

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Audited Financial Report
Year Ended December 31, 2024

ADRIAN WEBB, CPA

Certified Public Accountant

Hidalgo County Emergency Services District No. 3
Audited Financial Report
For Year Ended December 31, 2024

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INTRODUCTORY SECTION

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT No. 3

For the Year Ended December 31, 2024

List of Principal Officers

Board of Directors

Luis Flores III	President
Travis C. Richards	Treasurer
Gail Cappadona	Member
Antonio Trevino, Jr.	Member
Ramiro Rodriguez	Member

FINANCIAL SECTION

ADRIAN WEBB

Certified Public Accountant

Edinburg, Texas

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hidalgo County Emergency Services District No. 3

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hidalgo County Emergency Services District No. 3 as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Hidalgo County Emergency Services District No. 3'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, each major fund, and the aggregate remaining fund information of the Hidalgo County Emergency Services District No. 3 as of December 31, 2024, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hidalgo County Emergency Services District No. 3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hidalgo County Emergency Services District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hidalgo County Emergency Services District No. 3's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hidalgo County Emergency Services District No. 3'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 and budgetary comparison information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2025, on our consideration of the Hidalgo County Emergency Services District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hidalgo County Emergency Services District No. 3's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hidalgo County Emergency Services District No. 3's internal control over financial reporting and compliance.

Adrian Webb, CPA

Adrian Webb, CPA
Certified Public Accountant
Edinburg, Texas
July 23, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

**HIDALGO COUNTY EMERGENCY SERVICES DISTRICT No. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

This section of Hidalgo County Emergency Services District No. 3 annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2024. Please read in conjunction with the District's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- The District's net position was \$4,613,914 as of December 31, 2024.
- During the year, the District's expenses were \$185,178 and \$666,595 was generated in assessments and other revenues for governmental activities resulting in a change in net position of \$481,417.
- The general fund reported a fund balance this year of \$4,222,182.

OVERVIEW FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements must include both government-wide and fund financial statements. Governments must also present a Management's Discussion and Analysis, Notes to the Financial Statements, and Required Supplementary Information. GASB Statement No. 34 provides that for special-purpose governments engaged in a single government program, the fund financial statements and the government-wide statements may be combined. The District has elected to present financial statements under this combined method.

Using this method, governments will present financial statements that begin with *governmental fund financial statements*, with columns for major funds (usually only a general fund). The next column is an adjustments column. It reconciles the amounts reported on the accrual basis of accounting. The final column of these combined statements shows the amounts that normally would appear in the *government-wide statements*.

Combined Financial Statements

Governmental Fund Financial Statements

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Revenues are recognized when they are both measurable and available. Expenditures are recorded when the related fund liability is incurred.

Governmental fund balance sheet presents only current assets and liabilities. Capital assets and long-term liabilities are excluded.

Governmental fund statements of revenues, expenditures, and changes in fund balance report information about the inflows, outflows, and balances of current financial resources.

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all the District's assets and liabilities, with the difference between the two reported as net position.

The *statement of activities* presents information showing how the District's net position changed during the fiscal year. All the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

**HIDALGO COUNTY EMERGENCY SERVICES DISTRICT No. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information as required by the Government Accounting Standards Board.

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 deteriorating. A portion of the District's net position, or \$243,527 is invested in capital assets and is not available for future spending. The remaining portion of the District's net position, or \$4,370,387 is unrestricted in nature and available for future spending.

The District's Net Position

	Governmental Activities		Increase /
	2024	2023	(Decrease)
ASSETS			
Current Assets:			
Cash, Cash Equivalents and Investments	\$ 4,001,700	\$3,441,484	\$ 560,216
Property Taxes Receivable (net)	331,998	396,246	(64,248)
Receivables	33,285	30,558	2,727
Prepaid Insurance	2,459	1,901	558
Total Current Assets	4,369,441	3,870,188	499,253
Noncurrent Assets			
Accrued Interest	12,932	12,072	860
Capital Assets (net)	243,527	268,978	(25,451)
Total Assets	4,625,900	4,151,238	474,662
LIABILITIES			
Current Liabilities			
Accounts Payable	11,986	18,740	(6,754)
Total Liabilities	11,986	18,740	(6,754)
NET POSITION			
Net Invested in Capital Assets	243,527	268,978	(25,451)
Unrestricted	4,370,387	3,863,519	506,868
Total Net Position	4,613,914	4,132,497	481,417
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,625,900	\$ 4,151,238	\$ 474,662

**HIDALGO COUNTY EMERGENCY SERVICES DISTRICT No. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Change in Net Position		
	Governmental Activities		Increase /
	2024	2023	(Decrease)
General Revenues:			
Revenues			
Property Tax Revenue	\$ 523,630	\$ 517,515	\$ 6,115
Penalties and Interest	20,005	20,041	(36)
Interest Revenue	122,959	59,055	63,904
Total General Revenues	<u>666,595</u>	<u>596,611</u>	<u>69,984</u>
Expenses			
Emergency Services	<u>185,178</u>	<u>188,722</u>	<u>(3,544)</u>
Total Expenses	<u>185,178</u>	<u>188,722</u>	<u>(3,544)</u>
 Net Change in Net Position	 481,417	 407,888	 73,528
Beginning Net Position	<u>4,132,497</u>	<u>3,724,609</u>	<u>407,889</u>
Ending Net Position	<u>\$ 4,613,914</u>	<u>\$ 4,132,497</u>	<u>\$ 481,417</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of December 31, 2024, the District's governmental funds reported a total fund balance of \$4,222,182. During the year, the fund balance of the District's governmental funds increased by \$515,262.

General Fund Budget

- Expenditures were budgeted on September 15, 2023, for the year 2024 at \$170,216. Actual expenditures for the year were \$159,726, which creates a positive variance of \$10,490.
- Revenues were budgeted on September 15, 2023, for the year 2024 at \$656,991. Actual revenues for the year were \$674,988, which creates a positive variance of \$17,997.
- Overall revenues over expenditures were \$515,262, which in comparison with budgeted revenues over expenditures of \$170,216, created a positive variance of \$28,487.

**HIDALGO COUNTY EMERGENCY SERVICES DISTRICT No. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2024, totaled \$243,527 (net of accumulated depreciation). No capital purchases were made during the year. Decrease was due to yearly depreciation expense made during the year.

Capital Assets

	Primary Government		
	2024	2023	Increase / (Decrease)
Capital Assets			
Medical Equipment and Fire Truck	\$ 850,589	\$ 850,589	\$ -
Total Capital Assets	850,589	850,589	-
Accumulated Depreciation			
Less Accumulated Depreciation	(607,062)	(581,610)	(25,452)
Capital Asset, Net	<u>\$ 243,527</u>	<u>\$ 268,978</u>	<u>\$ (25,452)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The District's 2025 Proposed Budget calls for revenues of \$666,282, and total expenditures of \$219,150, resulting in a net change in fund balance of an increase of \$447,132, which is a \$8,091 increase compared to 2024.
- General operating fund spending budget for 2024 was prepared based on history of actual definite revenues and essential expenses to operate.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances. If you have questions about this report or need any additional information, contact the District's business office at P.O. Box 3489 220C South 12th Street, Edinburg, Texas 78539.

BASIC FINANCIAL STATEMENTS

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Statement of Net Position and Governmental Funds Balance Sheet
As of December 31, 2024

	General Fund	Total	Adjustments	Statement of Net Position
ASSETS				
Current Assets:				
Cash and Equivalents	\$ 1,049,382	\$ 1,049,382	\$ -	\$ 1,049,382
Investments	2,952,318	2,952,318	-	2,952,318
Property Taxes, Net	331,998	331,998	-	331,998
Due From Others	33,285	33,285	-	33,285
Prepaid Insurance	2,459	2,459	-	2,459
Total Current Assets	<u>4,369,441</u>	<u>4,369,441</u>	<u>-</u>	<u>4,369,441</u>
Noncurrent Assets				
Accrued Interest	-	-	12,932	12,932
Capital Assets, Net	-	-	243,527	243,527
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>256,459</u>	<u>256,459</u>
TOTAL ASSETS	<u>4,369,441</u>	<u>4,369,441</u>	<u>256,459</u>	<u>4,625,900</u>
LIABILITIES				
Accounts Payable	\$ 11,986	\$ 11,986	\$ -	\$ 11,986
<i>Total Liabilities</i>	<u>11,986</u>	<u>11,986</u>	<u>-</u>	<u>11,986</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenues	135,273	135,273	(135,273)	-
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>147,259</u>	<u>147,259</u>	<u>(135,273)</u>	<u>11,986</u>
FUND BALANCES				
Unassigned	4,222,182	4,222,182	(4,222,182)	-
TOTAL FUND BALANCES	<u>4,222,182</u>	<u>4,222,182</u>	<u>(4,222,182)</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets			243,527	243,527
Unrestricted			4,370,387	4,370,387
TOTAL NET POSITION			<u>4,613,914</u>	<u>4,613,914</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 4,369,441</u></u>	<u><u>\$ 4,369,441</u></u>		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				<u><u>\$ 4,625,900</u></u>

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
For the Year Ended December 31, 2024

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

Total Fund Balance - Governmental Funds - Balance Sheet	\$ 4,222,182
Capital assets are expensed as capital outlay in the governmental fund statement. However, they are capitalized as capital assets and reflected in the Statement of Net Position.	243,527
Property taxes will not be collected for several months after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds and are considered deferred in the funds, but recognized in the statement of Net Position.	135,273
Interest on investments is not accrued in the governmental funds, but it is recognized as an expenditure at the government-wide level.	12,932
Total Net Position - Governmental Activities	<u>\$ 4,613,914</u>

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2024

	General Fund	Total	Adjustments	Statement of Net Position
REVENUE				
Property Tax Revenue	\$ 547,721	\$ 547,721	\$ (24,091)	\$ 523,630
Property Taxes - Penalties and Interest	17,240	17,240	2,765	20,005
Interest Revenue	110,028	110,028	12,932	122,959
TOTAL REVENUES	<u>674,988</u>	<u>674,988</u>	<u>(8,394)</u>	<u>666,595</u>
EXPENDITURES				
Emergency Services				
Advertising	778	778	-	778
Ambulance Service	116,000	116,000	-	116,000
Annual Assessment	5,957	5,957	-	5,957
Attorney Fees	24,668	24,668	-	24,668
Bank Service Charges	39	39	-	39
Emergency Services Retirement	6,084	6,084	-	6,084
Insurance	1,901	1,901	-	1,901
Professional Fees	4,300	4,300	-	4,300
Depreciation Expense	-	-	25,452	25,452
TOTAL EXPENDITURES	<u>159,726</u>	<u>159,726</u>	<u>25,452</u>	<u>185,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>515,262</u>	<u>515,262</u>	<u>(515,262)</u>	<u>-</u>
CHANGE IN NET POSITION	515,262	515,262	481,417	481,417
FUND BALANCES/NET POSITION - As of January 1, 2024	3,706,920	3,706,920	425,577	4,132,497
FUND BALANCES/NET POSITION - As of December 31, 2024	<u>\$ 4,222,182</u>	<u>\$ 4,222,182</u>		<u>\$ 4,613,914</u>

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Year Ended December 31, 2024

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

Total Net Change in Fund Balances - Governmental Funds	\$ 515,262
Depreciation expense reflected in the entity wide statements, is not reflected in governmental fund statements	(25,452)
The amount of current property tax levy that has been recorded as revenue during the period and is expected to be collected within about 60 days after year-end should be included as revenue for the current period.	(21,325)
Interest on investments in not accrued in the governmental funds, but it is recognized as an expenditure at the government-wide level.	12,932
Change in Net Position - Governmental Activities	<u>\$ 481,417</u>

NOTES TO THE FINANCIAL STATEMENTS

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

This summary of significant accounting policies of Hidalgo County Emergency Services District No. 3 (The District) is presented to assist the reader in understanding the District's financial statements. The financial statements and notes are representations of the District's management.

The District was created and organized as provided by Article III, Section 48-d, of the Texas Constitution to protect life and property from fire and to conserve natural and human resources. The District is a political subdivision of the state. A five-member fire commissioners board governs operations of the District. Members of the board are appointed by the Hidalgo County Commissioner's Court.

The accounting and reporting policies of the District relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to the state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units by the Financial Accounting Standards Board (FASB), when applicable.

Financial Reporting Entity

The District's financial reporting entity comprises the following:

Primary Government: Hidalgo County Emergency Services District No. 3

The District's basic financial statements include the accounts of all the District's operations. The criteria for including organizations as component units with a governmental reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental and Financial Reporting Standards, include whether:

- The Organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization.
- The District appoints a voting majority of the organization's board.
- The District is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District.

Based on these criteria, the District is a component unit of Hidalgo County, Texas.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide and Fund Financial Statements

GASB Statement No. 34 provides that for special-purpose governments engaged in a single government program, the fund financial statements and the government-wide statements may be combined. The District had elected to present financial statements using this combination method.

The government-wide financial statements include the statement of the net position and the statement of activities. These statements report information on all the non-fiduciary financial information for the District. Eliminations have been made to minimize the double-counting of internal activities. Individual funds are not displayed, but the statements highlight governmental activities (generally supported by taxes and the District general revenue). The effect of interfund activity has been removed from these statements.

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

Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide statements are reported using the economic resources measurements 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. Revenues from taxing entities for budget assessments are recognized in the fiscal year for which the assessments apply.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related liability is incurred, as under accrual accounting. Debt service expenditures, both principal and interest, are recorded only when payment is due.

The District has the following funds:

Governmental fund:

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another funds.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

When the expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the District's policy to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the District that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections* – This statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The effects of GASB Statement No. 100 had no effect on the District's financial statements as of December 31, 2024.

GASB Statement No. 101, *Compensated Absences* – The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The effects of GASB Statement No. 101 had no effect on the District's financial statements as of December 31, 2024.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 102, *Certain Risk Disclosures* – ("GASB 102"), The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB Statement No.102 will be implemented by the District in the fiscal year ending December 31, 2025, and the impact has not yet been determined.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

1. Cash and Investments

The District considers cash and cash equivalents any account maturing within ninety days for financial statement reporting purposes. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period. The District considers property taxes as available if collected within 60 days after year end.

Taxable property includes real property and certain personal property situated in the District. Certain properties of religious, educational and charitable organizations, including the federal government and the State of Texas, are exempt from taxation. Additionally, there are other exemptions as noted below in arriving at the total assessed valuation of taxable property. The valuations are subject to county-wide revaluation every five years. The effective rate is based upon the previous year's total assessed valuation.

Allowances for uncollectible tax receivables within the General and Debt Service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and included as part of the allowance for uncollectible; except for tax receivables over 20 years, the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The District does not write-off tax receivable greater than 20 years.

3. Transactions between funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the Governmental funds.

4. Capital Assets

Capital assets include property, plant, and equipment, are reported in the applicable governmental activities' column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are capital assets valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 Years
Infrastructure	15-40 Years
Improvements	15-20 Years
Machinery and Equipment	7-15 Years

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Long-Term Obligations

In the government-wide, proprietary, and component unit financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance cost are deferred and amortized over the life of the bonds using the straight-line method as the amount is immaterial against the effective interest method. Unamortized bond premium and discount, issuance cost and gain or loss on refunding are not netted against the liability but recorded in the asset portion of the financial statements. In the fund financial statements, long-term liabilities are not recorded in the governmental funds as the payment of the obligations will not be made by current financial resources. The governmental fund financial statements recognize the proceeds of debt as other financing resources. As of the end of the fiscal year there are no outstanding long-term obligations.

6. Compensated Absences

Vested or accumulated vacation leave is recorded as expenses and liabilities of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Given that the District does not have any employees, there are no compensated absences reported as of December 31, 2024.

7. Net Position/Fund Equity

In the government-wide financial statements, net position is classified as Invested in Capital Assets-Net of Related Debt, Restricted Net Position, or Unrestricted Net Position. The three categories are described below:

- Invested in Capital Assets-Net of Related Debt: This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.
- Restricted Net Position: This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position: This category represents the net position of the District which is not restricted for any project or any other purpose.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The District adopted GASB 54 as part of its fiscal year end December 31, 2011. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances which are non-spendable and spendable.

- *Non-spendable* — Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted* — Amounts that can be spent only for specific purposes because of the District Charter, the District Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- *Committed* — Amounts that can be used only for specific purposes determined by a formal action by Board Members ordinance or resolution.
- *Assigned* — Amounts that are designated by the President of the Board for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board Members.
- *Unassigned* — All amounts not included in other spendable classifications.

8. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management. An estimate is used for the allowance for uncollectible Taxes, which is calculated by management in accordance with policy and is based on prior year's results of collectability.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Basis of Accounting

The District prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the District's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual – General fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are stated in the statement and schedules associated with the analysis of actual results to the budgeted expectations.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None	Not Applicable

Committed Fund Balance/Restricted Net Position

This year, the District’s Board of Directors committed the fund balance towards the following projects:

None.

NOTE 3 – DETAILED NOTES ON FUNDS

A. Tax Levy

In 2003, the voters of the District approved the levy and collection of a tax not to exceed \$0.03 per \$100 of assessed valuation of taxable property within the District. During the year ended December 31, 2024, the District levied an ad valorem tax at the rate of \$.0074 per \$100 of assessed valuation, which resulted in a tax levy of \$523,630, on the adjusted taxable valuation of \$7,073,089,557 for the 2024 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied by October 1, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

B. Deposits

District’s funds are required to be deposited and invested under the terms of a depository contract and investment policy pursuant to state statute. The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public Funds of the Government Code 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 dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

As of December 31, 2024, the bank balance amount of the District’s deposits was \$1,058,489. The District has one depository account which is with Lone Star National Bank.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 3 – DETAILED NOTES ON FUNDS – CONTINUED

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk. As of December 31, 2024, the District’s actual bank balance of \$1,058,489 was not exposed to custodial credit risk and was fully insured or collateralized by Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 and with pledged securities.

C. Investments

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

The Public Funds Investment Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purposes financial statements disclosed that in the areas of investment practices management reports and establish appropriate policies. The District has adopted, implemented and publicized an investment policy as of December 31, 2024.

The District has certificate of deposit investments as of December 31, 2024, with Lone Star National Bank in the amount of \$2,952,318. The funds are available without penalty at their maturity date, August 21, 2025. They are not considered as cash equivalents because they have maturities of 3 months or more as of the end of year.

Lone Star National Bank fully secures the District’s deposits and investments with pledged securities and FDIC Insurance. The depository account and the certificates of deposit totaled at year end were fully collateralized. The District’s analysis of Specific Deposit and Investment Risks is shown as follows:

Account Type	Carrying Amount	Bank Balance
Checking Account	1,049,382	1,058,489
Total	<u>\$ 1,049,382</u>	<u>\$ 1,058,489</u>

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 3 – DETAILED NOTES ON FUNDS – CONTINUED

Interest Rate Risk

This is the risk that changes in interest rate will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk. By limiting the exposure of its investments, the District reduces its risk to the rising or decreasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

Custodial Credit Risk

Deposits and investments are exposed to custodial credit risk if they are not covered by the depository insurance and the deposits and investments are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District money was not exposed to custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was exposed to concentration of credit risk, but highly collateralized. The District was in compliance with its diversification investment guidelines.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investments as of December 31, 2024, consisted of the following certificates of deposit:

	Maturity Date	Balance as of January 1, 2024	Increases	Decreases	Balance as of December 31, 2024
LSNB CD #45228201	August 21, 2025	2,835,288	117,030	-	2,952,318
Total Investments		2,835,288	117,030	-	2,952,318

D. Tax Receivables

Receivables for the District as of December 31, 2024, were as follows:

General Fund	Receivables	Allowance for Uncollectibles	Total (Net)
Property Taxes	\$ 349,472	\$ (17,474)	\$ 331,998
	\$ 349,472	\$ (17,474)	\$ 331,998

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3**Notes to Financial Statements****December 31, 2024****NOTE 3 – DETAILED NOTES ON FUNDS - CONTINUED****E. Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

Government Activities	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024
Capital Assets Being Depreciated				
Equipment	\$ 26,001	\$ -	\$ -	\$ 26,001
Safety Equipment	73,624	-	-	73,624
Safety Vehicles	750,964	-	-	750,964
Total Capital Assets	850,589	-	-	850,589
Less Accumulated Depreciation				
Equipment	(25,117)	(884)	-	(26,001)
Safety Equipment	(73,624)	-	-	(73,624)
Safety Vehicles	(482,869)	(24,568)	-	(507,437)
Total Accumulated Depreciation	(581,610)	(25,452)	-	(607,062)
Governmental Activities Capital Assets, net	\$ 268,978	\$ (25,452)	\$ -	\$ 243,527

Depreciation expense was \$25,452 for the year ended December 31, 2024.

F. Deferred Inflow of Resources

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the year, the deferred inflows of resources reported in the fund financial statements were as follows:

Description	General Fund	Total
Property Taxes	\$ 135,273	\$ 135,273
Total Deferred Inflows of Resources	\$ 135,273	\$ 135,273

G. Accounts Payable

Accounts payable as of December 31, 2024, consisted of the following:

Description	Amount
Attorney Fees	
Franciso Prado	\$ 2,493
Linebarger Goggan Blair & Sampson, LLP	1,494
Ambulance Service	
Med-Care EMS, Inc.	8,000
Total Accounts Payable	\$ 11,986

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 3 – DETAILED NOTES ON FUNDS - CONTINUED

H. Litigation

There is no known litigation pending against the District as the date of the report. The management of the District is unaware of any pending or threatened litigation, assessments, or unasserted claims against the District.

I. Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (FASB ASC825-10) required disclosure of the fair value information about financial instruments, whether or not recognized in the balance sheet. In case where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

In this regard, the derived fair value estimates cannot be sustained by comparison to independent markets and cases could not be realized in immediate settlement of the instruments. Certain financial instruments and all non-financial instruments are excluded from these disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the District.

The following methods and assumptions were used by the District in estimating its fair value disclosure for financial instruments:

Cash and Cash Equivalents: The carrying amount reported on the balance sheet for cash and cash equivalents is the fair value.

Time Deposits: Fair values of certificates of deposit are at cost plus accrued interest.

Accounts Receivable: The carrying amount approximates fair value because of the short maturity of these instruments.

Payable and Accruals: The carrying amounts approximate fair value because of the short maturity period.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Notes to Financial Statements

December 31, 2024

NOTE 3 – DETAILED NOTES ON FUNDS – CONTINUED

The District's financial instruments as of December 31, 2024, are summarized as follows:

Financial Assets:	Carrying Amount	Fair Value
Cash and Cash Equivalents	\$ 1,049,382	\$ 1,049,382
Time Deposits (Level 2)	2,952,318	2,952,318
Accounts Receivable	331,998	331,998
Financial Liabilities:		
Payable and Accruals	\$ 11,986	\$ 11,986

J. Risk Management

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; and errors and omissions, for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three years.

K. Commitments and Contingencies

For the year ended December 31, 2024, the District had an on-going commitment with Med Care EMS to provide ambulance services for the general public in the District's area. The District engaged with Med Care EMS for on call 9-1-1 emergency medical services with mobile intensive care ambulance services. Med Care EMS agrees to obtain all necessary licenses, permits and approvals required to provide emergency medical services in the area. The parties agreed the District will not be responsible or liable for, but is also not prohibited from operating, repairing and insuring any facilities.

The initial contract was for a period of 3 years, starting on April 28, 2021. The contract could be cancelled by either party with 30 days written notice without cause. In April 2024, the District's board approved a 6-month extension of the contract to allow for further consideration or negotiation of a new contract.

L. Subsequent Events

For the purposes of reporting subsequent events, management has considered events occurring up to July 23, 2025, the date the report was available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards, but not considered a part of the basic financial statements.

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT NO. 3

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual General Fund

For the Year Ended December 31, 2024

	Original Budget	Amended Budget	Budgetary Basis Actual	Variances Favorable (Unfavorable)
REVENUES				
Property Tax Revenue	\$ 516,991	\$ 516,991	\$ 547,721	\$ 30,730
Property Taxes - Penalties and Interest	-	-	17,240	17,240
Interest Revenue	140,000	140,000	110,028	(29,972)
TOTAL REVENUES	<u>\$ 656,991</u>	<u>\$ 656,991</u>	<u>\$ 674,988</u>	<u>\$ 17,997</u>
EXPENDITURES				
Advertising	750	2,500	778	1,722
Ambulance Service	116,000	116,000	116,000	-
Annual Assessment	5,200	5,957	5,957	-
Attorney Fees	30,000	26,500	24,668	1,832
Emergency Services Retirement	7,500	7,500	6,084	1,416
Insurance	2,000	2,459	1,901	558
Equipment	50,000	-	-	-
Professional Fees	6,500	9,300	4,339	4,961
TOTAL EXPENDITURES	<u>217,950</u>	<u>170,216</u>	<u>159,726</u>	<u>10,490</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>439,041</u>	<u>486,775</u>	<u>515,262</u>	<u>28,487</u>
NET CHANGE IN FUND BALANCE	<u>439,041</u>	<u>486,775</u>	<u>515,262</u>	<u>28,487</u>
Fund Balance at Beginning of Period	3,706,920	3,706,920	3,706,920	-
Fund Balance at End of Period	<u>\$ 4,145,961</u>	<u>\$ 4,193,695</u>	<u>\$ 4,222,182</u>	<u>\$ 28,487</u>

INTERNAL CONTROL/COMPLIANCE SECTION

ADRIAN WEBB, CPA

Certified Public Accountant
Edinburg, Texas

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Hidalgo County Emergency Services District No. 3

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hidalgo County Emergency Services District No. 3 ("the District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Hidalgo County Emergency Services District No. 3's basic financial statements and have issued our report thereon dated July 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hidalgo County Emergency Services District No. 3's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hidalgo County Emergency Services District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hidalgo County Emergency Services District No. 3's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adrian Webb, CPA

ADRIAN WEBB, CPA

Edinburg, Texas

July 23, 2025

HIDALGO COUNTY EMERGENCY SERVICES DISTRICT No. 3
Schedule of Findings and Responses
For Year Ended December 31, 2024

A. Summary of Auditor's Results

1. Financial Statements

Type of Report Issued:

UNMODIFIED

Internal Control over financial reporting:

One or more material weaknesses identified?

NO

One or more significant deficiencies identified
that are not considered to be material weaknesses?

NO

B. Financial Statement Findings:

None

C. Prior Year Findings

None