



# Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

## **TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**

INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS

30 SEPTEMBER 2022



**Montemayor Britton Bender PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Commissioners and Management  
Travis County Emergency Services District #10

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Travis County Emergency Services District #10 (District), as of and for the year ended 30 September 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of 30 September 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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

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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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 on pages 3 through 6 and on page 14 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.

*Montemayor Britton Bender PC*

6 March 2023  
Austin, Texas

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDED 30 SEPTEMBER 2022**

The following is a narrative overview and analysis of the financial activities of the Travis County Emergency Services District #10 ("the District") for the year ended 30 September 2022. Please read it in conjunction with the District's financial statements, which follow this section.

**Financial Highlights**

- The District's property tax rate remained at 10¢ per \$100 of assessed valuation for the year ended 30 September 2022. The statutory limit, as established by the State of Texas constitution, is 10¢ per \$100 of assessed valuation. Property tax revenues for the year were \$2,552,422, which represented an 9% increase over prior year.
- The District's fiscal year 2022 sales tax revenue totaled \$1,031,385.
- The District incurred an increase in net position of \$118,262 for the fiscal year.
- Current and other assets amounted to \$1,200,346 at 30 September 2022, which represented an increase of \$153,968 compared to the \$1,046,378 for current and other assets at 30 September 2021.
- Capital assets decreased by \$186,436, due to depreciation expense of \$266,114, offset by additions of firefighting equipment, building improvements, and training equipment of \$79,678.
- The District's debt balance decreased by principal payments of \$157,395.

**Overview of the Financial Statements**

This annual report consists of three *parts-management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The *basic financial statements* include two kinds of statements that present different views of the District. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

**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 reporting on a full accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District has improved or deteriorated.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: property taxes assessed but uncollected as of 60 days after year-end).

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDED 30 SEPTEMBER 2022**

Because the District’s principal source of revenue is property and sales taxes, the government-wide financial statements are grouped into one function that is supported by taxes (governmental activities).

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and account for 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 or contractual requirements. The District has one fund, the General Fund.

**Governmental Funds:** The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on current fiscal year cash inflows and outflows, as well as balances of resources available for spending at the end of the fiscal year. Such information may be useful in evaluating the District’s recent financing requirements. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District’s recent financing decisions. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Fund and government-wide financial statements.

**Government-Wide Financial Analysis**

Net position may serve as a useful indicator of the District’s financial position. The District’s net position (assets less liabilities) was \$1,960,533 as of 30 September 2022. Capital assets, net of depreciation and related debt, accounted for \$1,011,401 or 52% of the total net position. Capital assets reflect the large investments in facilities and equipment that are necessary to provide adequate fire suppression and emergency medical response services to the community. The remaining balance of net position of \$949,132 is unrestricted and available to meet the District’s ongoing obligations to citizens and creditors. Governmental activities account for all of the changes in net position at the government-wide reporting level because the District engages in no business-type activities. The tables below summarize the financial position of the District at 30 September 2022 and 2021 and the results of operations for the same years ended.

<b><u>Assets</u></b>	<b><u>9/30/2022</u></b>	<b><u>9/30/2021</u></b>
Current and other assets	\$1,200,346	\$1,046,378
Capital assets, net of accumulated depreciation	<u>2,087,479</u>	<u>2,273,915</u>
Total assets	<u>3,287,825</u>	<u>3,320,293</u>
<b><u>Liabilities</u></b>		
Current liabilities	194,515	234,706
Long-term liabilities	<u>1,132,777</u>	<u>1,243,316</u>
Total liabilities	<u>1,327,292</u>	<u>1,478,022</u>
Net position:		
Net investment in capital assets	1,011,401	1,040,442
Unrestricted	<u>949,132</u>	<u>801,829</u>
Total net position	<u>\$1,960,533</u>	<u>\$1,842,271</u>

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDED 30 SEPTEMBER 2022**

<b><u>Revenues</u></b>	<b><u>9/30/2022</u></b>	<b><u>9/30/2021</u></b>
Property taxes	\$2,552,422	\$2,335,060
Sales taxes	1,031,385	915,575
Interest and other income	<u>44,509</u>	<u>10,150</u>
Total revenues	<u>3,628,316</u>	<u>3,260,785</u>
Expenses		
Fire and emergency services	3,211,543	3,100,730
Depreciation	266,114	262,315
Interest expense	<u>32,397</u>	<u>37,905</u>
Total expenses	<u>3,510,054</u>	<u>3,400,950</u>
Change in net position	118,262	(140,165)
Net position- beginning	<u>1,842,271</u>	<u>1,982,436</u>
Net position- ending	<u>\$1,960,533</u>	<u>\$1,842,271</u>

**Financial Analysis of the Governmental Fund**

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

During the fiscal year ending 30 September 2022, the District's only Governmental Fund was the General Fund, and it reported ending fund balance of \$1,157,432, an increase of \$187,037 from \$970,395 as of 30 September 2021. The District's ending unassigned fund balance of \$1,149,211 was unencumbered and available for spending at the District's discretion.

**General Fund Budgetary Highlights**

General Fund revenues were \$70,616, or 2%, over budget, due primarily to \$52,422 more than anticipated in property tax revenues and an unbudgeted donation of \$30,000, offset by \$18,615 less than anticipated in sales tax revenues. Expenses for the General Fund were \$116,421 less than budget, a variance of 3%. Certain expenses were more than anticipated- salaries and benefits (\$27,693) and computer operations (\$17,892); which were offset by lower than anticipated station communications (\$18,857), station repairs and maintenance (\$28,397), capital outlay (\$27,322), debt service (\$30,208) and other expenses (\$32,195). Additionally, the budget for contingency of \$26,311 was not utilized. The variances in all other line items combined was not significant. The budget was amended during the year, to increase the amount of anticipated sales tax revenue, offset with an increase in payroll, contingency, capital outlay and other expenses.

**Capital Assets**

The District's capital assets at 30 September 2022, net of accumulated depreciation, totaled \$2,087,479. The current year decrease of \$186,486 reflected capital outlay of \$79,678 offset by depreciation expense of \$266,114.

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDED 30 SEPTEMBER 2022**

**Long-Term Debt**

The District's long-term debt at 30 September 2022, net of the current portion, totaled \$926,754 for loans payable. The current portion of the long-term debt was \$149,324. The fire station, trucks, and property tax revenues are pledged as collateral on the debt. Activity during the year ended 30 September 2022 consisted of \$157,395 in principal payments and interest expense of \$32,397.

**Economic Factors, Future Years' Budgets and Tax Rates**

The October 2022 assessed valuation increased by approximately 20% compared to the October 2021 assessment. The tax rate of 10¢ per \$100 of assessed valuation for fiscal year 2022-2023 remained the same. The tax levy for fiscal year 2022-2023 is expected to provide an approximately 20% increase in tax revenues for the next fiscal year. Additionally, the District collects sales tax revenues. The total earned in fiscal 2022 was \$1,031,385, which represented an increase of 13% over the prior year. Average monthly collections for the first five months of fiscal year 2022-2023 are approximately \$100,000.

The District considers many factors when approving budgets for the next year's fiscal activities. With increased tax revenues, the District's budget for operating expenses is expected to increase a proportional amount to support increased services.

**Requests for Information**

This financial report is designed to provide a general overview of the finances of the District for all parties with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Travis County Emergency Services District #10  
353 Commons Ford Road  
Austin, TX 78733

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**30 SEPTEMBER 2022**

ASSETS	General Fund	Adjustments (Note 10)	Statement of Net Position
Cash	\$997,905		\$997,905
Sales tax receivable	173,077		173,077
Property taxes receivable	21,143		21,143
Prepaid expenses	8,221		8,221
Capital assets:			
Land	0	144,024	144,024
Other capital assets, net of depreciation	<u>0</u>	1,943,455	<u>1,943,455</u>
Total capital assets	<u>0</u>		<u>2,087,479</u>
Total assets	<u>\$1,200,346</u>		<u>3,287,825</u>
<b>LIABILITIES</b>			
Accrued liabilities	\$28,758	16,433	45,191
Long-term liabilities:			
Due within 1 year	0	149,324	149,324
Due in more than 1 year	<u>0</u>	1,132,777	<u>1,132,777</u>
Total liabilities	<u>28,758</u>		<u>1,327,292</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>14,156</u>	<u>(14,156)</u>	<u>0</u>
<b>FUND BALANCES/NET POSITION</b>			
<b>FUND BALANCES</b>			
Nonspendable	8,221	(8,221)	
Unassigned	<u>1,149,211</u>	<u>(1,149,211)</u>	
Total fund balances	<u>1,157,432</u>		
Total liabilities, deferred inflows of resources and fund balances	<u>\$1,200,346</u>	(1,200,346)	
<b>NET POSITION</b>			
Net investment in capital assets		1,011,401	1,011,401
Unrestricted		<u>949,132</u>	<u>949,132</u>
Total net position			<u>\$1,960,533</u>

The accompanying notes are an integral part of this financial statement presentation.



**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED 30 SEPTEMBER 2022**

EXPENDITURES/EXPENSES:	<u>General Fund</u>	<u>Adjustments (Note 10)</u>	<u>Statement of Activities</u>
Current service operations:			
Salaries and benefits	\$2,690,432	\$39,734	\$2,730,166
Training	91,079		91,079
Exhaustive operations	45,295		45,295
Insurance	44,978		44,978
Fire station repairs and maintenance	42,603		42,603
Communication operations	38,143		38,143
Fire and rescue equipment	37,749		37,749
Computer operations and maintenance	35,982		35,982
Utilities	27,371		27,371
Apparatus	26,699		26,699
Station supplies	22,023		22,023
Other	69,455		69,455
Depreciation	0	266,114	266,114
Capital outlay	79,678	(79,678)	0
Debt service:			
Interest	32,397		32,397
Principal payments	<u>157,395</u>	(157,395)	<u>0</u>
Total expenditures	<u>3,441,279</u>		<u>3,510,054</u>
GENERAL REVENUE:			
Property taxes	2,552,422		2,552,422
Sales tax	1,031,385		1,031,385
Interest and other	<u>44,509</u>		<u>44,509</u>
Total revenues	<u>3,628,316</u>		<u>3,628,316</u>
Change in fund balance/net position	187,037		118,262
Beginning fund balance/net position	<u>970,395</u>		<u>1,842,271</u>
Ending fund balance/net position	<u>\$1,157,432</u>		<u>\$1,960,533</u>

The accompanying notes are an integral part of this financial statement presentation.

# TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1: ORGANIZATION

Travis County Emergency Services District #10 (District) was created and operates under the provisions of Chapter 775 of the Health and Safety Code. The District provides fire suppression services as well as emergency medical response services to a particular geographic portion of western Travis County.

Funding for the District is primarily through the collection of property taxes billed annually in October. Additionally, the District receives significant revenues from monthly sales tax collections. Prior to 1 January 2014, the District collected property taxes and then disbursed funds to Ce-BAR Volunteer Fire Department (Ce-BAR), a non-profit corporation, which had a service contract with the District to provide operational services. As of 1 January 2014, the service agreement between the District and Ce-BAR was terminated, and all operational responsibilities of Ce-BAR were assumed by the District. All assets and liabilities of Ce-BAR were transferred to the District. The District is not included in any other reporting entity.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governments promulgated by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The following is a summary of the significant accounting policies.

#### GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The District is considered a special purpose government under GASB Statement No. 34. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported primarily by property and sales taxes. The Statement of Activities demonstrates how the District used revenue.

#### NET POSITION/FUND BALANCE

Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

When both assigned and unassigned funds are available for expenditure, assigned funds are used first.

#### MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

# TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collectible within 60 days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred. Interest and tax revenues associated with the current fiscal year are considered susceptible to accrual and have been recognized as revenues in the current fiscal year. All other revenue is considered measurable and available only when cash is received by the District.

### COMPENSATED ABSENCES

Full-time regular employees work either a 40 hour work week for administrative employees or a 53 hour work week for shift employees. Accruals for leave are based on length of service and the schedule worked. Employees earn up to 240 hours of paid leave per year, with no limit on the number of hours that can be accrued. If unused, the leave will be paid to the employee upon termination.

### 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### CAPITAL ASSETS

All capital assets are recorded at historical cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$1,000 for assets with a useful life of two years or more.

The District does not possess any infrastructure. Improvements are capitalized. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses. Depreciation is calculated on a straight-line basis. Estimated useful lives are 10 years for vehicles and engines, furniture, fixtures and equipment and 35 years for building.

### **NOTE 3: DEPOSITS**

At 30 September 2022, the bank balance of the District's cash deposits was \$1,007,004 and the carrying value was \$997,905. All of the District's deposits are collateralized. The District has adopted an investment strategy to pursue limited investment risk, the objectives of which are safety of principal, maintenance of liquidity, and maximization of yield. The District is authorized to invest in money market mutual funds, certificates of deposit, commercial paper, public investment pools and governmental obligations or repurchase agreements.

### **NOTE 4: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft and destruction of assets, errors and omissions, natural disasters, etc. The District maintains commercial insurance coverage for these types of risks.

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**

NOTES TO FINANCIAL STATEMENTS

**NOTE 5: PROPERTY TAXES**

The District has the authority to levy a tax to a maximum of \$0.10 per \$100 of value. Ad valorem taxes are levied each October 1 on the assessed valuation of all taxable property in the District. The tax rate for the October 2021 levy was \$0.10 per \$100 of value. Taxes are due upon receipt of the bill and are delinquent if not paid before the first day of January in the year following levy. On February 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties and interest ultimately imposed. Taxes are billed and collected by the Travis County Tax Assessor-Collector.

**NOTE 6: CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	<u>\$144,024</u>	<u>\$0</u>	<u>\$0</u>	<u>\$144,024</u>
Capital assets being depreciated:				
Vehicles and engines	2,201,335	0	0	2,201,335
Buildings	1,283,373	28,943	0	1,312,316
Equipment	865,116	50,735	0	915,851
Furniture and fixtures	<u>97,411</u>	<u>0</u>	<u>0</u>	<u>97,411</u>
	<u>4,447,235</u>	<u>79,678</u>	<u>0</u>	<u>4,526,913</u>
Accumulated depreciation				
Vehicles and engines	(918,854)	(180,402)	0	(1,099,256)
Buildings	(660,643)	(40,341)	0	(700,984)
Equipment	(662,684)	(41,348)	0	(704,032)
Furniture and fixtures	<u>(75,163)</u>	<u>(4,023)</u>	<u>0</u>	<u>(79,186)</u>
	<u>(2,317,344)</u>	<u>(266,114)</u>	<u>0</u>	<u>(2,583,458)</u>
Net capital assets being depreciated	<u>2,129,891</u>	<u>(186,436)</u>	<u>0</u>	<u>1,943,455</u>
Total capital assets	<u>\$2,273,915</u>	<u>(\$186,436)</u>	<u>\$0</u>	<u>\$2,087,479</u>

**NOTE 7: RETIREMENT PLAN**

The District maintains a SEP-IRA pension plan for its employees. The District makes discretionary contributions not to exceed 12% of employee wages for all full-time employees. Retirement plan contributions for the year ended 30 September 2022 were \$215,219.

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**

NOTES TO FINANCIAL STATEMENTS

**NOTE 8: LONG-TERM LIABILITIES**

Long-term debt from direct borrowings:

<u>Asset Acquired</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Fire Engine 1	\$785,235	2030	2.63%	\$709,387	\$0	\$79,018	\$630,369
SCBAs	98,517	2022	3.92%	11,105	0	\$11,105	0
Fire Engine	<u>704,124</u>	2027	<u>2.84%</u>	<u>512,981</u>	<u>0</u>	<u>\$67,272</u>	<u>445,709</u>
	<u>\$1,587,876</u>			<u>\$1,233,473</u>	<u>\$0</u>	<u>\$157,395</u>	\$1,076,078
						Less: Current Portion	<u>(149,324)</u>
						Long-term Portion	<u>\$926,754</u>

Maturities at September 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$149,324	\$28,469	\$177,793
2024	153,416	24,377	177,793
2025	157,621	20,173	177,794
2026	161,939	15,854	177,793
2027	166,376	11,416	177,792
2028-2030	<u>287,402</u>	<u>9,185</u>	<u>296,587</u>
	<u>\$1,076,078</u>	<u>\$109,474</u>	<u>\$1,185,552</u>

The District's long term debt is secured by the underlying asset acquired.

<u>Other Long-Term Liabilities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Total</u>
Compensated absences	<u>\$166,289</u>	<u>\$97,441</u>	<u>\$57,707</u>	<u>\$206,023</u>

**NOTE 9: BUDGET VARIANCES**

Total General Fund revenues were \$70,616, or 2%, over budget due primarily to higher than anticipated property taxes and other income, offset by lower than expected sales tax revenues. Expenses for the General Fund were \$116,421, or 3%, less than budgeted amounts. Salaries and benefits and computer operations were greater than anticipated, which was offset partially by lower than expected capital outlay, debt service, station communications, station repairs and maintenance, and other expenses. Additionally, the budget for contingency was not utilized. The variances in all other line items combined were not significant.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10

NOTES TO FINANCIAL STATEMENTS

**NOTE 10: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT- WIDE STATEMENTS**

Fund balance - governmental funds	\$1,157,432
Increase net position for capital assets not reported in the fund financial statements	2,087,479
Taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	14,156
Accrued interest not reported in the fund statements because it is not payable with current resources	(16,433)
Compensated absences not reported in the fund statements because it is not payable with current resources	(206,023)
Long-term debt not reported in the fund statements	<u>(1,076,078)</u>
Net position - government-wide	<u>\$1,960,533</u>
Net change in fund balance - governmental funds	\$187,037
Depreciation expense not recognized in the fund financial statements	(266,114)
Paid leave not recognized in the fund financial statements	(39,734)
Long-term debt principal payments and change in accrued interest recognized as expenditures in the fund financial statements	157,395
Capital outlays recognized as expenditures in the fund financial statements	<u>79,678</u>
Change in net position - governmental activities	<u>\$118,262</u>

**NOTE 11: LEASES**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 Leases to improve accounting and financial reporting for leases by governments. The District adopted the new standard effective 1 October 2021 using the retrospective approach. Analysis of the provisions of this standard resulted in no significant changes to beginning net position.

**TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #10**

**BUDGETARY COMPARISON - GENERAL FUND**

YEAR ENDED 30 SEPTEMBER 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Favorable/ (Unfavorable) <u>Variance</u>
<b>GENERAL REVENUES</b>				
Property taxes	\$2,500,000	\$2,500,000	\$2,552,422	\$52,422
Sales tax	940,000	1,050,000	1,031,385	(18,615)
Interest and other	<u>10,500</u>	<u>7,700</u>	<u>44,509</u>	<u>36,809</u>
	<u>3,450,500</u>	<u>3,557,700</u>	<u>3,628,316</u>	<u>70,616</u>
<b>EXPENDITURES</b>				
Current service operations:				
Salaries and benefits	2,642,739	2,662,739	2,690,432	(27,693)
Training	92,500	92,500	91,079	1,421
Exhaustive operations	50,000	50,000	45,295	4,705
Insurance	35,000	35,000	44,978	(9,978)
Fire station repairs and maintenance	71,000	71,000	42,603	28,397
Communications operations	57,000	57,000	38,143	18,857
Fire and rescue equipment	39,500	39,500	37,749	1,751
Computer operations and maintenance	18,000	18,000	35,982	(17,982)
Utilities	20,000	20,000	27,371	(7,371)
Apparatus	36,500	37,000	26,699	10,301
Station supplies	20,000	20,000	22,023	(2,023)
Contingency	12,661	26,311	0	26,311
Other	85,600	101,650	69,455	32,195
Capital outlay	50,000	107,000	79,678	27,322
Debt service	<u>220,000</u>	<u>220,000</u>	<u>189,792</u>	<u>30,208</u>
	<u>3,450,500</u>	<u>3,557,700</u>	<u>3,441,279</u>	<u>116,421</u>
<b>NET CHANGE IN FUND BALANCE</b>	0	0	187,037	187,037
<b>BEGINNING FUND BALANCE</b>	<u>970,395</u>	<u>970,395</u>	<u>970,395</u>	<u>0</u>
<b>ENDING FUND BALANCE</b>	<u>\$970,395</u>	<u>\$970,395</u>	<u>\$1,157,432</u>	<u>\$187,037</u>

See independent auditor's report.