Bank deposits	\$ 60,696
Total	<u>\$ 60,696</u>

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Position:

Unrestricted	\$ 60,696
Total	<u>\$ 60,696</u>

As of September 30, 2024, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Governmental activities		
Certificate of deposit (interest rate at 4.40%)	<u>\$ 455,331</u>	
Total fair value	<u>\$ 455,331</u>	
Portfolio weighted average maturity		<u>365</u>

Continued

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 3 – CASH AND INVESTMENTS – Continuation

Custodial credit risk – As of September 30, 2024, the carrying amount of the District’s deposits with financial institutions was \$516,027 and the bank’s balance was \$517,322. Of the bank balance, \$250,000 was insured through the Federal Depository Insurance Corporation (FDIC) and the remaining \$267,322 was collateralized and secured as of September 30, 2024.

Interest rate risk – Is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The District manages its exposure to interest rate risk by maintaining cash in interest-bearing demand accounts.

Credit risk – Is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and District policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Concentration of credit risk – Is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. As of September 30, 2024, all of the District’s carrying value of cash was deposited with the District’s financial institutions and was adequately secured, as described above.

NOTE 4 – PROPERTY TAXES

The State of Texas Constitutional tax rate limit for operations is \$0.10 on each \$100 of assessed valuation. The tax rate on the 2023 tax roll was \$0.037083 per \$100, which means that the District has a tax margin of \$0.062917 per \$100 and could raise up to \$358,320 additional taxes from the 2023 assessed valuation of \$569,512,989 before the limit is reached.

Real and personal property values are assessed for the period January 1 to December 31, as of January 1 at which date property taxes attach as an enforceable lien on property. Taxes are levied by October 1 of the current year and are collected from October 1 to June 30 of the following year. Taxes are due January 31 of the following year. Early payments are subject to a discount; late payments are subject to penalty and interest. Taxes become delinquent on February 1 of the following year.

NOTE 5 – MAJOR TAXPAYERS

As of September 30, 2024, the following taxpayers accounted for a significant portion of the District’s total tax levy.

<u>Taxpayer</u>	<u>Industry</u>	<u>Tax Amount</u>	<u>Percent of Total Levy</u>
Taxpayer A	Wind Energy	\$ 20,153	9.54 %
Taxpayer B	Oil & Gas	17,603	8.33
Taxpayer C	Oil & Gas	14,857	7.03
Taxpayer D	Railroad	14,725	6.97
Taxpayer E	Oil & Gas	12,869	6.09
Taxpayer F	Oil & Gas	11,567	5.47

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 – CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classification of function.

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Equipment	\$ 219,156	\$ 9,899	\$ -	\$ 229,055
Leased equipment	11,220	-	-	11,220
Vehicles	253,496	67,914	-	321,410
	<u>483,872</u>	<u>77,813</u>	<u>-</u>	<u>561,685</u>
Total capital assets, being depreciated				
	<u>483,872</u>	<u>77,813</u>	<u>-</u>	<u>561,685</u>
Less accumulated depreciation for:				
Equipment	(199,849)	(13,648)	-	(213,497)
Leased equipment	(8,789)	(2,244)	-	(11,033)
Vehicles	(207,789)	(18,738)	-	(226,527)
	<u>(416,427)</u>	<u>(34,630)</u>	<u>-</u>	<u>(451,057)</u>
Total accumulated depreciation				
	<u>(416,427)</u>	<u>(34,630)</u>	<u>-</u>	<u>(451,057)</u>
Governmental activities capital assets, net	<u>\$ 67,445</u>	<u>\$ 43,183</u>	<u>\$ -</u>	<u>\$ 110,628</u>

Depreciation expense for the year ended September 30, 2024 was charged to functions/programs of the primary government as follows:

Governmental activities:	
Public safety	<u>\$ 34,630</u>
Total depreciation expense	<u><u>\$ 34,630</u></u>

ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7 – LONG-TERM LIABILITIES

The District has entered into a capital lease for a copier. The copier lease has a maturity date of November 22, 2024 and an interest rate of 1.556%.

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Leases	\$ 2,696	\$ -	\$ (2,308)	\$ 388	\$ 388
Governmental activity long-term liabilities	<u>\$ 2,696</u>	<u>\$ -</u>	<u>\$ (2,308)</u>	<u>\$ 388</u>	<u>\$ 388</u>

Debt service requirements at September 30, 2024, are as follows:

Fiscal Year	Total	Leases	
		Interest	Principal
2025	\$ 389	\$ 1	\$ 388
	<u>\$ 389</u>	<u>\$ 1</u>	<u>\$ 388</u>

NOTE 8 – RISK MANAGEMENT

The District's major areas of risk management are: public official's liability, general comprehensive liability and property damage, and workers' compensation. The District has obtained insurance with an insurance company and a public entity risk pool in which all risk is transferred to those entities for all the above areas. There have been no significant reductions in the insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year or the previous three years.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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ROBERTS COUNTY EMERGENCY SERVICES DISTRICT NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 211,129	\$ 211,129	\$ 207,180	\$ (3,949)
Investment earnings	1,000	1,000	23,133	22,133
Miscellaneous	-	-	4,454	4,454
Total revenues	<u>212,129</u>	<u>212,129</u>	<u>234,767</u>	<u>22,638</u>
EXPENDITURES				
Current:				
Administrative	141,226	141,226	74,268	66,958
Public safety	210,903	210,903	127,285	83,618
Capital outlay	60,000	60,000	77,813	(17,813)
Debt service:				
Principal	-	-	2,308	(2,308)
Interest	-	-	26	(26)
Total expenditures	<u>412,129</u>	<u>412,129</u>	<u>281,700</u>	<u>130,429</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(200,000)</u>	<u>(200,000)</u>	<u>(46,933)</u>	<u>153,067</u>
FUND BALANCE - BEGINNING	<u>582,552</u>	<u>582,552</u>	<u>582,552</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 382,552</u>	<u>\$ 382,552</u>	<u>\$ 535,619</u>	<u>\$ 153,067</u>