

**SOUTHEAST LEON COUNTY
EMERGENCY SERVICES DISTRICT
No.1**

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2022

Southeast Leon County Emergency Services District No. 1
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September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Southeast Leon County Emergency Services District No. 1
Centerville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Southeast Leon County Emergency Services District No. 1 (District) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Southeast Leon County Emergency Services District No. 1 as of September 30, 2022, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 3–6 and 16-17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Frank Campos & Associates PLLC

Frank Campos & Associates, PLLC

Palestine, Texas

May 19, 2023

Southeast Leon County Emergency Services District No. 1 Management's Discussion and Analysis September 30, 2022

As commissioners of the Southeast Leon County Emergency Services District No. 1 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which begin on page 7. Any references made in this discussion and analysis to the 'current year' or 'current period' refers to the year ended September 30, 2022.

OVERALL HIGHLIGHTS

The District was created to provide emergency ambulance, fire services, and medical aid to the residents of the District. The District was formed at the end of November 2000 as a result of a special election held on November 7, 2000 and passed by the residents of the District. It is governed by a Board of Emergency Commissioners (Board) and has a fiscal year ending on September 30, which coincides to that of the county government.

Funding for the District is provided by tax revenues assessed on property owned by residents of the District.

The District's share of County property tax levy is \$0.10 per \$100 valuation, as approved by voters of Leon County.

FINANCIAL HIGHLIGHTS

Total assessed property value for 2022 was \$545.6 million and the amount of property taxes estimated to be paid at the beginning of the year was \$543,057. The amount actually collected by the county tax collector as of September 30, 2022 was \$536,047.

The District's General Fund had expenditures of \$379,441 for the year ended September 30, 2022.

As of September 30, 2022, the unassigned fund balance for the General Fund was \$1,024,971.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion is intended to serve as an introduction to the District's basic financial statements which comprise two components: 1) government-wide financial statements, which include the fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to these basic financial statements.

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 private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, the accrual basis of accounting is used, which is similar to the accounting used by most private-sector companies. Some expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Southeast Leon County Emergency Services District No. 1
Management's Discussion and Analysis
September 30, 2022

Fund financial statements. The fund financial statements provide detailed information about the most significant funds, not the District as a whole. A fund is a grouping of related accounts that are 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 District has only one major fund, which is the general fund, and is reported as a governmental fund.

Governmental fund

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. For example, under the modified accrual basis of accounting, property taxes collected within sixty days after the current period are recognized as a receivable and as revenue for the current period if collected in time to pay current-period liabilities.

The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations found on pages 12 and 13.

Budgeting

Each year the District adopts a budget for its General Fund. A budgetary comparison has been provided for the General Fund and can be found on page 16 of this report.

Notes to the financial statements

The notes provide additional information that is essential for 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 9 - 15 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government's financial position. The largest portion of the District's net position (98%) is unrestricted while the remaining 2% represents its investment in capital assets (e.g., land and buildings) net of accumulated depreciation.

**Southeast Leon County Emergency Services District No. 1
Management's Discussion and Analysis
September 30, 2022**

Summary Statement of Net Position

	<u>2022</u>	<u>2021</u>
ASSETS		
Current and other assets	\$1,089,286	921,859
Capital assets, net	24,397	25,523
Total Assets	<u>\$1,113,683</u>	<u>\$ 947,382</u>
LIABILITIES		
Other liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	24,397	25,523
Unrestricted	1,089,286	921,859
Total Net Position	<u>1,113,683</u>	<u>947,382</u>
Total Liabilities and Net Position	<u>\$1,113,683</u>	<u>\$ 947,382</u>

Governmental activities increased the District's net position by \$166,301. Total revenues from governmental activities amounted to \$546,868, of which \$545,094 is from property taxes. The following table provides a summary of the District's operations for the years ended September 30, 2022 and September 30, 2021 respectively.

Summary Changes in Net Position

	<u>2022</u>	<u>2021</u>
REVENUES		
Property taxes	\$ 545,094	\$ 535,780
Investment earnings and other	1,774	1,260
Total Revenues	<u>546,868</u>	<u>537,040</u>
EXPENSES		
General administration	30,567	35,953
Contracted emergency services	350,000	344,398
Total Expenses	<u>380,567</u>	<u>380,351</u>
Increase in net position	166,301	156,689
Net position - beginning of year	<u>947,382</u>	<u>790,693</u>
Net position - end of year	<u>\$1,113,683</u>	<u>\$ 947,382</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current period, the District's governmental fund reported total fund balances of \$1,027,623.

**Southeast Leon County Emergency Services District No. 1
Management's Discussion and Analysis
September 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following table summarizes the District's capital asset balances:

Capital Assets		
	2022	2021
Assets		
Land	\$ 7,860	\$ 7,860
Equipment	899	899
Buildings	36,900	36,900
Total Capital Assets	45,659	45,659
Accumulated Depreciation		
Buildings	(21,262)	(20,136)
Total Accumulated Depreciation	(21,262)	(20,136)
Total Capital Assets, Net of Accumulated Depreciation	\$ 24,397	\$ 25,523

GENERAL FUND BUDGET HIGHLIGHTS

Actual general fund revenues were \$53,221 more than budgeted during the year. Actual expenditures in the general fund were less than budgeted expenditures by \$10,384.

ECONOMIC FACTORS

With rural populations showing a trend of aging, there tends to be a higher demand placed on emergency services. Sparsely populated regions lead to higher costs for emergency services, but there are fewer tax dollars to fund emergency services programs. Additionally, poor access to training and medical supervision, higher response times, dated equipment, inadequate insurance reimbursement for services, and insufficient communications systems all combine to make rural emergency services an area of critical concern.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to LaKeitha Bell, Treasurer, Southeast Leon County Emergency Services District No. 1, P.O. Box 601, Centerville, Texas 75833.

Southeast Leon County Emergency Services District No. 1

Statement of Net Position and Governmental Fund Balance Sheet

September 30, 2022

	GENERAL	ADJUSTMENTS	STATEMENT OF NET POSITION
ASSETS			
Cash and cash equivalents	\$ 1,017,168	\$ -	\$ 1,017,168
Property tax receivable, net of allowance for estimated uncollectible accounts	69,466	-	69,466
Prepaid expenses	2,652	-	2,652
Capital assets, net of accumulated depreciation	-	16,537	16,537
Capital assets not being depreciated	-	7,860	7,860
Total Assets	1,089,286	24,397	1,113,683
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	\$ 61,663	\$ (61,663)	\$ -
Total Deferred Inflows of Resources	61,663	(61,663)	-
FUND BALANCE/NET POSITION			
Fund Balance:			
Nonspendable-Prepays	2,652	(2,652)	
Unassigned	1,024,971	(1,024,971)	-
Total Fund Balance	1,027,623	(1,027,623)	-
Total Deferred Inflows of Resources and Fund Balance	\$ 1,089,286		
Net Position:			
Net investment in capital assets		24,397	24,397
Unrestricted		1,089,286	1,089,286
Total Net Position		\$ 1,113,683	\$ 1,113,683

See accompanying notes to the financial statements.

Southeast Leon County Emergency Services District No. 1

Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Year Ended September 30, 2022

	GENERAL	ADJUSTMENTS	STATEMENT OF ACTIVITIES
EXPENDITURES/EXPENSES			
Current:			
General administration	\$ 29,441	\$ 1,126	\$ 30,567
Contracted emergency services	350,000	-	350,000
Total Expenditures/Expenses	379,441	1,126	380,567
GENERAL REVENUES			
Tax collections	554,481	(9,387)	545,094
Interest and other	1,774	-	1,774
Total General Revenues	556,255	(9,387)	546,868
Change in Fund Balance/Net Position	176,814	(10,513)	166,301
FUND BALANCE/NET POSITION			
Beginning	850,809	96,573	947,382
Ending	\$ 1,027,623	\$ 86,060	\$ 1,113,683

See accompanying notes to the financial statements.

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Southeast Leon County Emergency Services District No. 1 (District) was created to provide emergency ambulance, fire services, and medical aid to the residents of the District. The District was formed at the end of 2000 as a result of a special election held on November 7, 2000 and passed by the residents of the District. The District provides emergency services to the southeastern geographic portion of Leon County. It is a governmental unit of the state of Texas and is not subject to federal taxes under the Internal Revenue Code. Furthermore, it is not subject to state sales tax. The District was created and operates 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 is governed by a Board of Commissioners that acts as the authoritative and legislative body of the entity. The Board of Commissioners elects officers for the following positions: President/Chairman, Vice-President, Treasurer, Assistant Treasurer, and Secretary. No board member receives compensation for serving on the Board.

The District does not meet the criteria for inclusion as a component of any entity, nor does any entity meet the criteria for inclusion as a component unit of the District.

B. Basis of Presentation

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District.

Government-wide and Fund Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report information for the District as a whole. Governmental activities are generally financed through inter-governmental and non-exchange revenues (property taxes). Funding for the District is provided by property tax revenues assessed on property owned by residents of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment of the District, and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items, not properly included among program revenues, are reported as general revenues. Governmental funds are only included in these government-wide financial statements since the District has no other funds.

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation

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 the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be 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 property tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Expenses/Expenditures

On an accrual basis of accounting (government-wide financial statements), expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash and Cash Equivalents

Cash equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. The District had cash on deposit with Citizens State Bank and no investments.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In the governmental fund statements, receivables consist of uncollected, unearned revenues at year-end, as well as property taxes that are collected within sixty days of the end of the current fiscal period and are considered to be available to pay liabilities of the current period.

Capital Assets

General capital assets generally result from expenditures in the governmental funds and are reported as capital outlay expenditures in the government fund statement. These assets are reported on the government-wide statement of net position at cost, net of depreciation. Capital assets include building and land deeded to the District in 2001. Capital assets are considered assets with an initial cost of \$500 or more and an estimated useful life in excess of one year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	39
Equipment	5-7

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Accrued Liabilities

The District reports accrued liabilities on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies for reporting in the category. It is the unearned property tax revenue reflected in the governmental funds balance sheet.

Fund Balances – Governmental Funds

Nonspendable Fund Balance – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amount that can only be used for a specific purpose because of a formal action by the Board of Commissioners. Committed amounts cannot be used for any other purpose unless the Board removes these constraints by taking the same type of formal action.

Assigned Fund Balance – represents amounts which the Board intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority.

Unassigned Fund Balance – represents that portion of fund equity, which is available for appropriations, in future periods, and is not restricted, committed, or assigned to specific purposes within the general fund.

When an expenditure is incurred for a purpose for which more than one fund balance classification could be used, the District considers the expenditure to be made from the most restrictive classification first.

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Net Position

Net position represents the assets plus deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of net assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. When an expense is incurred for a purpose for which more than one net position classification could be used, the District considers the expense to be made from the most restrictive classification first.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budget

As required by law, a budget is adopted for the general fund. The budget is prepared using the same method of accounting as for financial reporting and serves as a planning tool. Encumbrance accounting is not utilized.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for the governmental activities in the statement of net position are different because:

Total fund balance - balance sheet	\$ 1,027,623
Capital assets, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the governmental fund balance sheet.	
Land	7,860
Equipment	899
Building	36,900
Accumulated depreciation	(21,262)
Deferred outflows of resources are not available to pay current period expenditures and, therefore, are deferred in the governmental fund balance sheet.	
	61,663
Total net position - statement of net assets	\$ 1,113,683

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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

Net change in fund balances - statement of revenues, expenditures, and changes in fund balance	\$ 176,814
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 and reported as depreciation expense.	
Depreciation	(1,126)
Some revenues will be collected after yearend, but are not available soon enough to pay current year's expenditures and, therefore, are not reported in the governmental funds balance sheet.	
	(9,387)
Governmental activities net position - statement of net assets	\$ 166,301

NOTE 3 – PROPERTY TAXES

Property taxes are levied October 1 on the assessed value listed as of January 1 of the same year for all real or personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to penalties if not paid by February 1 of the year following the levy date. On January 31 of the year following the October 1 levy, a tax lien attached to property to secure the payment of all taxes and penalties is imposed for all unpaid taxes.

The appraisal and recording of all property within the District is the responsibility of the Leon County Appraisal District (LCAD), an independent governmental unit. Under an Interlocal Cooperation Agreement for Ad Valorem Tax Collection Services (ICA) between Leon County and the District, property taxes are collected by Robin Shafer, Leon County Tax Assessor Collector and forwarded to the District. The LCAD, on behalf of the county, charged the District an appraisal fee per parcel located within the District as per the aforementioned ICA. The fee for the current period was \$10,985.

The property tax rates, established in accordance with state laws, were based on 100% of the net appraised valuation of real property within the District on the 2020 tax roll. The assessed value of the 2021 roll, upon which the current fiscal year was based, was \$545.6 million.

The tax rates assessed for the current period, to finance general fund operations for the fiscal year ended September 30, 2022, was \$0.10 per \$100 valuation of assessed property. This amount was \$543,057 per the Tax Assessor.

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 3 – PROPERTY TAXES (CONTINUED)

Per the Government Accounting Standards Board Statement No. 33, property taxes are recognized as revenues when levied. Under the accrual basis of accounting (government-wide financial statement), property tax revenue is recognized on October 1 of the current year. However, under the modified accrual basis (government fund statement), property tax is recognized as revenue only when it is both “measurable and available.” Revenues that are collected within sixty days of the end of the current fiscal period are considered to be available if used to pay liabilities of the current period.

Management estimates uncollectible accounts based on historical collections. The balance of estimated uncollectible accounts as of September 30, 2022 is \$82,889.

Uncollected property taxes of \$61,663 as of September 30, 2022 are recognized as revenue in the government-wide financial statement and as deferred revenue in the governmental fund statement.

NOTE 4 – CAPITAL ASSETS

The composition of the capital assets is as follows:

	Balance 9/30/2021	Additions	Deletions	Balance 9/30/2022
Capital Assets Not Being Depreciated				
Land	\$ 7,860	\$ -	\$ -	\$ 7,860
Total capital assets not being depreciated	7,860	-	-	7,860
Capital Assets Being Depreciated				
Building	36,900	-	-	36,900
Equipment	899	-	-	899
Total capital assets being depreciated	37,799	-	-	37,799
Accumulated Depreciation				
Building	(20,136)	(1,126)	-	(21,262)
Total accumulated depreciation	(20,136)	(1,126)	-	(21,262)
 Total capital assets, net of accumulated depreciation	 <u>\$ 25,523</u>	 <u>\$ (1,126)</u>	 <u>\$ -</u>	 <u>\$ 24,397</u>

NOTE 5 – DEPOSITS

The carrying amount (book balance) of the District’s demand deposits with financial institutions as of September 30, 2022 was \$1,017,168. Deposits were insured by FDIC Insurance coverage up to \$250,000 and the remaining \$767,168 was collateralized by securities pledged by the financial institution.

NOTE 6 – EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2022, the District reported the Office Supplies category of expenditures \$100 in excess of appropriations, and the Audit category \$153 in excess of appropriations.

Southeast Leon County Emergency Services District No. 1
Notes to the Financial Statements
September 30, 2022

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 19, 2023, the date the financial statements were available to be issued.

Southeast Leon County Emergency Services District No. 1

Budgetary Comparison Schedule General Fund

For The Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property tax	\$ 501,789	\$ 501,789	\$ 554,481	\$ 52,692
Interest income and other	1,245	1,245	1,774	529
Total Revenue	503,034	503,034	556,255	53,221
EXPENDITURES				
General				
Public notices	100	100	84	16
Tax assessor	3,500	3,500	3,151	349
Education and training	4,500	4,500	2,643	1,857
Central appraisal district	15,000	15,000	10,985	4,015
Insurance	1,000	1,000	934	66
Office supplies	250	250	350	(100)
Postage and shipping	75	75	66	9
Web page expenses	3,000	3,000	735	2,265
Legal and professional	4,000	4,000	3,219	781
Audit	6,000	6,000	6,153	(153)
Bond	400	400	400	-
Miscellaneous	2,000	2,000	721	1,279
Total General	39,825	39,825	29,441	10,384
Emergency Services				
Contractual obligations	350,000	350,000	350,000	-
Total Emergency Services	350,000	350,000	350,000	-
Total Expenditures	389,825	389,825	379,441	10,384
Excess of Revenues over Expenditures	113,209	113,209	176,814	63,605
Net Change in Fund Balance	\$ 113,209	\$ 113,209	176,814	\$ 63,605
Fund Balance - beginning of year			850,809	
Fund Balance - end of year			\$ 1,027,623	

Southeast Leon County Emergency Services District No. 1
Notes to the Budgetary Comparison Schedule
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Budgetary Process

The budgetary process has not historically been prescribed by law. However, Texas Health and Safety Code, Section 776.05 was amended on June 17, 2012 by Senate Bill 917 to read “the board may not set the tax rate for a fiscal year before the date the board adopts a budget for that fiscal year.” The Board approved in September 2021 the budget for the fiscal year ended September 30, 2022 based on the known property tax assessment available for the year, and the tax rate was set accordingly.

B. Estimated Resources

As part of the District’s budgetary process, the Board approves the official estimated revenues projected for the District. The estimated revenue is calculated from information from the Leon County Appraisal District.

C. Appropriations

Estimated appropriations are prepared for the annual budget. All appropriations, no matter how small or how large, must be approved by the Board before remittance, whether or not they are included in the budget.

D. Budgetary Basis of Accounting

The District’s budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between budgetary basis and GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary process, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.

NOTE 2 – BUDGET VARIANCES

Some expenditures budgeted by the Board were reclassified in the Budgetary Comparison Schedule – General Fund to better reflect the true nature of the expenditure.