



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

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Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Commissioners
Travis County Emergency Services District #13

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 #13 (District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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.

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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 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 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

May 20, 2024
Austin, Texas

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Travis County Emergency Services District #13 ("the District") for the year ended September 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's property tax rate was assessed at the statutory maximum of \$.10 per \$100 of assessed valuation for the year ended September 30, 2023. Property tax revenues for the year were \$305,631 an increase of \$129,089 over prior year.
- The District had an increase in net position of \$516,787 for the year.
- Current and other assets amounted to \$1,006,181 at September 30, 2023, which represented an increase of \$516,787 over the \$489,394 balance at September 30, 2022.

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 31 days after year-end).

Because the District's principal source of revenue is property 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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. 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. 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 plus deferred outflows less liabilities and deferred inflows) was \$1,006,181 as of September 30, 2023. The District's net position of \$1,006,181 is unrestricted and available to meet the District's ongoing obligations to citizens. 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 September 30, 2023 and 2022 and the results of operations for the same years ended.

<u>Assets</u>	<u>9/30/2023</u>	<u>9/30/2022</u>
Current and other assets	\$1,006,181	\$489,394
Total assets	<u>1,006,181</u>	<u>489,394</u>
<u>Total liabilities</u>	<u>0</u>	<u>0</u>
<u>Net position</u>		
Unrestricted	<u>\$1,006,181</u>	<u>\$489,394</u>
<u>Revenues</u>	<u>9/30/2023</u>	<u>9/30/2022</u>
Ad Valorem property taxes	\$305,631	\$176,542
Sales tax	244,548	0
Interest and other	<u>28,145</u>	<u>3,414</u>
Total revenues	<u>578,324</u>	<u>179,956</u>
<u>Expenses</u>		
Firefighting operations	35,000	30,000
Administrative and other	<u>26,537</u>	<u>32,290</u>
Total expenses	<u>61,537</u>	<u>62,290</u>
Change in net position	516,787	117,666
Net position, beginning	<u>489,394</u>	<u>371,728</u>
Net position, ending	<u>\$1,006,181</u>	<u>\$489,394</u>

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 September 30, 2023, the District's only Governmental Fund was the General Fund, and it reported ending fund balance of \$993,958, an increase of \$512,927 over the year-ended September 30, 2022. The District's ending unassigned fund balance of \$993,958 was unencumbered and available for spending at the District's discretion.

General Fund Budgetary Highlights

General Fund revenues were \$574,464, or 202%, over budget, due primarily to \$113,371 more than anticipated in property tax revenues and \$243,548 more than anticipated sales tax revenue. Expenses for the General Fund were \$128,663 less than budget, a variance of (32%). The budget variance resulted primarily from administrative and other expenses being under budget by \$47,663, offset by the firefighting operations being \$5,000 more than anticipated. Additionally, budgeted expenses for contingency and new station fund, totaling \$86,000 were not utilized.

Economic Factors, Future Years' Budgets and Tax Rates

The tax levy for fiscal year 2023-2024 is expected to result in a decrease of approximately \$55,000 in property tax revenues for the next fiscal year. The tax rate of \$.10 per \$100 of assessed valuation for fiscal year 2023-2024 remained the same. Additionally the District budgeted conservatively for sale taxes, projecting a decrease of approximately \$145,000 from fiscal 2023.

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.

Request 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 #13
P.O. Box 1017
Manor, TX 78653

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 8)</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and short-term investments	\$942,259		\$942,259
Sales tax receivable	51,699		51,699
Ad Valorem property tax receivable	<u>12,223</u>		<u>12,223</u>
	<u>\$1,006,181</u>		<u>\$1,006,181</u>
LIABILITIES			
Current liabilities:			
Accounts payable	<u>\$0</u>		<u>0</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>12,223</u>	(12,223)	<u>0</u>
FUND BALANCES/NET POSITION			
FUND BALANCE			
Fund balance - unassigned	<u>993,958</u>	(993,958)	
	<u>\$1,006,181</u>		
NET POSITION			
Unrestricted		(1,006,181)	<u>\$1,006,181</u>

The accompanying notes are an integral part of this financial position.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Adjustments (Note 8)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Firefighting operations	\$35,000		\$35,000
Professional fees	11,705		11,705
Tax collection and appraisal district fees	7,898		7,898
Administrative	<u>6,934</u>		<u>6,934</u>
	<u>61,537</u>		<u>61,537</u>
GENERAL REVENUES:			
Ad Valorem taxes	301,771	3,860	305,631
Sales tax	244,548		244,548
Interest and other	<u>28,145</u>		<u>28,145</u>
	<u>574,464</u>		<u>578,324</u>
CHANGE IN FUND BALANCE/NET POSITION	512,927		516,787
BEGINNING FUND BALANCE/NET POSITION	<u>481,031</u>		<u>489,394</u>
ENDING FUND BALANCE/NET POSITION	<u>\$993,958</u>		<u>\$1,006,181</u>

The accompanying notes are an integral part of this financial position.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

The Travis County Emergency Services District #13 (the District) was created by an election of the residents of Travis County. The District is a taxing authority, which has a contractual arrangement with the Bastrop/Travis Counties Emergency Services District #1 for the provision of fire and emergency medical services for the citizens of the District. The District has no employees, office location or fixed assets.

The District is governed by a five-member Board of Commissioners, as appointed by the Travis County Commissioners. For financial reporting purposes, the District includes all funds that are controlled by, or dependent upon, actions of the Board of Commissioners. Control by, or dependence upon, is determined on the basis of the Board's full control of budget adoption and taxing authority. The District is not included in any other governmental reporting entity, and no other entity meets the requirements to be included in the District's financial statements.

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 by ad valorem property taxes. The Statement of Activities demonstrates how the District used revenue and demonstrates how direct expenses of a given function are offset by program revenues.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are presented 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 #13

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 31 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.

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.

NET POSITION

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. 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.

FUND BALANCES

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District can establish limitations of the use of resources through either a commitment or an assignment. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

Nonspendable fund balances are amounts that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained in tact. Committed fund balances include amounts that can only be used for specific purposes determined by a formal action of the Board or adoption of an ordinance. Limitations imposed by commitments remain in place until formal Board action is taken to remove the limitation. Amounts in the assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be committed. Assignments are generally temporary and do not require Board action to be taken to remove the assignment.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position and governmental funds balance sheet reports a separate section for deferred outflows of resources representing a consumption of net position that applies to a future period and is not recognized as an outflow of resources in the current period. The District's does not have any deferred outflows. The statement of financial position and governmental funds balance sheet reports a separate section for deferred inflows of resources representing an acquisition of net position that applies to a future period and is not recognized as an inflow of resources or revenue until that time. The District has one item which qualifies for reporting in this category- unavailable property tax revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

NOTE 3: DEPOSITS AND INVESTMENTS

At September 30, 2023, the carrying amount of the District's cash deposits was \$232,652 and the bank balance was \$233,139. The District did not have any deposits in excess of FDIC insurance. The District's Commissioners have authorized the District, under a written investment policy, to invest funds in compliance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Investment vehicles authorized by Chapter 2256 include, but are not limited to, certificates of deposit, obligations backed by the U.S. and state governments, and public fund investment pools. All investments at year end were held in the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). The parties to the Texas CLASS Trust are participants, Public Trust Advisors as Program Administrator and UMB Bank N.A. as Custodian. The Texas CLASS Trust is overseen by a Board of Trustees comprised of active members of the pool and guided by an Advisory Board. The District was in compliance with the requirements of Chapter 2256 and with its policy during the year.

The District's Texas CLASS investments carried at fair value as of September 30, 2023 were \$709,607. Texas CLASS allows shareholders the ability to deposit or withdraw funds on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. At September 30, 2023, the Texas CLASS portfolio had a weighted average maturity of 49 days Texas CLASS is rated AAAM by Standard and Poor's. The District considers the holdings in these funds to have a one day weighted average maturity because the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value. These investments are short-term, highly liquid deposits that are carried at amortized cost, which approximates fair value.

NOTE 4: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, lawsuits and natural disasters. The District purchases insurance to provide coverage for these risks.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

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 1, 2022 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 February in the year following levy. On January 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: BUDGET

The District adopts an annual budget for each fiscal year and amends the budget as needed during the year. The District does not use an encumbrance system and appropriations lapse at the end of each fiscal year.

Certain revenue and expenses were different than budgeted, resulting in a higher than budgeted fund balance. All revenues were higher than budgeted. Administrative expenses and professional fees were less than anticipated, which was offset slightly by higher than anticipated firefighting operations expense and tax collection and appraisal district fees. The District's budgeted expenses for contingency was not utilized.

NOTE 7: CONCENTRATIONS

During the year, the District paid \$35,000, or 57% of total expenses, to the Bastrop/Travis Counties Emergency Services District #1 for services.

NOTE 8: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Fund balance - general fund	\$993,958
Taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	<u>12,223</u>
Net position - governmental activities	<u>\$1,006,181</u>
Change in fund balance - general fund	\$512,927
Change in taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	<u>3,860</u>
Change in net position - governmental activities	<u>\$516,787</u>

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT #13

BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
GENERAL REVENUES			
Ad Valorem taxes	\$188,400	\$301,771	\$113,371
Sales tax	1,000	244,548	243,548
Interest and other	<u>1,000</u>	<u>28,145</u>	<u>27,145</u>
	<u>190,400</u>	<u>574,464</u>	<u>384,064</u>
EXPENDITURES			
Firefighting operations	30,000	35,000	(5,000)
Professional fees	36,000	11,705	24,295
Tax collection and appraisal district fees	4,200	7,898	(3,698)
Administrative	34,000	6,934	27,066
Contingency	<u>86,000</u>	<u>0</u>	<u>86,000</u>
	<u>190,200</u>	<u>61,537</u>	<u>128,663</u>
CHANGE IN FUND BALANCE	200	512,927	512,727
BEGINNING FUND BALANCE	<u>481,031</u>	<u>481,031</u>	-
ENDING FUND BALANCE	<u>\$481,231</u>	<u>\$993,958</u>	<u>\$512,727</u>

See Independent Auditor's Report.