

Bosque County Emergency Services District #1

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2023

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners

Bosque County Emergency Services District #1

Meridian, Texas 76665

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Bosque County Emergency Services District #1 (the District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of September 30, 2023, and the respective changes in financial position 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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

The District's 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 District'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.

Auditor's 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 GAAS 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 GAAS, 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 District'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 District'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 management's discussion and analysis on pages 3 through 5 and the budgetary comparison schedule on page 20 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.

Gilliam, Wharram & Co., P.C.

Gilliam, Wharram & Co., P.C.

Cleburne, Texas

June 19, 2024

**BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Bosque County Emergency Services District #1's Board of Commissioners has as its goal providing ambulance service to the Bosque County area.

Report Layout

The District's annual financial report consists of several sections. Together they provide a comprehensive financial look at the District. The components of the report include the following:

- Management's Discussion and Analysis - this section of the report provides financial highlights, overview and economic factors affecting the District.
- Basic Financial Statements - includes the Statement of Net Position, Statement of Activities, fund financial statements, and the notes to the financial statements. The Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more like corporate financial statements, in that all activities are consolidated into a total for the District. The fund financial statements present details by fund and use the applicable accounting method for that fund type: modified accrual for governmental-type funds, focusing on current financial resources and uses; and accrual for business-type funds. Because the District has only one fund, the entity-wide and fund financial statements are presented on the same pages. The statements are as follows:
 - The Statement of Net Position focuses on resources for future operations. This will be a snapshot view of the assets the District owns, debts, and the net difference. The net difference is further separated into restricted and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of District programs and the extent to which such programs rely upon service revenues.
 - Fund financial statements focus on each fund type: governmental and proprietary funds. The District has only one fund, which is a governmental-type fund.
 - The notes to the financial statements provide information to assist the reader in understanding the District's financial condition.
- Required Supplementary Information – budgetary information for the General Fund is presented in this section.

Financial Analysis of the District as a Whole

Statement of Net Position:

During the current fiscal period net position increased to \$1,046,850, a \$45,614 increase over the prior fiscal year. Current assets and unrestricted net position increased in the current year due to having a net excess of revenues over expenses for the year. Capital assets and liabilities increased due to the initiation of a long-term operating lease for the use of facilities.

Table 1
Net Position

	09/30/23	09/30/22	Change
Assets			
Cash and Other Current Assets	\$ 1,046,850	\$ 1,001,236	\$ 45,614
Capital Assets, Net	213,735	-	213,735
Total Assets	1,260,585	1,001,236	259,349
Liabilities			
Current Liabilities	14,176	-	14,176
Long-term Liabilities	199,559	-	199,559
Total Liabilities	213,735	-	213,735
Net Position			
Unrestricted	1,046,850	1,001,236	45,614
Total Net Position	\$ 1,046,850	\$ 1,001,236	\$ 45,614

Statement of Activities:

Property tax revenue increased during the current year due to a \$462 million increase in taxable property values. Other revenues increased due to higher interest rates and higher Texpool balance, which improved interest income. Expenses increased due to higher costs for the ambulance service contract and the First Responders organization.

Table 2
Governmental Activities

	Year Ended 09/30/23	Year Ended 09/30/22	Change
Revenues			
General Revenue - Property Taxes	\$ 882,586	\$ 833,842	\$ 48,744
General Revenue - Other	58,350	16,866	41,484
Program Revenue	18,000	-	18,000
Total Revenues	958,936	850,708	108,228
Expenses			
Governmental Activities	913,322	717,101	196,221
Total Expenses	913,322	717,101	196,221
Increase in Net Position	45,614	133,607	(87,993)
Beginning Net Position	1,001,236	867,629	133,607
Ending Net Position	\$ 1,046,850	\$ 1,001,236	\$ 45,614

Financial Analysis of the District's Fund

Budgetary Highlights:

Actual income exceeded budgetary amounts by \$14,616 this year, a difference of 1.56%. Actual expenditures exceeded budgetary amounts by \$190,972, a difference of 20.40%, due to capital outlay for a lease (see below), which was offset by lease proceeds. See Note 2. E. for discussion of budget.

Capital Assets and Debt

The District entered into a long-term operating lease for facilities in September 2023. The present value of this agreement (\$213,735) was recorded as a capital asset and a lease liability.

Economic Factors and Next Year's Budget

Budget forecasting for 2024 reflects \$1,064,000 in total revenues, an 11.92% increase from 2023's actual revenues, and \$968,085 in total expenditures, approximately 6.00% more than 2023's actual expenditures excluding the capital outlay for the lease.

Financial Contact

The District's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact Bosque County Emergency Services District #1, P.O. Box 752, Meridian, Texas 76665.

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BASIC FINANCIAL STATEMENTS

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Unrestricted Cash	\$ 75,476	\$ -	\$ 75,476
Unrestricted Temporary Cash Investments	925,629	-	925,629
Taxes Receivable	44,245	-	44,245
Prepays	1,500	-	1,500
Capital Assets:			
Lease ROU Asset - Land	-	50,974	50,974
Lease ROU Asset - Buildings, Net of Accumulated Depreciation	-	162,761	162,761
Total Assets	\$ 1,046,850	\$ 213,735	\$ 1,260,585
Liabilities			
Non-Current Liabilities			
Due Within One Year			
Lease Liability	\$ -	\$ 14,176	\$ 14,176
Due in More Than One Year			
Lease Liability	-	199,559	199,559
Total Liabilities	-	213,735	213,735
Deferred Inflows of Resources			
Unearned Property Tax Revenue	44,245	(44,245)	-
Total Deferred Inflows of Resources	44,245	(44,245)	-
Fund Balances / Net Position			
Fund Balances			
Unassigned	1,002,605	(1,002,605)	-
Total Fund Balances	1,002,605	(1,002,605)	-
Total Deferred Inflows and Fund Balances	\$ 1,046,850		
Net Position			
Unrestricted	1,046,850	1,046,850	1,046,850
Total Net Position	\$ 1,046,850	\$ 1,046,850	\$ 1,046,850

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

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Activities
Revenues			
General Revenue			
Property Tax Revenue	\$ 874,351	\$ 8,235	\$ 882,586
Tax Penalties & Interest	13,219	-	13,219
Interest Income	45,131	-	45,131
Program Revenue - Lease Income	18,000	-	18,000
 Total Revenues	 950,701	 8,235	 958,936
 Expenditures / Expenses			
Contracted Services	830,600	-	830,600
Appraisal District Fees	23,560	-	23,560
Insurance	1,602	-	1,602
Office Supplies	1,382	-	1,382
Professional Fees	35,529	-	35,529
Lease	18,000	-	18,000
Education	1,161	-	1,161
Website	1,488	-	1,488
Capital Outlay	213,735	(213,735)	-
 Total Expenditures / Expenses	 1,127,057	 (213,735)	 913,322
 Excess of Revenues over (under) Expenditures	 (176,356)		
 Other Financing Sources			
Issuance of Debt for Operating Lease	213,735	(213,735)	-
 Change in Fund Balance	 37,379		
 Change in Net Position		8,235	45,614
 Fund Balance / Net Position			
Beginning of the Year	965,226	36,010	1,001,236
 End of the Year	 \$ 1,002,605	 \$ 44,245	 \$ 1,046,850

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

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BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: CREATION OF DISTRICT

Bosque County Emergency Services District #1 (the District) was created June 8, 2015, under Article III, Section 48-e, of the Texas Constitution, as proposed by S.J.R. No. 27, Acts of the 70th Legislature, Regular Session, 1987. The District was formed to assist in providing emergency services to the Bosque County area. The Board of Commissioners held its first meeting on June 18, 2015.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The accompanying financial statements present the District's primary government units over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District (as distinguished from legal relationships). The District had no component units as of September 30, 2023.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole.

Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by general revenues, from business-type activities. The District has no business-type activities.

The statement of activities reports the expenses related to a given function offset by revenues directly connected with the functional program.

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (continued)

Fund Financial Statements

The fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns with non-major aggregated in a single column. The District has no non-major funds.

Reconciliation of Government-wide and Fund Financial Statements

The District has chosen to combine its fund financial statements with its government-wide statements by using a columnar format that reconciles individual line items of fund financial data to the government-wide data in separate columns. Reconciling items, shown in the adjustments column, were made to record the lease payable and offsetting right of use (ROU) assets (\$213,735 each), accrue the taxes receivable as revenue (\$44,245), less the beginning of year taxes receivable (\$36,010), for a net effect on the current year revenue of \$8,235.

C. Fund Types and Major Funds

Governmental Funds

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. All program and general revenues that are not allocated by law or contractual agreements to other funds are accounted for in this fund. The District has no other fund types.

D. Basis of Accounting

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (continued)

The fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within sixty days of the current fiscal year-end. The District has property tax-related revenues and interest income, which are considered general revenues. It also has noncash lease income, which is considered a program revenue for services. Under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, if measurable.

E. Budget

The District's Board president and treasurer prepare the budget based upon estimated revenues and expenditures on the modified accrual basis. The Board adopts the budget in a public meeting. The Board uses the budget as a guideline for expenditures during the year. Each amendment must have Board approval. Actual amounts exceeded budget by offsetting amounts for capital outlay and lease proceeds.

F. 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.

G. Net Position

Net position represents the difference between assets and liabilities in the statement of net position. The net position amount reported as net investment in capital assets is reduced by the outstanding balances of any debt used for the acquisition, construction or improvement of those assets. These net to zero at September 30, 2023 because the capital assets were equal to the offsetting debt. Net position amounts are reported as restricted when there are legal limitations imposed by legislation of the District or external restrictions by creditors, grantors, laws or regulations of other governments. The District had no restricted net position as of September 30, 2023.

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Balance

Fund balance is classified in the following categories: (1) committed, which represents amounts subject to internal constraints imposed by formal action of the Board, by the approval of a vote or resolution at a public meeting and (2) unassigned, which is the residual amount that has not been committed for specific purposes. When an expenditure is incurred for purposes for which more than one category of fund balances is available, the District first reduces committed fund balance, then reduces unassigned. The District had no committed fund balance as of September 30, 2023.

I. Property Tax

The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property located in the District. Appraised values are established by the Central Appraisal District of Bosque County at 100% of estimated market value and certified by the Chief Appraiser. The assessed values for the rolls on January 1, 2022, upon which the levies for the years ended September 30, 2023 were based, were \$2,594,904,904. Taxes are levied on October 1. Tax rates, which are for maintenance and operations, were 0.0339 per \$100 of valuation. Tax statements are mailed as soon as possible after October 1 and the taxes are due immediately upon receipt of the tax statement by the taxpayer. Property taxes are attached as an enforceable lien as of January 1, following the tax levy date. Taxes are considered delinquent if the taxes are still unpaid after the following January 31.

For fund financial statements, property taxes are recorded as receivables and unearned revenues at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes become available. Delinquent taxes are minimal for the year, so no allowance for uncollectible accounts was considered necessary.

J. Capital Assets

Capital assets are recorded in the government-wide financial statements in the Statement of Net Position column. The fund financial statements of the governmental fund present capital outlays as expenditures. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (continued)

Depreciation on each class of depreciable property is computed using the straight-line method over their estimated useful lives. The ROU asset for the use of land is not depreciated. The ROU asset for the use of buildings is depreciated over the 10-year life of the lease contract because this is shorter than the estimated useful life of the buildings.

K. Leases

Leases are defined as the right to use an underlying asset. As a lessee, the District recognizes a lease liability and an intangible ROU asset at the beginning of a lease that has a term exceeding one year (see Notes 4 and 5). The lease liability and the ROU asset are measured based on the net present value of the future lease payments at inception, using the District's incremental borrowing rate. Re-measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The District calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Non-lease payments under the lease contract, such as property taxes and insurance, are excluded from the lease liability calculations.

NOTE 3: CASH DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned, or the District will not be able to recover collateral securities in the possession of an outside party. State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with FDIC 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. The bank balances of the District's deposits at September 30, 2023, totaled \$90,007. These deposits were adequately covered by federal depository insurance of \$250,000 and pledged securities of \$419,945.

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 the District to adopt, implement, and publicize an investment policy.

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

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, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District 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.

In compliance with the Public Funds Investment Act, the District has adopted an investment policy. That policy addresses the investment risks identified in GASB Statement No. 40. The District limits its exposure to investment risks by investing in local government investment pools; obligations of, or guaranteed by, governmental entities; and certificates of deposit. The carrying amount of the investments is amortized cost. The Standard & Poor's rating at September 30, 2023 for the TexPool investment was AAAm.

The fair value of the District's position in this pool is the same as the value of the pool shares. The TexPool investment is under the regulatory oversight of the Texas State Comptroller of Public Accounts. Texpool has a one-day redemption notice period and no maximum transaction amounts. Texpool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities network, general banking moratorium, or national or state emergency that affects the pool's liquidity. The District manages its interest rate risk by spreading the fair value of its investments over varying maturities. Although funds held in the investment pool are available on demand, the weighted average maturities reflected below for this pool are the maturities of the underlying securities held by the pool. As of September 30, 2023, investments were as follows:

Texpool	\$925,629	Weighted average maturity of 30-60 days
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BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not depreciated				
Lease ROU Asset - Land	\$ -	\$ 50,974	\$ -	\$ 50,974
Total capital assets, not depreciated	-	50,974	-	50,974
Capital assets, depreciated				
Lease ROU Asset - Buildings	-	162,761	-	162,761
Total capital assets, depreciated	-	162,761	-	162,761
Less accumulated depreciation	-	-	-	-
Total capital assets, depreciated, net	-	162,761	-	162,761
Governmental activities				
capital assets, net	<u>\$ -</u>	<u>\$ 213,735</u>	<u>\$ -</u>	<u>\$ 213,735</u>

No depreciation expense was incurred for the current year, as the lease began on September 15, 2023.

NOTE 5: LEASES

The District had lease expenditures in the current year for two facilities occupied by North Bosque Volunteer EMS, Inc. (NBEMS), the company that the District contracts with to provide ambulance services. Both leases renew automatically on an annual basis for one-year terms, unless terminated by either party for any reason at least 90 days before the end of the one-year term. These two leases are considered short-term because the non-cancellable term is one year or less. Rent payments for the year were \$9,000 for each location. Commitments under the leases as of September 30, 2023 totaled \$18,000. One of the leases was terminated in October 2023. In addition to these two leases, the District obtained building and land space through a long-term operating lease effective September 15, 2023. This lease has a 10-year term and monthly principal and interest payments of \$2,695, plus property taxes and insurance. The District's incremental borrowing rate of 8.50% in September 2023 was used as the discount rate on the lease. No amortization of the lease occurred in the current year, as the first lease payment was not made until October 2023.

Activity on this lease for the year ended September 30, 2023 was as follows:

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5: LEASES (CONTINUED)

	Beginning Balance	Additions	Retirements	Ending Balance
Lease - ROU - Land	\$ -	\$ 50,974	\$ -	\$ 50,974
Lease - ROU - Buildings	\$ -	162,761	\$ -	162,761
Total Lease	\$ -	\$ 213,735	\$ -	\$ 213,735

Principal and interest requirements to maturity for the lease liability at September 30, 2023, are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 14,176	\$ 17,624	\$ 31,800
2025	15,430	16,370	31,800
2026	16,793	15,007	31,800
2027	18,278	13,522	31,800
2028	19,893	11,907	31,800
2029-2033	<u>129,165</u>	<u>29,835</u>	<u>159,000</u>
Total	<u>\$ 213,735</u>	<u>\$ 104,265</u>	<u>\$ 318,000</u>

NBEMS is considered a sub-lessee of all the facility leases under the ambulance contract terms. Because the contract is cancellable by either party with at least 90 days' notice, these subleases, with BESD as the lessor, are considered short-term. As such, lease income has been recorded at the same amount as BESD's lease expenditure.

NOTE 6: CONCENTRATIONS

During the year, the District paid \$800,000 to NBEMS for contracted ambulance services. A loss of that contract would have a significant impact on the District's operations. No changes with the contract are anticipated.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 19, 2024, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BOSQUE COUNTY EMERGENCY SERVICES DISTRICT #1
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
General Revenue				
Property Tax Revenue	\$ 927,000	\$ 927,000	\$ 874,351	\$ (52,649)
Tax Penalties & Interest	4,585	4,585	13,219	8,634
Interest Income	4,500	4,500	45,131	40,631
Program Revenue - Lease Income	-	-	18,000	18,000
Total Revenues	936,085	936,085	950,701	14,616
Expenditures				
Contracted Services	842,000	842,000	830,600	11,400
Appraisal District Fees	30,000	30,000	23,560	6,440
Insurance	3,500	3,500	1,602	1,898
Office Supplies	3,085	3,085	1,382	1,703
Commissioner Fees of Office	1,000	1,000	-	1,000
Professional Fees	33,500	33,500	35,529	(2,029)
Lease	18,000	18,000	18,000	-
Education	2,500	2,500	1,161	1,339
Website	2,500	2,500	1,488	1,012
Capital Outlay	-	-	213,735	(213,735)
Total Expenditures	936,085	936,085	1,127,057	(190,972)
Excess of Revenues over (under) Expenditures	-	-	(176,356)	(176,356)
Other Financing Sources				
Issuance of Debt for Operating Lease	-	-	213,735	213,735
Change in Fund Balance	-	-	37,379	37,379
Fund Balance, Beginning of the Year	965,226	965,226	965,226	-
Fund Balance, End of the Year	\$ 965,226	\$ 965,226	\$ 1,002,605	\$ 37,379