

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10

AUDITED FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

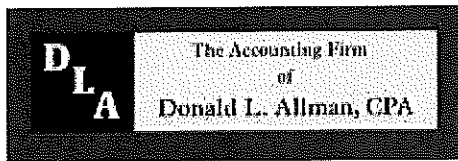
AND INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17- 26
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) General Fund	27
Notes to Required Supplementary Information	29
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	30-31



Independent Auditor's Report

To the Board of Directors
Williamson County Emergency Services District No. 10

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamson County Emergency Services District No. 10 as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamson County ESD No. 10 as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, on pages 3 – 10 and 26 - 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report date, May 29, 2024, on our consideration of the Williamson County ESD # 10'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 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 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 the Williamson County ESD # 10's internal control over financial reporting and compliance


Donald L. Allman, CPA

Georgetown, Texas
May 29, 2024

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Our discussion and analysis of the Williamson County Emergency Services District No. 10's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2023. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

Total net position increased \$82,417 which represents net income for 2023.

The District had \$631,159 in expenses related to governmental activities with \$713,576 in program revenues to cover the cost of these programs. The excess revenues were kept to increase the cash balance and unrestricted net position.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11-12) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 13. These statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins on page 11. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer that question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position, the difference between assets, what the District owns, and liabilities, what the District owes, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's jurisdiction, the availability of capital projects, and continuing local governmental support to assess the overall health of the District.

Reporting the District's Most Significant Funds Major Funds

Fund Financial Statements

-General

Our analysis of the District's major funds begins on page 13. The Fund financial statements begin on page 13 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District only has governmental funds.

Governmental Funds: The District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements, if applicable.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 17-24 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents budget to actual statements and schedules which can be found on pages 26 of this report.

THE DISTRICT AS A WHOLE

The District's total net position changed from a year ago, increasing from \$471,360 to \$567,824. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

Table 1
Net Position

	<u>2023</u>	<u>2022</u>
Cash and Current Assets	\$ 300,439	\$ 269,647
Restricted Cash	121,097	406,354
Property Taxes Receivable	17,359	8,096
Capital Assets	<u>989,125</u>	<u>424,444</u>
Total Assets	<u>\$ 1,428,020</u>	<u>\$ 1,108,541</u>
Current Liabilities	\$ 84,831	\$ 62,938
Long-term Obligations	<u>692,948</u>	<u>477,779</u>
Total Liabilities	<u>\$ 777,779</u>	<u>\$ 540,717</u>
Net Position:		
Net Investment in Capital Assets	\$ 211,346	\$ 208,308
Restricted	121,097	81,773
Unrestricted	<u>317,798</u>	<u>277,743</u>
Total Net Position	<u>\$ 650,241</u>	<u>\$ 567,824</u>

Net position of the District's activities increased 14.5% or \$82,417. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from \$277,743 to \$317,798 by the end of fiscal year 2023.

Table 2 compares the 2023 change in net position to the 2022 change in net position.

Table 2
Changes in Net Position for 2023
Compared with 2022 Activity

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Program Revenues:			
Property Taxes	\$ 642,900	\$ 469,505	\$ 173,395
Wilco Stipend	35,936	36,816	\$ (880)
Other revenue	19,630	17,422	\$ 2,208
Grant income		-	\$ -
Interest Income	<u>15,110</u>	<u>1,413</u>	<u>13,697</u>
Total Revenues	\$ 713,576	\$ 525,156	\$ 188,420
Program Expenses			
General Government	\$ 612,324	\$ 416,447	\$ 195,877
Interest on L/T Debts	<u>18,835</u>	<u>12,245</u>	<u>(6,590)</u>
Total Expenses	\$ 631,159	\$ 428,692	\$ 189,287
Net Position			
Increase / (decrease)	<u>\$ 82,417</u>	<u>\$ 96,464</u>	<u>\$ (14,047)</u>

Table 3 presents the cost of each of the District's programs as well as each program's net cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the District by each of these functions.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Government	\$ 631,159	\$ 428,692	\$ 631,159	\$ 428,692
Interest of L/T Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	\$ 631,159	\$ 428,692	\$ 631,159	\$ 428,692

THE DISTRICT'S FUND'S

Table 4
Changes in Year End Fund Balance

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
General	\$ 317,798	\$ 277,743	14.4%
Debt Service	121,097	81,773	100.0%
Capital Assets	<u>211,346</u>	<u>208,308</u>	<u>1.5%</u>
Total Governmental Balances	<u>\$ 650,241</u>	<u>\$ 567,824</u>	<u>12.7%</u>

The 1.5% increase in Net Investment in Capital Assets balance is due to new assets. Restricted net position increased \$39,324 due to new debt.

The 14.4% increase in the Unrestricted fund balance can be attributed to less expenses and more property tax revenues.

Table 5 presents a summary of governmental fund revenues for the 2023 fiscal year and the amounts and percentages of increases and decreases in relation to the prior year.

Table 5
Total Governmental Fund Revenues

Revenue Source	<u>2023</u>	<u>% of total</u>	<u>Increase or (Decrease) over 2022</u>	<u>Percent Increase (Decrease)</u>
Property Taxes	642,900	95%	173,395	27%
Other income	19,630	3%	2,208	11%
Investment Income	<u>15,110</u>	<u>2%</u>	<u>13,697</u>	<u>91%</u>
Total	<u>\$ 677,640</u>	<u>100.0%</u>	<u>\$ 189,300</u>	<u>27.9%</u>

Table 6 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2023. Table 7 discusses the variance between the final budget and the actual results for the year.

Table 6
Original and Final Budget

	Budgeted Amounts		
	<u>Original</u>	<u>Final</u>	<u>Variance</u>
Revenues:			
Property Taxes	\$ 622,381	\$ 622,381	\$ -
Other income	37,000	37,000	-
Total Revenues:	<u>\$ 659,381</u>	<u>\$ 659,381</u>	<u>\$ -</u>
	Budgeted Amounts		
	<u>Original</u>	<u>Final</u>	<u>Variance</u>
Expenditures:			
Current:			
General Government			
Professional Services	\$ 92,450	\$ 92,450	\$ -
General Administrative	291,020	291,020	-
Reserve	-	-	-
Fire & EMT Services	186,655	186,655	-
Capital Outlay	64,704	64,704	-
Debt Service:	81,797	81,797	-
Total Expenditures:	<u>\$ 716,626</u>	<u>\$ 716,626</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	<u>\$ (57,245)</u>	<u>\$ (57,245)</u>	<u>\$ -</u>

Original versus Final Budget

There were no material differences between original and final budgeted amounts for 2023.

Table 7
Final Budget versus Actual Results
General Fund

	Final Budget	Actual	Variance
Revenues:			
Property Taxes	\$ 622,381	\$ 633,637	\$ 11,256
Other revenue		35,936	\$ 35,936
Interest Earnings	<u>37,000</u>	<u>34,740</u>	<u>(2,260)</u>
Total Revenue:	<u>\$ 659,381</u>	<u>\$ 704,313</u>	<u>\$ 44,932</u>
Expenditures:			
Current:			
General Government	\$ 570,125	\$ 451,561	\$ 118,564
Capital Outlay	64,704	706,609	(641,905)
Debt Service:	<u>81,797</u>	<u>81,773</u>	<u>24</u>
Total Expenditures	<u>\$ 716,626</u>	<u>\$ 1,239,943</u>	<u>\$ (523,317)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	<u>\$ (57,245)</u>	<u>\$ (535,630)</u>	<u>\$ (478,385)</u>

Final Budget versus Actual Results

The variance in **Property Tax** revenues is due to the District increasing its overall property value due to growth and new construction.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District had \$1,579,906 invested in equipment, trucks and computers. The net amount is \$989,125 and represents a \$564,681 net increase over the last year, which is due to additions in equipment and vehicles.

Debt Administration

At fiscal year-end, the District had \$777,779 in notes payable for fire trucks and equipment. A new loan for \$300,000 was entered into in 2023.

ECONOMIC FACTORS

The District operates solely in Williamson County and has since its inception. Almost 97% of the District's revenue comes from property taxes. The District's budgeting process must continue to work as closely as possible with the Williamson County Tax Assessor's office in order to meet the financial obligations of the District.

It is important that the District is able to succeed in carrying out its day-to-day operations and continue to be able to meet its financial obligations as well. The additional apparatus and equipment are vital to providing the best fire protection and EMT services to the citizens of the District.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Treasurer, P.O. Box 102, Coupland TX 78615.

Chad Richter, Treasurer
Williamson County Emergency Services District # 10

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 10
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS:

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	\$ 300,439
RESTRICTED CASH	121,097
PROPERTY TAXES RECEIVABLE	<u>17,359</u>

TOTAL CURRENT ASSETS 438,895

NONCURRENT ASSETS:

CAPITAL ASSETS - BUILDING, EQUIPMENT & TRUCKS \$ 989,125

TOTAL NONCURRENT ASSETS 989,125

TOTAL ASSETS \$ 1,428,020

LIABILITIES:

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$ -
UNEARNED REVENUE	-
CURRENT PORTION OF LONG-TERM DEBT	<u>84,831</u>
TOTAL CURRENT LIABILITIES	<u>84,831</u>

NON CURRENT LIABILITIES: 692,948

TOTAL LIABILITIES \$ 777,779

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	\$ 211,346
RESTRICTED	121,097
UNRESTRICTED	<u>317,798</u>

TOTAL NET POSITION \$ 650,241

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Revenue and Change in Net Position Primary Government Governmental Activities</u>
Governmental Activities:			
General Government	\$ 612,324	\$ 678,836	\$ 66,512
Interest on Long-Term Debt	-	(18,835)	(18,835)
Total Governmental Activities	<u>\$ 612,324</u>	<u>\$ 660,001</u>	<u>\$ 47,677</u>
		General Revenues:	\$ 47,677
		Other Revenues	34,740
		Total General Revenues	82,417
		Change in Net Position	82,417
		Net Position - Beginning	567,824
		Net Position - Ending	<u>\$ 650,241</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 300,439	\$ -	\$ 300,439
Property Taxes Receivable	<u>17,359</u>	<u>-</u>	<u>17,359</u>
Restricted Cash		\$ 121,097	\$ 121,097
Total Assets:	<u>\$ 317,798</u>	<u>\$ 121,097</u>	<u>\$ 438,895</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Unearned Revenue	\$ 17,359		\$ 17,359
Total Liabilities	<u>\$ 17,359</u>	<u>\$ -</u>	<u>\$ 17,359</u>
 Fund Balances			
Restricted for Debt Service	\$ -	\$ 121,097	121,097
Unassigned	<u>300,439</u>	<u>-</u>	<u>300,439</u>
 Total Fund Balances	<u>\$ 300,439</u>	<u>\$ 121,097</u>	<u>\$ 421,536</u>
 Total Liabilities and Fund Balances	<u>\$ 317,798</u>	<u>\$ 121,097</u>	<u>\$ 438,895</u>

See accompanying notes to financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 10
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET
POSITION OF GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2023**

Total fund balance - total governmental funds	\$ 421,536
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation	989,125
Property taxes not collected	17,359
Notes Payable	(777,779)
Restricted Cash for Capital Asset Purchase	-
Net position of governmental activities	<u>\$ 650,241</u>

See accompanying notes to financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Other</u>	<u>Total Governmental Funds</u>
Revenues:				
Property Taxes	\$ 633,637	\$ -	\$ -	\$ 633,637
Wilco Stipend	35,936	-	-	35,936
Other income	<u>34,740</u>	<u>-</u>	<u>-</u>	<u>34,740</u>
Total Revenues:	<u>\$ 704,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 704,313</u>
Expenditures:				
Current:				
General Government	\$ 451,561	\$ -	\$ -	\$ 451,561
Capital Outlay	706,609	-	-	706,609
Debt Service:	-	-	-	-
Principal	-	62,938	-	62,938
Interest	<u>-</u>	<u>18,835</u>	<u>-</u>	<u>18,835</u>
Total Expenditures	<u>\$ 1,158,170</u>	<u>\$ 81,773</u>	<u>\$ -</u>	<u>\$ 1,239,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (453,857)	\$ (81,773)	\$ -	\$ (535,630)
Other Financing Sources (Uses)				
Restricted cash	305,746			305,746
Loan Proceeds	300,000			300,000
Transfers In	\$ -	\$ 121,097	\$ -	\$ 121,097
Transfers Out	(121,097)	-	-	(121,097)
Total Other Financing Sources (Uses)	<u>\$ 484,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,746</u>
Net Change in Fund Balances	\$ 30,792	\$ 39,324	\$ -	\$ 70,116
Fund Balances (Deficit) - Beginning	<u>\$ 269,647</u>	<u>81,773</u>	<u>-</u>	<u>351,420</u>
Fund Balances (Deficit) - Ending	<u>\$ 300,439</u>	<u>\$ 121,097</u>	<u>\$ -</u>	<u>\$ 421,536</u>

See accompanying notes to the financial statements.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT # 10
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balance - total governmental funds	\$ 70,116
Amounts reported for governmental activities in the statement of net assets are different because:	
Difference in property taxes collected for governmental funds and government wide funds	(9,263)
Capital Outlay	\$ 706,609
Depreciation Expense	\$ (141,928)
Repayment of Debt Principal	62,938
Loan proceeds	(300,000)
Restricted cash released from restrictions	(306,055)
Changes in net position of governmental activities.	<u>\$82,417</u>

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Williamson County Emergency Services District No. 10 (the District) is a governmental unit of the State of Texas that was formed in May of 2005. The entity is responsible for providing fire and emergency services in Williamson County, Texas. The District provides fire and emergency medical services to a certain geographic portion of Williamson County including Thrall and Coupland, Texas, and an unincorporated area located in Williamson County. The District was created and operates under Article III, Section 48-3, of the Texas Constitution for the protection of human life and health as provided by that Act. The District's operations are governed by the Texas Health and Safety Code, Chapter 775 Emergency Services Districts.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues primarily consist of Ad Valorem taxes received from the County's appraisal district.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 31 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants and entitlements and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Texas and the bylaws of the District.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within thirty-one days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end. Non-exchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenses/Expenditures

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

C. Cash and Cash Equivalents

Cash and equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. During 2023, cash and cash equivalents accounts were limited to the Citizen's National Bank checking account, and an Eagle bank savings account.

D. Restricted Assets

Williamson County ESD # 10 has restricted cash of \$121,097 for the purpose of debt service.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net position and in the General Fund. All capital assets are recorded at cost and updated for additions and retirements during the year. The District does possess building infrastructure. Other Capital assets consist of computers, trucks and fire trucks. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

F. Reservations of Fund Balance

The District currently does not have any reservations of fund balance amounts.

G. Net Position

Net position present the difference between assets and liabilities in the statement of net position. Net Investment in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

H. Estimates

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

I. Accrued Liabilities

The District reports accrued liabilities on the statement of net position. The District reports accounts payable of \$0 during 2023.

NOTE 2 – TAX REVENUES

The District's tax revenue is collected by County of Williamson, Texas, (the County) under the provisions of a tax collection agreement signed September, 1995. Under the agreement, the County is responsible for making the calculations necessary for the District to comply with the statutory requirements for setting tax rates as specified in Chapter 26 of the Texas Property Tax Code and collecting the appropriate tax. The County periodically remits the collected taxes to the District. The agreement may be terminated by either party on written notice, but neither party has expressed an interest in terminating the agreement. The County provides the District with written reports necessary to keep the District advised of all financial information affecting the District. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The District pays the County for its tax collection activity in four quarterly payments, which totaled \$3,346 USD for 2023. The amount is determined by the County based on an amount per each parcel of taxable property, or account taxable by the District. The tax rate for WCESD # 10 for 2022 is \$.10 per \$100 valuation of property. The total adjusted original tax roll was \$642,900 on \$642,900,070 valuation. Property taxes receivable at 9/30/23 total \$17,359 with \$10,6822 being current and \$6,677 being delinquent.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the District into three categories.

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds – those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds – those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States.
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities

A. Deposits

At year-end the carrying amount of the District’s deposits was \$421,537 and the bank balance was \$421,537. \$145,060 was with Citizen’s National Bank, \$160,280 was with Frontier Bank and \$116,197 was with Eagle Bank. Federal depository insurance coverage totals \$750,000. The deposits were fully covered by FDIC insurance and collateralization.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended September 30, 2023:

	Balance		Balance
	9/30/2022	Additions	9/30/2023
Capital assets not being depreciated:			
Land	30,666		30,666
Total			
Capital assets being depreciated:			
Station	521,685		521,685
Apparatus & Vehicles	250,000	441,162	691,162
Equipment, Furniture & fixtures	101,612	265,447	367,059
Total Capital assets being depreciated	873,297	706,609	1,579,906
Total Capital Assets			
Less: Accumulated Depreciation	(448,853)	(141,928)	(590,781)
Net Capital Assets	424,444	(141,928)	989,125

Depreciation expense for the year ended 9/30/23 was \$141,928.

NOTE 5 – GENERAL LONG-TERM DEBT

Williamon County ESD # 10 had long-term debt at September 30, 2023 consisting of the following:

	Balance			Balance	Due Within
	9/30/2022	Additions	Retirements	9/30/2023	One Year
<u>Governmental activities</u>					
2011 General obligation refunding	172,587	-	(25,393)	147,194	26,655
2019 Bank Qualified GO Bonds	43,549	-	(6,407)	37,142	6,726
2021 TexasPublicPropertyFCO	324,581	-	(31,138)	293,443	27,876
2023 Govt. Capital Corporation		300,000		300,000	23,574
	<u>\$ 540,717</u>	<u>\$ 300,000</u>	<u>\$ (62,938)</u>	<u>\$ 777,779</u>	<u>\$ 84,831</u>

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 5 – GENERAL LONG-TERM DEBT (Continue)

Year ending September 30	Governmental Activities-General Fund	
	Note Payable Government Capital Corporation	
	Principal	Interest
2024	27,876	11,356
2025	28,955	10,277
2026	30,076	9,157
2027	31,240	7,993
2028	32,449	6,784
2029-2032	142,847	14,083
	293,443	59,650

Year ending September 30	Governmental Activities-General Fund	
	Note Payable Government Capital Corporation	
	Principal	Interest
2024	26,655	7,314
2025	27,979	5,990
2026	29,370	4,599
2027	30,829	3,140
2028	32,361	1,608
	-	-
	147,194	22,651

Year ending September 30	Governmental Activities-General Fund	
	Note Payable Government Capital Corporation	
	Principal	Interest
2024	6,726	1,846
2025	7,060	1,511
2026	7,411	1,161
2027	7,779	792
2028	8,166	406
	-	-
	37,142	5,716

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 – GENERAL LONG-TERM DEBT (Continue)

Year ending September 30	Governmental Activities-General Fund	
	Note Payable Government Capital Corporation	
	Principal	Interest
2024	23,574	15,750
2025	24,812	14,512
2026	26,115	13,210
2027	27,486	11,839
2028	28,929	10,396
2029-2033	169,084	27,538
	<u>300,000</u>	<u>93,245</u>

NOTE 6 – CONTINGENCIES

As of September 30, 2023, the District did not have any material pending litigation or potential non-disclosed liabilities.

Required Supplementary Information

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$ 622,381	\$ 622,381	\$ 633,637	\$ 11,256
Wilco Stipend	37,000	37,000	35,936	(1,064)
Other revenues	-	-	34,740	34,740
Total Revenues	\$ 659,381	\$ 659,381	\$ 704,313	\$ 44,932
Expenditures:				
Current:				
General Government	\$ 570,125	\$ 570,125	\$ 451,561	\$ 118,564
Capital Outlay	64,704	64,704	706,609	(641,905)
Debt Service: Interest Expense	81,797	81,797	81,773	24
Total Expenditures	\$ 716,626	\$ 716,626	\$ 1,239,943	\$ (523,317)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (57,245)	\$ (57,245)	\$ (535,630)	\$ (478,385)
Other Financing sources (Uses)			605,746	
Transfers In	-	-	-	-
Transfers Out	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 605,746	\$ -
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)			\$ 70,116	
Fund Balance Beginning of Year			351,420	
Fund Balance End of Year			\$ 421,536	

See accompanying notes to the financial statements.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT No. 10

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Process

The budgetary process is prescribed by the provisions of the Texas Constitution and entails the preparation of budgetary documents within an established timeline. Legally, the Texas Constitution does not strictly impose a requirement on the District to follow the budgetary process but the District chose to follow the budgetary process. The major documents prepared are an estimated budget with revenues and expenditures. The level of budgetary control is at the object level for the District. The budget is not amended for modifications or changes during the year. All expenditures are approved by the Board beforehand.

1. Estimated Resources

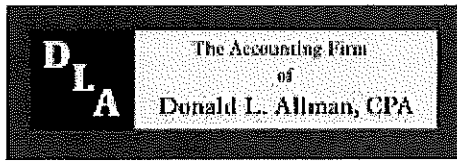
As part of the District's budgetary process, the Board approves the official estimated resources. The official estimated resources state the projected revenue for the District. The estimated revenue is calculated from information from the Williamson County Appraisal District. The budget is not revised or amended for increases or decreases in estimated revenues.

2. Appropriations

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

3. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary process, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements. See page 14 for a reconciliation between governmental funds and GAAP basis net equity fund balance.



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
Williamson County ESD # 10

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 Williamson County ESD # 10 as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Williamson County ESD # 10's basic financial statements, and have issued our report thereon dated May 29, 2024 .

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Williamson County ESD # 10's internal control over financial reporting (internal control) to determine the 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 Williamson County ESD # 10's internal control. Accordingly, we do not express an opinion on the effectiveness of Williamson County ESD # 10'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson County ESD #10'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 determination of financial statement amounts. 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.



Donald L. Allman, CPA, PC

Georgetown, TX
May 29, 2024