

Agenda Item Request Form

BURNET COUNTY COMMISSIONER'S COURT

Meetings – 9:00am – 2nd and 4th Tuesday of Every Month

**NO ITEM WILL BE ON AN AGENDA
WITHOUT PRIOR APPROVAL BY A MEMBER OF COMMISSIONER'S COURT**

All **Contracts** must be approved by County Auditor's
And County Attorney's office prior to being on the Agenda

Agenda items and supporting documents are due to Court Coordinator's Office (Rm. 201) no later than noon on Thursday prior to the meeting date requested.

Ph: 512-715-5276 Fax: 512-715-5217 email: comcrt@burnetcountytexas.org

Presenters are to limit presentation time to no more than 5 minutes.

Today's Date: 02/26/2025

Requested by: Comm. Dockery

AGENDA ITEM(S):

ACKNOWLEDGMENT OF RECEIPT OF ESD # 1 FINANCIAL STATEMENT FOR YEAR END SEPTEMBER 2024
ACKNOWLEDGMENT OF RECEIPT OF ESD #9 FINANCIAL STATEMENT FOR SPICEWOOD FIRE AND RESCUE YEAR END SEPTEMBER 2024

Meeting Date Requested: (required) 03/11/2025

Agenda Item Approved by: (required)

Commissioner Pct. 1 Luther
Commissioner Pct. 3 Collier

Commissioner Pct. 2 Beierle
Commissioner Pct. 4 Dockery



See Don

**BURNET COUNTY EMERGENCY
SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE**

Financial Statements

**For the Year Ended
September 30, 2024**

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
September 30, 2024**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION**

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024**

As management of Burnet County Emergency Services District No. 9 – Spicewood Fire Rescue (the District), we are pleased to offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended September 30, 2024. We encourage readers to consider it in conjunction with the additional information presented in the accompanying basic financial statements and the notes to the financial statements.

Financial Statements

- The net position of the District increased by \$717,782 as a result of the current year's operations. Net position at year end consisted of invested in capital assets, net of related debt, of \$1,357,966 and unrestricted net position of \$3,178,914 for total net position of \$4,536,880.
- Total revenues from all sources were \$2,501,665 which represents an increase of \$308,234 over the prior year. This is due to an increase in property tax collections and interest income.
- Total costs of all programs were \$1,783,883 which represents an increase of \$252,512. This is due primarily to increases in depreciation expense and payroll costs.
- As of September 30, 2024, the District's governmental fund reported an ending fund balance of \$3,178,914 an increase of \$666,583.

Using this Annual Report

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the District as a whole.
2. Fund financial statements provide detailed information for the District's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. The other information includes this management's discussion and analysis as well as the budgetary comparison schedule.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities of the District. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information on how the District's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Both the Statement of Net Position and the Statement of Activities present information for the following:

Governmental activities—This includes all of the District's emergency protection services which will be primarily supported with property tax and sales tax revenues.

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2024**

The government-wide financial statements begin on page 8. The following is a summary of net position as of September 30, 2024:

**Table 1
Net Position**

	<u>Governmental Activities</u>	
	<u>9/30/2024</u>	<u>9/30/2023</u>
Current assets and other assets	\$ 3,189,485	\$ 2,520,401
Capital assets, net	<u>2,408,986</u>	<u>2,585,020</u>
Total assets	<u>5,598,471</u>	<u>5,105,421</u>
Current liabilities	10,571	8,070
Other liabilities	<u>1,051,020</u>	<u>1,278,253</u>
Total liabilities	<u>1,061,591</u>	<u>1,286,323</u>
Net position:		
Invested in capital assets, net of related debt	1,357,966	1,306,767
Unrestricted	<u>3,178,914</u>	<u>2,512,331</u>
Total net position	<u>\$ 4,536,880</u>	<u>\$ 3,819,098</u>

The following table is a summary of changes in net position:

**Table 2
Changes in Net Assets**

	<u>Governmental Activities</u>	
	<u>9/30/2024</u>	<u>9/30/2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 15,341	\$ 35,436
Operating grants and contributions	4,737	7,190
Capital grants and contributions	-	-
General revenues:		
Property taxes	1,274,884	1,059,513
Sales taxes	1,007,889	990,016
Interest income	154,614	101,276
Gain (loss) on disposition of assets	<u>44,200</u>	<u>-</u>
Total revenues	<u>2,501,665</u>	<u>2,193,431</u>
Expenses:		
General government	124,339	115,033
Public safety	<u>1,659,544</u>	<u>1,416,338</u>
Total expenses	<u>1,783,883</u>	<u>1,531,371</u>
Change in net position	717,782	662,060
Net position - October 1	<u>3,819,098</u>	<u>3,157,038</u>
Net position - September 30	<u>\$ 4,536,880</u>	<u>\$ 3,819,098</u>

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2024**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the District's significant funds - not the District as a whole. The District's funds fall into one category - governmental fund.

The focus of the District's *governmental fund* 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, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The *governmental fund statements* provide a detailed short-term view of the government operations and the basic services it provided and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the District's short-term financing requirements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to the government-wide financial statements.

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. The notes to the financial statements can be found on pages 13 through 20 of this report.

General Fund Budgetary Highlights

The District adopts an annual budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget. The governmental fund financial statements begin on page 10, and the budgetary comparison schedule is on page 22.

The District amended the budget during the fiscal year increasing some line items and decreasing others. However, overall budget expenditures did not change. Actual expenditures on a budgetary basis were 15 percent below budgeted expenditures due to decreased contingency and supplies expenses. The District's overall actual revenues were 16 percent more than budgeted due to unanticipated sales tax collections and interest income.

Capital Assets

The District's investment in capital assets for its governmental activities as of September 30, 2024, amounts to \$2,408,986 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, machinery, equipment, and vehicles.

**Capital Assets
Government Activities
(net of depreciation)**

	9/30/2024	9/30//2023
EMS Building	\$ 476,349	\$ 491,062
Fire Department Building	948,883	980,366
Furniture and Fixtures	3,538	4,778
Machinery and Equipment	104,080	76,558
Vehicle and Equipment	828,636	984,756
Land	47,500	47,500
Total	<u>\$ 2,408,986</u>	<u>\$ 2,585,020</u>

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2024**

During the fiscal year ended September 30, 2024, the District purchased various equipment for a total of \$49,876 and disposed of old unused assets with a remaining cost basis of zero.

Additional information on the District's capital assets can be found in Note 4 on page 18 of this report.

Debt Administration

As of September 30, 2024, the District was obligated on the following debt:

Outstanding Debt at Year End

	9/30/2024	9/30/2023
	<u>Total</u>	<u>Total</u>
Notes Payable	\$ 1,051,020	\$ 1,278,253
Total	<u>\$ 1,051,020</u>	<u>\$ 1,278,253</u>

During the year, the District assumed no new loans. The District incurred \$40,023 of interest expense for the year ended September 30, 2024, which has been charged to public safety expenses.

Additional information on the District's non-current liabilities can be found in Note 5 beginning on page 19 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's tax revenues are expected to continue to grow with the steady population growth, increased property values, and sales tax collections. These additional funds will be used to fund emergency fire services and emergency medical services as provided by Marble Falls Area EMS, as well as continued funding of the District's operations, reserves, and capital investments.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives from the citizens of Burnet County Emergency Services District No. 9 – Spicewood Fire Rescue. If you have any questions about this report or need further information, contact Burnet County Emergency Services District No. 9 – Spicewood Fire Rescue, P.O. Box 2, Spicewood, TX 78669.

INDEPENDENT AUDITORS' REPORT

To The Commissioners
Burnet County Emergency Services District No. 9
Spicewood Fire Rescue

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Burnet County Emergency Services District No. 9 - Spicewood Fire Rescue, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Burnet County Emergency Services District No. 9 - Spicewood Fire Rescue'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 each major fund of Burnet County Emergency Services District No. 9 - Spicewood Fire Rescue, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Burnet County Emergency Services District No. 9 - Spicewood Fire Rescue 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 Burnet County Emergency Services District No. 9 - Spicewood Fire Rescue'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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Burnet County Emergency Services District No. 9 – Spicewood Fire Rescue’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 Burnet County Emergency Services District No. 9 – Spicewood Fire Rescue’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.

Oliver, Rainey & Wojtek, LLP

Oliver, Rainey & Wojtek, LLP
February 15, 2025

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
STATEMENT OF NET POSITION
As of September 30, 2024

	<u>Primary Government</u>	
	<u>Governmental</u>	
	<u>Activities</u>	<u>Total</u>
Assets		
Deposits and investments	\$ 2,997,009	\$ 2,997,009
Taxes receivable	192,476	192,476
Capital assets, net	<u>2,408,986</u>	<u>2,408,986</u>
Total Assets	<u>5,598,471</u>	<u>5,598,471</u>
Liabilities		
Accounts payable	10,571	10,571
Non-current liabilities:		
Due within one year	233,283	233,283
Due in more than one year	<u>817,737</u>	<u>817,737</u>
Total Liabilities	<u>1,061,591</u>	<u>1,061,591</u>
Net Position		
Invested in capital assets, net of related debt	1,357,966	1,357,966
Unrestricted assets	<u>3,178,914</u>	<u>3,178,914</u>
Total Net Position	<u>\$ 4,536,880</u>	<u>\$ 4,536,880</u>

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

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Program Revenues					Net (Expense) Revenue and Change in Net Assets	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 124,339	\$ -	\$ -	\$ -	\$ (124,339)	\$ (124,339)
Public safety - Fire	1,044,577	15,341	4,737	-	(1,024,499)	(1,024,499)
Public safety - EMS	614,967	-	-	-	(614,967)	(614,967)
Total net (expense) revenue for governmental activities and the primary government	<u>\$1,783,883</u>	<u>\$ 15,341</u>	<u>\$ 4,737</u>	<u>\$ -</u>	<u>(1,763,805)</u>	<u>(1,763,805)</u>
General Revenues:						
Taxes						
Property taxes					1,274,884	1,274,884
Sales taxes					1,007,889	1,007,889
Gain/Loss on disposition					44,200	44,200
Interest income					154,614	154,614
Total general revenues					<u>2,481,587</u>	<u>2,481,587</u>
Change in net assets					717,782	717,782
Net position, Beginning of Year					<u>3,819,098</u>	<u>3,819,098</u>
Net position, End of Year					<u>\$ 4,536,880</u>	<u>\$ 4,536,880</u>

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

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
BALANCE SHEET – GOVERNMENTAL FUND
As of September 30, 2024

	General Fund	Total Governmental Funds
Assets		
Deposits & investments	\$ 2,997,009	\$ 2,997,009
Taxes receivables	228,942	228,942
Total Assets	<u>3,225,951</u>	<u>3,225,951</u>
Liabilities		
Accounts payable	10,571	10,571
Total Liabilities	<u>10,571</u>	<u>10,571</u>
Deferred Inflows of Resources		
Unavailable property taxes	36,466	36,466
Total Deferred Inflows of Resources	<u>36,466</u>	<u>36,466</u>
Fund Balance		
Assigned for capital outlay	109,624	109,624
Unassigned	3,069,290	3,069,290
Total Fund Balance	3,178,914	3,178,914
Total Liabilities and Fund Balance	<u>\$ 3,225,951</u>	
Amounts reported for government 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 governmental funds balance sheet. (See Note 4)		2,408,986
Long-term liabilities are not due and payable in the current year and therefore are not reported as liabilities in the governmental funds balance sheet. (See Note 5)		<u>(1,051,020)</u>
Net Position of Governmental Activities		<u>\$ 4,536,880</u>

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

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
For the Year Ended September 30, 2024

	General Fund	Total Governmental Funds
Revenues		
Property taxes	\$ 1,274,884	\$ 1,274,884
Sales taxes	1,007,889	1,007,889
Contributions	4,737	4,737
Interest income	154,614	154,614
Other income	15,341	15,341
Sale of assets	44,200	44,200
Total Revenues	<u>2,501,665</u>	<u>2,501,665</u>
Expenditures		
Contract services	75	75
EMS service	583,000	583,000
Fuel	11,911	11,911
Insurance	108,224	108,224
Legal and professional fees	61,810	61,810
Office and administration	21,550	21,550
Payroll expenses	477,380	477,380
Radio fees	14,057	14,057
Repair and maintenance	102,166	102,166
Supplies	66,263	66,263
Tax appraisal and collection fees	39,176	39,176
Travel and training	14,300	14,300
Utilities	18,037	18,037
Capital outlay	49,877	49,877
Debt payments	267,256	267,256
Total Expenditures	<u>1,835,082</u>	<u>1,835,082</u>
Excess (Deficiencies) of Revenues Over (Under)		
Expenditures and Other (Uses)	666,583	666,583
Fund Balance, Beginning of Year	<u>2,512,331</u>	<u>2,512,331</u>
Fund Balance, End of Year	<u>\$ 3,178,914</u>	<u>\$ 3,178,914</u>

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

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024**

Net Change in Fund Balance - Governmental Funds	\$ 666,583
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Amount 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 as depreciation expense. This amount is the net effect of these differences in the treatment of capital assets and related items. (See Note 4)	(176,034)
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The issuance of long-term debt 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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. (see Note 5)	<u>227,233</u>
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Change in Net Position of Governmental Activities	<u>\$ 717,782</u>
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The accompanying notes are an integral part of the financial statements.

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Burnet County Emergency Services District No. 9 - Spicewood Fire Rescue (the District) was created by an election held on November 5, 2013. The District operates under Article III, Section 48-e of the Texas Constitution and Chapter 775 of the Texas Health and Safety Code and is run by a Board of Commissioners appointed by the Burnet County Commissioners Court. The District's major activities include providing emergency services to the residents of the District.

As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of the District (the primary government) and its component units. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in U.S. generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant indication of this ability is financial interdependency. Other indications of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. The District had no component units for the year ended September 30, 2024.

Government-Wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the District's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position

The Statement of Net Position is designed to display the financial position of the primary government (governmental activities) and its discretely presented component units, if any. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements

In the fund financial statements, financial transactions of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are provided for the governmental fund.

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – Continued

General Fund

The General Fund is the principal fund of the District which accounts for all financial transactions not accounted for in other funds. The District had no other funds for the year ended September 30, 2024.

Fund Balance Classification

In the fund financial statements, governmental funds report the following classifications of fund balance:

- **Nonspendable** - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- **Restricted** - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- **Committed** - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the Board, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through ordinances approved by the District's Board.
- **Assigned** - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- **Unassigned** - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

In the fiscal year 2022, the District amended their minimum fund balance policy. The policy requires the unassigned fund balance for fiscal year ends to be at least equal to 50 percent of the total budget.

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the current reporting model, governments will provide budgetary comparison information in their annual reports. The District is required to present the original budget with the comparison of the final budget and actual results. The budget is adopted by the Board prior to the beginning of the fiscal year. Amendments are made during the year on approval by the Board. The District adopted the current year budget on a line-item basis.

Basis of Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – Continued

Government-Wide and Fund Accounting

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. As of September 30, 2024, the District had no business-type activities.

In the government-wide Statement of Net Position, the governmental activity columns are to be presented on a consolidated basis by column, and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety), which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety). The District does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The District does not allocate indirect expenses.

Amounts reported as 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

In the fund financial statements, financial transactions of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements with the governmental column of the government-wide presentation.

The focus of the reporting model is on the District as a whole and the fund financial statements, including the major individual funds of the governmental categories, and the component units (if any). Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – Continued

The government-wide statement of net position and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net position.

All revenue and expenditure recognition for governmental funds are accounted for using the modified accrual basis of accounting. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The District's revenues are recognized when they become measurable and available as current assets. Available means collectible within the current year or as soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal year. Penalties and interest, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Estimates

The preparation of financial statements in conformity with U.S. 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 expenditures during the reporting year. Actual results could differ from those estimates.

Deposits and Investments

The District's investment guidelines are defined by a written investment policy that is approved by the District's Board. In accordance with this policy, the funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill and caution.

Capital Assets

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements of the District. Depreciation is recorded on general fixed assets on a government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation is computed using the straight-line method.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Estimated useful lives for depreciable assets are as follows:

EMS Building	5 to 40 years
Fire Department Building	5 to 40 years
Furniture and Fixtures	5 years
Machinery and Equipment	5 to 7 years
Vehicle and Equipment	5 to 10 years

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

Note 1 – Summary of Significant Accounting Policies – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 2 – Property Taxes

The District's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real property located in the District. The tax levy for October, 2023 was \$1,277,044.

The tax assessment of October 1, 2023, sets the tax levy at \$0.10 per \$100 of assessed valuation.

Delinquent property taxes estimated to be collectible within the next fiscal year are recognized as revenues. Other delinquent property taxes receivable at year end that are deemed to be ultimately collectible are recorded as deferred revenues.

Note 3 – Deposits and Investments

The District's deposits at September 30, 2024, are comprised of demand deposit of \$133,055. The investments of the District as of September 30, 2024, consisted of \$2,863,954 with the Texas Local Government Investment Pool (TexPool).

At September 30, 2024 all of the District's balances are either insured by the FDIC or are collateralized by registered securities held by the bank's trust department in the District's name.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that, in the event of the failure of the depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's policy requires all deposits to be fully secured in accordance with Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian. At September 30, 2024, all District cash balances were secured.

The public funds investment pool has been created pursuant to the Interlocal Corporation Act of the State of Texas. The District has delegated the authority to hold legal title to TexPool, as custodian, to make investment purchases with the District's funds.

The Comptroller of Public Accounts (the "Comptroller") is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other people who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. There are no maximum transactions amounts and withdrawals from TexPool may be made daily. TexPool uses amortized cost rather than fair value to report net assets share price.

**BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024**

Note 4 – Changes in Capital Assets

Changes in general fixed assets during the year ended September 30, 2024, were as follows:

	Balance October 1, 2023	Increase	Decrease	Balance September 30, 2024
Capital Assets Not Being Depreciated				
Land	\$ 47,500	\$ -	\$ -	\$ 47,500
Other Capital Assets				
EMS Building	595,969	-	-	595,969
Fire Department Building	1,180,032	-	-	1,180,032
Furniture and Fixtures	10,230	-	-	10,230
Machinery and Equipment	600,768	49,876	6,970	643,674
Vehicle and Equipment	1,730,472	-	116,202	1,614,270
Total Other Capital Assets	4,117,471	49,876	123,172	4,044,175
Less accumulated depreciation	(1,579,951)	(225,910)	(123,172)	(1,682,689)
Other Capital Assets, Net	2,537,520	(176,034)	-	2,361,486
Total Capital Assets, Net of Depreciation	\$ 2,585,020	\$ (176,034)	\$ -	\$ 2,408,986

Current year depreciation expense of \$209,957 was charged to fire expense, \$14,713 was charged to EMS expense, and \$1,240 was charged to general government.

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

Note 5 – Changes in Non-current Liabilities.

The following is a summary of non-current liability transactions during the year ended September 30, 2024:

	Balance October 1, 2023	Additions	Payments	Balance September 30, 2024
Notes payable	\$ 1,278,253	\$ -	\$ (227,233)	\$ 1,051,020
Total	<u>\$ 1,278,253</u>	<u>\$ -</u>	<u>\$ (227,233)</u>	<u>\$ 1,051,020</u>

<u>Payee and Terms</u>	<u>Per annum Interest Rate</u>	<u>Principal Balance</u>
Government Capital Corporation, dated September 2022, for a fire truck, payable in annual installments of \$109,194 including interest, the balance due September 2032, secured by tax revenue	3.69%	\$ 744,677
TIB National, dated August 2021, for a building remodel, payable in annual installments of \$158,062 including interest, the balance due February 2026, secured by tax revenue.	2.12%	306,343
Total non-current liabilities		1,051,020
Less current portion		<u>(233,283)</u>
Total Long-Term Debt		<u>\$ 817,737</u>

Annual payments required to amortize all long-term debt outstanding as of September 30, 2024 including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 233,283	\$ 33,973	\$ 267,256
2026	239,510	27,745	267,255
2027	87,857	21,337	109,194
2028	91,099	18,095	109,194
2029	94,460	14,733	109,193
2030 to 2032	<u>304,811</u>	<u>22,767</u>	<u>327,578</u>
	<u>\$ 1,051,020</u>	<u>\$ 138,650</u>	<u>\$ 1,189,670</u>

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2024

Note 6 – EMS Services

For the period November 28, 2017, through September 30, 2023, the District entered into an agreement with Marble Falls Area Emergency Medical Service, Inc to provide emergency services to the residents of Burnet County ESD#9 – Spicewood Fire Rescue. This contract was renewed for the period October 1, 2023, through September 30, 2028. Future payments for services under this contract are not to exceed the following amounts each year.

<u>Year-End</u>	<u>Amount</u>
9/30/2025	600,000
9/30/2026	618,000
9/30/2027	636,000
9/30/2028	655,000
	<u>\$ 2,509,000</u>

Note 7 – Subsequent Events

The District did not have any subsequent events through February 15, 2025, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the fiscal year ended September 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

BURNET COUNTY EMERGENCY SERVICES DISTRICT NO. 9
SPICEWOOD FIRE RESCUE
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2024

	Budget		Actual Amounts	Variance with Final
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,247,841	\$ 1,247,841	\$ 1,274,884	\$ 27,043
Sale taxes	800,000	800,000	1,007,889	207,889
Contributions	-	-	4,737	4,737
Interest income	100,000	100,000	154,614	54,614
Other income	-	-	15,341	15,341
Sale of assets	-	-	44,200	44,200
Total Revenues	2,147,841	2,147,841	2,501,665	353,824
Expenditures				
Contingency	111,192	73,177	-	73,177
Contract services	10,000	10,000	75	9,925
EMS service	583,000	583,000	583,000	-
Fuel	20,000	20,000	11,911	8,089
Insurance	78,517	113,836	108,224	5,612
Legal and professional fees	70,000	68,800	61,810	6,990
Office and administration	34,150	35,350	21,550	13,800
Payroll expenses	491,484	519,105	477,380	41,725
Radio fees	15,000	15,000	14,057	943
Repair and maintenance	105,000	125,000	102,166	22,834
Supplies	184,000	136,379	66,263	70,116
Tax appraisal and collection fees	36,575	39,271	39,176	95
Travel and training	41,000	41,000	14,300	26,700
Utilities	20,200	20,200	18,037	2,163
Capital outlay	225,000	225,000	49,877	175,123
Debt payments	122,723	122,723	267,256	(144,533)
Total Expenditures	2,147,841	2,147,841	1,835,082	312,759
Excess (Deficiencies) of Revenues Over (Under) Expenditures and Other (Uses)	\$ -	\$ -	666,583	\$ 666,583
Fund Balance, Beginning of Year			2,512,330	
Fund Balance, End of Year			\$ 3,178,913	