



**WILSON COUNTY
EMERGENCY SERVICES DISTRICT NO. 2**

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2023**



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023

DISTRICT OFFICIALS

PRESIDENT	JOHN BURLESON
VICE PRESIDENT	FELITA RODRIGUEZ
SECRETARY	RUDY CANTU
TREASURER	DAVID NIETO
ASST. TREASURER	SHERRY HEATHERLY
WILSON COUNTY COMMISSIONER PCT.4	JOHN AKIN
ATTORNEY	LAW OFFICES OF LOUIS T. ROSENBERG, P.C.



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

District Commissioners
Wilson County Emergency Services District No. 2

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Wilson County Emergency Services District No. 2 as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Wilson County Emergency Services District No. 2'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 funds of Wilson County Emergency Services District No. 2, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Wilson County Emergency Services District No. 2 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 obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Wilson County Emergency Services District No. 2's 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, 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 Wilson County Emergency Services District No. 2's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Wilson County Emergency Services District No. 2'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wilson County Emergency Services District No. 2'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.

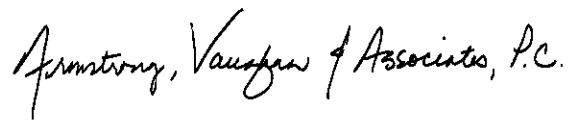
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information as listed in the Table of Contents 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 (GASB), 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County Emergency Services District No. 2's financial statements. The comparative statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.
January 2, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Wilson County Emergency Services District No. 2's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net deficit was \$89 thousand at September 30, 2023.
- During the year, the District's expenses were \$238 thousand more than the \$1.8 million generated in taxes and other revenues for governmental activities.
- The District signed a loan agreement for \$143 thousand to purchase Motorola Radios.
- The District entered into a tax anticipation note with Government Capital for \$250 thousand.
- Sales and use tax generated \$817 thousand as of September 30, 2023. Sales tax increased by 18.5% from 2022.
- The general fund reported a fund balance of \$78 thousand this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the District's Annual Financial Report

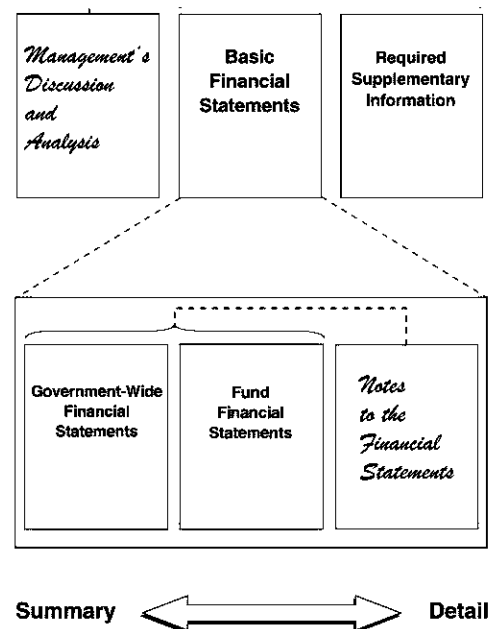


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements		
		Fund Statement
<i>Type of Statements</i>	Government-wide	Governmental Funds
<i>Scope</i>	Entire District's government (except fiduciary funds) and the District's component unit (District 2 Emergency Services District, Inc.)	The activities of the District that are not proprietary or fiduciary
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net Position—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as Emergency Services and general administration. Property taxes and sales taxes will finance most of these activities.

Fund Financial Statements

The District has the following kinds of funds:

- *Governmental funds*—All of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District’s combined net deficit was \$88 thousand at September 30, 2023. (See Table A-1).

Table A-1
Wilson County Emergency Services District No. 2 Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Current assets	\$ 310,680	\$ 471,352	-34.1%
Noncurrent Assets:			
Capital Assets	2,434,198	2,541,883	-4.2%
Total Assets	<u>2,744,878</u>	<u>3,013,235</u>	-8.9%
Liabilities			
Liabilities	567,934	548,414	3.6%
Long-term Liabilities	2,265,485	2,315,562	-2.2%
Total Liabilities	<u>2,833,419</u>	<u>2,863,976</u>	-1.1%
Net Position:			
Net Investment in Capital Assets	(24,112)	37,490	-164.3%
Unrestricted	(64,429)	111,769	-157.6%
Total Net Position (Deficit)	<u>\$ (88,541)</u>	<u>\$ 149,259</u>	-159.3%

Changes in Net Position

The District’s total revenues were \$1.8 million which is approximately the same as the prior year. A significant portion, 44% comes from sales taxes, 41% comes from property taxes, 12% comes from charges for services, and 3% comes from all other revenues.

The total cost of all programs and services was \$2.1 million.

Governmental Activities

- Property tax rates were assessed at \$0.1 per \$100 valuation.

Table A-2
Changes in District's Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
General Revenues			
Property Taxes	\$ 751,892	\$ 659,676	14.0%
Sales Tax	817,201	689,432	18.5%
Charges for Services	217,313	428,893	-49.3%
Investment Income	185	163	13.5%
Miscellaneous Income	47,886	33,085	44.7%
Operating Grants and Contributions	12,943	13,195	-1.9%
Total Revenues	<u>1,847,420</u>	<u>1,824,444</u>	1.3%
General Expenses			
Emergency Services	1,772,545	1,777,947	-0.3%
General Government	175,221	221,173	-20.8%
Interest on Long-term Debt	137,454	124,743	10.2%
Total Expenses	<u>2,085,220</u>	<u>2,123,863</u>	-1.8%
Increase (Decrease) in Net Position	(237,800)	(299,419)	-20.6%
Net Position at Beginning of Year	<u>149,259</u>	<u>448,678</u>	-66.7%
Net Position at End of Year	<u>\$ (88,541)</u>	<u>\$ 149,259</u>	-159.3%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$1.8 million, which is approximately the same as the prior year.

General Fund Budgetary Highlights

The District budgeted \$441 thousand for expenditures. Actual expenditures were \$35 thousand less than budget amounts. The most significant variances resulted from decreased General Administrative expenses.

Revenues were \$459 thousand less than the final budgeted amount, caused primarily by a larger portion of property tax being used by the debt service fund and a lower than expected EMS revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$2.4 million in building improvements, equipment, vehicles, and land (net of accumulated depreciation). (See Table A-3). More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table A-3
District's Capital Assets

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Land	\$ 129,115	\$ 129,115	0.0%
Building Improvements	1,391,749	1,391,749	0.0%
Vehicles & Equipment	1,909,275	1,766,527	8.1%
Totals at Historical Cost	3,430,139	3,287,391	4.3%
Total Accumulated Depreciation	(995,941)	(745,508)	33.6%
Net Capital Assets	\$ 2,434,198	\$ 2,541,883	-4.2%

Long Term Debt

At year-end the District had \$2.7 million in long-term debt outstanding as is shown in Table A-4. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-4
District's Long-term Debt

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Long-term Debt	\$ 2,708,310	\$ 2,754,393	-2%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The property tax rate for the fiscal year 2024 remained the same at \$0.1000 per \$100 valuation. Appraised value used for the 2024 budget provides an anticipated revenue generation of \$2.3 million.
- General fund spending for 2024 was estimated at \$311 thousand or approximately a 57% decrease of the 2023 actual expenses.
- If the estimates are realized, the District's budgeted general fund balance is expected to increase 80% by the close of 2024.

FACTORS AFFECTING FINANCIAL CONDITION

The Insurance Service Office, Inc. (ISO) collects information on municipal fire-protection efforts in communities throughout the United States to help establish an appropriate fire insurance premium for residential and commercial properties based on fire-protection services. Using this information, municipal entities are assigned a Public Protection Classification from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria. Wilson County Emergency Services District No. 2 was given an ISO Protection Class 6 rating.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide Wilson County Emergency Services District No. 2 citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Treasurer by email at david.nieto@wcesd2tx.us.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (GASB). The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
 - Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,691
Investments	5,065
Property Tax Receivable	32,014
Sales Tax Receivable	133,398
EMS Receivable (Net of Allowance)	111,744
Prepaid Items	<u>25,768</u>
<i>Total Current Assets</i>	<u>310,680</u>
<i>Noncurrent Assets:</i>	
<i>Property and Equipment:</i>	
Land	129,115
Buildings & Improvements	1,391,749
Equipment & Vehicles	1,909,275
Accumulated Depreciation	<u>(995,941)</u>
<i>Total Noncurrent Assets</i>	<u>2,434,198</u>
 TOTAL ASSETS	 <u>\$ 2,744,878</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF NET POSITION (CONT.)
SEPTEMBER 30, 2023

	Governmental Activities
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 22,856
Accrued Interest	80,676
Accrued Expenses	21,577
Due within One Year	442,825
<i>Total Current Liabilities</i>	<u>567,934</u>
<i>Noncurrent Liabilities:</i>	
Due in more than One Year	2,265,485
<i>Total Noncurrent Liabilities</i>	<u>2,265,485</u>
TOTAL LIABILITIES	<u>2,833,419</u>
NET POSITION	
Net Investment in Capital Assets	(24,112)
Unrestricted	(64,429)
TOTAL NET POSITION (Deficit)	<u>\$ (88,541)</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions and Programs	Expenses	Program Revenues		Net (Expenses),
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Assets
Primary Government:				
Governmental Activities:				
Emergency Services	\$ 1,772,545	\$ 217,313	\$ 12,943	\$ (1,542,289)
General Administration	175,221	-	-	(175,221)
Interest on Long-term Debt	137,454	-	-	(137,454)
Total Governmental Activities	2,085,220	217,313	12,943	(1,854,964)
Total Primary Government	\$ 2,085,220	\$ 217,313	\$ 12,943	(1,854,964)
General Revenues:				
General Property Taxes				751,892
Sales Tax				817,201
Interest Income				185
Miscellaneous Income				47,886
Total General Revenues				1,617,164
Change in Net Position				(237,800)
Net Position at Beginning of Year				149,259
Net Position (Deficit) at End of Year				\$ (88,541)

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Debt Services	Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,595	\$ -	\$ 1,096	\$ 2,691
Investments	5,065	-	-	5,065
Property Tax Receivable	6,865	25,149	-	32,014
Sales Tax Receivable	133,398	-	-	133,398
EMS Receivable (Net of Allowance)	111,744	-	-	111,744
Prepaid Items	-	-	25,768	25,768
Due From Primary Government	-	-	39,102	39,102
TOTAL ASSETS	<u>\$ 258,667</u>	<u>\$ 25,149</u>	<u>\$ 65,966</u>	<u>\$ 349,782</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Accounts Payable	\$ 22,856	\$ -	\$ -	\$ 22,856
Payroll Liabilities	-	-	21,577	21,577
Due to District 2 Emergency Services, Inc.	39,102	-	-	39,102
TOTAL LIABILITIES	<u>61,958</u>	<u>-</u>	<u>21,577</u>	<u>83,535</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Tax Revenue	6,659	24,393	-	31,052
Unavailable EMS revenue	111,744	-	-	111,744
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>118,403</u>	<u>24,393</u>	<u>-</u>	<u>142,796</u>
FUND BALANCE				
Nonspendable Fund Balance:				
Prepaid Items	-	-	25,768	25,768
Restricted for Debt Services	-	756	-	756
Unassigned	78,306	-	18,621	96,927
TOTAL FUND BALANCE	<u>78,306</u>	<u>756</u>	<u>44,389</u>	<u>123,451</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 258,667</u>	<u>\$ 25,149</u>	<u>\$ 65,966</u>	<u>\$ 349,782</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 123,451
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	2,434,198
Property taxes receivable are not available to pay current period expenditures and, therefore, are unavailable in the funds statements.	31,052
EMS revenues in the Statement of Activities do not provide current financial resources and are unavailable in the fund statements.	111,744
Notes payable are not due in the current period and therefore, are not reported in the funds.	(2,708,310)
Accrued interest payable on long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(80,676)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (88,541)</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Debt Services	Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
REVENUES				
Property Taxes	\$ 159,743	\$ 587,711	\$ -	\$ 747,454
Sales Tax	817,201	-	-	817,201
EMS Charges	282,207	-	-	282,207
Contributions/Grants	26,342	-	-	26,342
Miscellaneous Income	48,072	-	-	48,072
TOTAL REVENUES	<u>1,333,565</u>	<u>587,711</u>	<u>-</u>	<u>1,921,276</u>
EXPENDITURES				
Current:				
Emergency Services	194,734	-	1,290,207	1,484,941
General Administration	211,389	-	95	211,484
Capital Outlay	142,748	-	-	142,748
Debt Service:				
Principal	-	488,831	-	488,831
Interest and Fiscal Charges	-	127,175	-	127,175
TOTAL EXPENDITURES	<u>548,871</u>	<u>616,006</u>	<u>1,290,302</u>	<u>2,455,179</u>
Excess (Deficiency) Over (Under) Expenditures	784,694	(28,295)	(1,290,302)	(533,903)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(921,560)	(414,039)	1,334,691	(908)
Proceeds from Debt Issuance	-	442,748	-	442,748
TOTAL OTHER FINANCING SOURCES (USES)	<u>(921,560)</u>	<u>28,709</u>	<u>1,334,691</u>	<u>441,840</u>
Net Change in Fund Balance	(136,866)	414	44,389	(92,063)
Fund Balance at Beginning of Year	<u>215,172</u>	<u>342</u>	<u>-</u>	<u>215,514</u>
Fund Balance at End of Year	<u>\$ 78,306</u>	<u>\$ 756</u>	<u>\$ 44,389</u>	<u>\$ 123,451</u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS **\$ (92,063)**

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expenses.

Capital Outlay	142,748	
Current Year Depreciation	<u>(250,433)</u>	(107,685)

Revenues in the Statement of Activities that do not provide current
financial resources are not reported as revenues in the funds. The
changes are as follows:

Property Taxes	4,438	
EMS Charges	<u>(78,293)</u>	(73,855)

The issuance of long-term debt (e.g. notes payable)
provides current financial resources to governmental funds, while the
repayment of the principal of long-term debt consumes the current
financial resources of governmental funds. Neither transaction,
however, has any effect on net position. This is the net effect of
these differences in the treatment of long-term debt and related items.

Principal Payments of Notes Payable	488,831	
Proceeds from Debt Issuance	<u>(442,748)</u>	46,083

Some expenses reported in the Statement of Activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in the governmental funds:

Accrued Interest		<u>(10,280)</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (237,800)**



NOTES TO BASIC FINANCIAL STATEMENTS

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wilson County Emergency Services District No. 2 is a political subdivision of the State of Texas and was created by the Wilson County Commissioners' Court after a Public Election on November 2, 2010 to be effective January 1, 2011. The District was created to provide emergency services and promote public safety, welfare, health and convenience of persons residing in the District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

A. THE FINANCIAL REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 61, "The Financial Reporting Entity." The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The District has the following component unit:

District 2 Emergency Services, Inc. is a local nonprofit emergency services provider without powers of taxation, organized exclusively for the purpose of providing fire protection and emergency services to the area covered by Wilson County Emergency Services District No. 2. Wilson County Emergency Services District No. 2 appoints its Board of Commissioners as the directors of the nonprofit. The District has elected to present a blended presentation of those financial statements in the District's annual financial report. Complete financial statements of District 2 Emergency Services, Inc. for the year ended September 30, 2023 may be obtained from District management.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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. Governmental activities are supported primarily by property taxes. 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.

Separate **fund financial statements** are provided for governmental funds. The General Fund, Debt Service Fund, and District 2 Special Revenue Fund meet the criteria of a **major governmental fund**. The District has no other governmental funds.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 related cash flows. Revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Property taxes are recognized 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, grants not restricted to specific programs and investment earnings.

Governmental fund level 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. Measurable and available revenues include revenues other than EMS charges that are expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Property taxes which were levied prior to September 30, 2022, and became due October 1, 2022 have been assessed to finance the budget of the fiscal year beginning October 1, 2022.

Expenditures generally are recorded when an expense is incurred.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the District and is always classified as a major fund. 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 and investment of idle funds. Primary expenditures are for general administration and emergency services.

The Special Revenue Fund is a nonprofit corporation, District 2 Emergency Services. This corporation is considered a blended component unit.

The Debt Service Fund is used to account for resources and expenditures relating to principal and interest payments on outstanding debt.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the District.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. INVESTMENTS

State statutes authorize the District to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d); or, (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The District has all its monies in interest bearing checking accounts. Earnings from these investments are added to each account monthly or quarterly.

F. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property taxes receivable for prior year's levy is shown net of the allowance for doubtful accounts.

Reimbursements for EMS services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based on historical trends.

G. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items in both government-wide and fund financial statements. At September 30, 2023, the District had prepaid insurance of \$25,768.

H. CAPITAL ASSETS

Capital assets, which include land; buildings and improvements; and equipment and vehicles, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$500 or more for equipment, while computer equipment is defined as an asset with a cost of \$1,000 or more. Donated capital assets are recorded at estimated fair market value at the date of donation.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

H. CAPITAL ASSETS (CONT.)

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 over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building Improvements	20 years
Equipment	7 - 10 years
Vehicles	10 years

Land and construction in progress are not depreciated.

I. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax and EMS revenues are deferred and recognized as inflow of resource in the period the amount becomes available.

J. LONG-TERM OBLIGATIONS

In government-wide financial statements, long-term debt and other long-term obligations (if any) are reported as liabilities under governmental activities. Bond premiums and discounts are amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

K. FUND EQUITY

Fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

K. FUND EQUITY (CONT.)

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

Committed – Represents amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. The District Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned – Represents amounts which the District intends to use for a specific purpose but do not meet the criteria of restricted or committed. The District Commissioners may make assignments through formal documentation in the minutes. The District Commissioners are the only entities that may make assignments at this time.

Unassigned – Represents the residual balance that may be spent on any other purpose of the District.

When an expenditure is incurred for a purpose in which multiple classifications are available, the District considers restricted balances spent first, committed second, assigned third, and unassigned fourth.

L. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets 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. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

M. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. RECLASSIFICATIONS

Certain reclassifications have been made to the prior periods presented to conform to the current presentation. These reclassifications had no effect on fund equity.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledge securities in an amount sufficient to protect District funds on a day to day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash

At September 30, 2023, the carrying amount of the District's deposits in the bank were fully covered by federal deposit insurance.

2. Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that the District failed to adhere to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investments at September 30, 2023 consist of \$5,065 in Texas Class, a 2a7-like public funds investment pool. Texas Class operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAm. The investment in Texas Class is included in cash and cash equivalents and is reported at net asset value, which approximates fair market value.

3. Analysis of Specific Deposits and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the specific investment risks at year end and if so, the reporting of certain related disclosures. The District has analyzed its investment risks and determined that for the year ending September 30, 2023 the District was not exposed to any significant risks.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 3 -- AD VALOREM (PROPERTY) TAXES

The District has contracted with the Wilson County Tax Assessor-Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action.

For fiscal year 2023, the assessed tax rate for the District was \$0.1000 per \$100 on an assessed valuation of \$750,250,088. The tax rate is split \$.0214 for general maintenance and operations and \$.0786 for interest and sinking. Total tax levy for fiscal year 2023 was \$750,250. As of September 30, 2023, the delinquent current taxes for 2023 were \$12,371.

NOTE 4 -- RECEIVABLES

The following is a summary of the gross property taxes and charges for services receivable and the related allowances for uncollectible amounts:

Receivables	General	Debt Service	Special Revenue	Total
Taxes:				
Property Taxes	\$ 6,865	\$ 25,149	\$ -	\$ 32,014
Sales Taxes	133,398	-	-	133,398
EMS Receivable	372,478	-	-	372,478
Gross Receivables	512,741	25,149	-	537,890
Less: Allowance for Uncollectibles	(260,734)	-	-	(260,734)
Net Total Receivables	<u>\$ 252,007</u>	<u>\$ 25,149</u>	<u>\$ -</u>	<u>\$ 277,156</u>

NOTE 5 -- CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Adjustments and Disposals	Ending Balance
Land	\$ 129,115	\$ -	\$ -	\$ 129,115
Building & Improvements	1,391,749	-	-	1,391,749
Vehicles & Equipment	1,766,527	142,748	-	1,909,275
Less: Accumulated Depreciation	(745,508)	(250,433)	-	(995,941)
	<u>\$ 2,541,883</u>	<u>\$ (107,685)</u>	<u>\$ -</u>	<u>\$ 2,434,198</u>

Depreciation expense was charged to governmental function in the Emergency Services.

Land is not depreciated.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 6 -- NOTES PAYABLE

On February 29, 2016, the District entered into a note payable with Southside Bank, for the purchase of a new fire truck in the amount of \$250,410. The note calls for monthly payments of \$3,307 beginning May 7, 2016, through April 7, 2023. The interest rate on the note is at 2.99%, and the note is secured by granting the debtor a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the District. The truck was traded in for a new vehicle on September 30, 2021 in order to assist in paying for a new fire truck.

On November 15, 2018, the District entered into a note payable with Government Capital Corporation, which was then sold to Southside Bank, for the construction of a new fire/EMS substation in the amount of \$1,421,000. The note calls for increasing annual payments beginning November 15, 2019, of \$75,000 through November 15, 2024, when the annual payment remains at \$117,999 through November 15, 2038. The interest rate on the note is 4.25%, and the note is secured by granting the debtor a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the District. In addition to the operation or ownership of the property, its receivables, and revenues. The fire station and its addition have a combined accumulated depreciation of \$94,202 as of September 30, 2023.

On November 19, 2020, the District entered into a note payable with Government Capital Corporation, to purchase a new ambulance for \$365,772. The note calls for annual payments of \$58,466 starting November 19, 2021, ending on November 19, 2027. The note has an interest rate of 2.89% and is secured by ad valorem taxes and the ambulance. The total accumulated depreciation on the ambulance as of September 30, 2023 is \$172,726.

On April 26, 2018, the District entered into a note payable with Ferno Financial Services for the purchase of two new stretchers in the amount of \$32,783. The agreement calls for 60 payments of \$622 beginning August 24, 2018 and ending July 24, 2023. The interest rate on the agreement is 5.25%. The total accumulated depreciation on the stretchers as of September 30, 2023 is \$30,071.

On April 16, 2018, the District entered into a note payable with Community First National Bank for the purchase of one new air compressor in the amount of \$31,163. The agreement calls for 5 payments of \$7,048 beginning May 8, 2019 and ending May 8, 2023. The interest rate on the agreement is 4.24%. The total accumulated depreciation on the air compressor as of September 30, 2023 is \$30,071.

On December 21, 2021, the District entered into a note payable with Government Capital Corporation, to purchase a new Pierce Enforcer Pump Tanker for \$787,287. The note calls for annual payments of \$93,002 starting December 1, 2022, ending on December 1, 2031. The note has an interest rate of 3.15% and is secured by ad valorem taxes and the Tanker. The total accumulated depreciation on the tanker as of September 30, 2023 is \$887,490.

On August 2, 2022, the District entered into tax anticipation note with Government Capital Corporation, authorized and issued in the aggregate principal amount of \$300,000 for the purpose of paying M&O expenses of the District. The interest rate varies per installment between 5%-6%. The total interest on the agreement is \$20,000.

On May 15, 2023, the District entered into tax anticipation note with Government Capital Corporation, authorized and issued in the aggregate principal amount of \$250,000 for the purpose of paying off a tax anticipation note from the prior year. The interest rate is 8%. The total interest on the agreement is \$15,333.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 6 -- NOTE PAYABLE (CONT.)

A summary of long-term debt outstanding as of September 30, 2023 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
<i>Notes Payable:</i>					
Loan #7323	\$ 25,755	\$ -	\$ (25,755)	\$ -	\$ -
Loan #8444	1,360,076	-	(32,197)	1,327,879	38,565
Loan #2893	317,877	-	(49,279)	268,598	50,703
Loan #9728	787,287	-	(68,202)	719,085	70,351
Tax Anticipation Notes	250,000	300,000	(300,000)	250,000	250,000
Motorola Note Payable	-	142,748	-	142,748	33,206
Stretcher Note Payable	6,398	-	(6,398)	-	-
Air Compressor Note Payable	7,000	-	(7,000)	-	-
<i>Total Notes Payable:</i>	<u>\$ 2,754,393</u>	<u>\$ 442,748</u>	<u>\$ (488,831)</u>	<u>\$2,708,310</u>	<u>\$442,825</u>

The annual requirements to amortize notes payable outstanding as of September 30, 2023, including the interest payments, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 442,825	\$ 108,920	\$ 551,745
2025	222,746	86,699	309,445
2026	230,905	78,576	309,481
2027	239,374	70,144	309,518
2028	208,074	61,392	269,466
2029-2033	750,824	211,177	962,001
2034-2038	613,562	94,430	707,992
Total Debt Payments	<u>\$ 2,708,310</u>	<u>\$ 711,338</u>	<u>\$ 3,419,648</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 7 -- DUE TO DISTRICT 2 EMERGENCY SERVICES, INC.

District 2 Emergency Services, Inc.'s operational expenses are fully funded by the District. As of September 30, 2023, the District has accrued \$39,102 as a liability to transfer funds to District 2 Emergency Services Inc. for payroll related expenses.

NOTE 8 -- INTERFUND TRANSACTIONS

The following transfers occurred during the year ended September 30, 2023:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Debt Services	\$ 414,039	Debt Reimbursement
		<u>\$ 414,039</u>	

NOTE 9 -- CONTINGENT LIABILITIES

The District has a pending civil suit and is being defended by the defense counsel appointed through the insurance company.

NOTE 10 -- CONCENTRATION OF EXPENDITURES

For fiscal year 2023, the District paid District 2 Emergency Services, Inc. \$1,359,008 for providing emergency services to the District, which was 65% of the total expenditures of the District.

NOTE 11 -- DEFICIT NET POSITION

At year end, the District had a deficit of \$88,541. The District plans to reduce this deficit with the increased revenue from property taxes and a reduction of expenditures next year.

NOTE 12 -- RISK MANAGEMENT

The Wilson County Emergency Services District No. 2 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To cover the risk the District contracts with Volunteer Firemen's Insurance Services (VFIS) of Texas to provide insurance coverage for Property/Casualty. Contributions are set annually by VFIS. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2023 were \$47,167.

NOTE 13 -- SUBSEQUENT EVENTS

Subsequent events were considered through January 2, 2025, which is the date of the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule -- General Fund
- Budgetary Comparison Schedule -- Special Revenue Fund
- Schedule of Contributions and Notes to Schedule of Changes

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Tax	\$ 489,176	\$ 483,911	\$ 159,743	\$ (324,168)
Sales Tax	680,000	700,000	817,201	117,201
EMS Charges	467,250	515,000	282,207	(232,793)
Contributions/Grants	11,014	13,000	26,342	13,342
Miscellaneous Income	81,170	81,170	48,072	(33,098)
TOTAL REVENUES	<u>1,728,610</u>	<u>1,793,081</u>	<u>1,333,565</u>	<u>(459,516)</u>
EXPENDITURES				
<i>Current:</i>				
Emergency Services	169,127	169,127	194,734	(25,607)
General Administrative	271,500	271,500	211,389	60,111
Capital Outlay	142,748	142,748	142,748	-
TOTAL EXPENDITURES	<u>583,375</u>	<u>583,375</u>	<u>548,871</u>	<u>34,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,145,235	1,209,706	784,694	(425,012)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(921,560)</u>	<u>(921,560)</u>	<u>(921,560)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(921,560)</u>	<u>(921,560)</u>	<u>(921,560)</u>	<u>-</u>
Net Change in Fund Balance	223,675	288,146	(136,866)	(425,012)
Fund Balance at Beginning of Year	<u>215,172</u>	<u>215,172</u>	<u>215,172</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 438,847</u></u>	<u><u>\$ 503,318</u></u>	<u><u>\$ 78,306</u></u>	<u><u>\$ (425,012)</u></u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Other Grants and Contributions	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
<i>Current:</i>			
Emergency Services	998,935	1,290,207	(291,272)
General Administrative	<u>-</u>	<u>95</u>	<u>(95)</u>
TOTAL EXPENDITURES	<u>998,935</u>	<u>1,290,302</u>	<u>(291,367)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(998,935)	(1,290,302)	(291,367)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>-</u>	<u>1,334,691</u>	<u>1,334,691</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,334,691</u>	<u>1,334,691</u>
Net Change in Fund Balance	(998,935)	44,389	1,043,324
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (998,935)</u>	<u>\$ 44,389</u>	<u>\$ 1,043,324</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEPTEMBER 30, 2023

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The District maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District’s Board and as such is a good management control device.

It is recommended that actual expenditures do not exceed appropriations, however, actual expenditures exceeded appropriations for the year ended September 30, 2023 due to costs associated with the District’s general administrative and capital outlay. The Special Revenue Fund budget was exceeded due to higher than expected payroll cost.

The District does not use encumbrances.

SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Balance Sheet – General Fund
- Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – General Fund
- Comparative Balance Sheet – Special Revenue Fund
- Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund
- Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
COMPARATIVE BALANCE SHEETS – GENERAL FUND
SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,595	\$ 86,478
Investments	5,065	5,040
Property Tax Receivable	6,865	17,787
Sales Tax Receivable	133,398	123,602
EMS Charges Receivables (Net of Allowance)	111,744	190,037
Prepaid Items	-	18,800
TOTAL ASSETS	<u><u>\$ 258,667</u></u>	<u><u>\$ 441,744</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Accounts Payable	\$ 22,856	\$ 8,293
Due to District 2 Emergency Services, Inc.	39,102	11,076
TOTAL LIABILITIES	<u><u>61,958</u></u>	<u><u>19,369</u></u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Tax Revenue	6,659	17,166
Unavailable EMS Charges	111,744	190,037
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>118,403</u></u>	<u><u>207,203</u></u>
FUND BALANCE		
Nonspendable:		
Prepaid Items	-	18,800
Unassigned	78,306	196,372
TOTAL FUND BALANCE	<u><u>78,306</u></u>	<u><u>215,172</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 258,667</u></u>	<u><u>\$ 441,744</u></u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Property Taxes	\$ 159,743	\$ 421,765
Sales Tax	817,201	689,432
EMS Charges	282,207	352,160
Contributions/Grants	26,342	10,745
Miscellaneous Income	48,072	55,136
TOTAL REVENUES	<u>1,333,565</u>	<u>1,529,238</u>
EXPENDITURES		
<i>Current:</i>		
Emergency Services	194,734	199,194
General Administration	211,389	258,769
Capital Outlay	142,748	824,787
TOTAL EXPENDITURES	<u>548,871</u>	<u>1,282,750</u>
Excess (Deficiency) Over (Under) Expenditures	784,694	246,488
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>(921,560)</u>	<u>(242,930)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(921,560)</u>	<u>(242,930)</u>
Net Change in Fund Balance	(136,866)	3,558
Fund Balance at Beginning of Year	<u>215,172</u>	<u>211,614</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 78,306</u></u>	<u><u>\$ 215,172</u></u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
COMPARATIVE BALANCE SHEETS - SPECIAL REVENUE FUND
DISTRICT 2 EMERGENCY SERVICES
SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,096	\$ 19,818
Prepaid Insurance	25,768	-
Due from Primary Government	39,102	11,076
TOTAL ASSETS	<u><u>\$ 65,966</u></u>	<u><u>\$ 30,894</u></u>
LIABILITIES		
Payroll Liabilities	\$ 21,577	\$ 30,894
TOTAL LIABILITIES	<u><u>21,577</u></u>	<u><u>30,894</u></u>
FUND BALANCE		
Unassigned	44,389	-
TOTAL FUND BALANCE	<u><u>44,389</u></u>	<u><u>-</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 65,966</u></u>	<u><u>\$ 30,894</u></u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND
DISTRICT 2 EMERGENCY SERVICES
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Other Grants and Contributions	\$ -	\$ 2,000
Miscellaneous Income	-	16,063
TOTAL REVENUES	<u>-</u>	<u>18,063</u>
EXPENDITURES		
<i>Current:</i>		
Emergency Services	1,290,207	1,231,280
General Administration	95	1,993
TOTAL EXPENDITURES	<u>1,290,302</u>	<u>1,233,273</u>
Excess (Deficiency) Over (Under) Expenditures	(1,290,302)	(1,215,210)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	1,334,691	1,115,576
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,334,691</u>	<u>1,115,576</u>
Net Change in Fund Balance	44,389	(99,634)
Fund Balance at Beginning of Year	<u>-</u>	<u>99,634</u>
Fund Balance at End of Year	<u><u>\$ 44,389</u></u>	<u><u>\$ -</u></u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		2023 Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property Taxes	\$ 266,338	\$ 266,338	\$ 587,711	\$ 321,373
TOTAL REVENUES	<u>266,338</u>	<u>266,338</u>	<u>587,711</u>	<u>321,373</u>
EXPENDITURES				
<i>Debt Service:</i>				
Principal	622,545	622,545	488,831	133,714
Interest and Fiscal Charges	-	-	127,175	(127,175)
TOTAL EXPENDITURES	<u>622,545</u>	<u>622,545</u>	<u>616,006</u>	<u>6,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(356,207)</u>	<u>(356,207)</u>	<u>(28,295)</u>	<u>327,912</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	(414,039)	(414,039)
Proceeds from Debt Issuance	-	-	442,748	442,748
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>28,709</u>	<u>28,709</u>
Net Change in Fund Balance	<u>(356,207)</u>	<u>(356,207)</u>	<u>414</u>	<u>356,621</u>
FUND BALANCE- BEGINNING	<u>-</u>	<u>-</u>	<u>342</u>	<u>-</u>
FUND BALANCE- ENDING	<u><u>\$(356,207)</u></u>	<u><u>\$(356,207)</u></u>	<u><u>\$ 756</u></u>	<u><u>\$ 356,621</u></u>

