Jackson County Emergency Services District No. 1

Annual Financial Report
With Supplementary Information
For the Year Ended September 30, 2024

Garland R. Sandhop
Certified Public Accountant
Edna, Texas

Jackson County Emergency Services District No. 1

Contents

GARLAND R. SANDHOP
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(361) 782-5213
608 NORTH WELLS - EDNA, TEXAS 77957
FAX - (361) 782-5135

Independent Auditor's Report on Financial Statements

Board of Directors
Jackson County Emergency Services District No. 1
P.O. Box 455
Vanderbilt, Texas 77991

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County Emergency Services District No. 1, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 error or fraud.

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 Jackson County Emergency Services District No. 1, as of September 30, 2024, and the respective changes in financial position for the twelve-month period then ended in conformity 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 and budgetary comparison information on pages 3 through 8 and 21 through 23 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County Emergency Services District No.1's basic financial statements. The supplementary information on pages 24 through 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Garland R. Sandhop
Certified Public Accountant
April 11, 2025

Management's Discussion and Analysis

The discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended September 30, 2024. The information presented here should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

The District Board of Commissioners approved a change in the fiscal year end from December 31 to September 30. As such, the financial statements presented are for the year ended September 30, 2024.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $2,039,585.29(net assets). Of this amount, $671,425.78 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- As of the close of the current fiscal year the District's governmental funds reported combined ending fund balances of $613,541.08, a increase of $179,911.97.
- $573,541.08 of this total amount is available for spending at the District's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was $573,541.08 or .117 times the total general fund expenditures.
- During the fiscal year the District's government-wide revenue totaled $670.777.60 generated from property taxes, EMS Insurance collections, grants and donations and other activities. The District's government-wide expenses totaled $490,865.63.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

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 private sector business. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District as well as all liabilities. Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets over time may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the district's net assets changed during the most recent fiscal year using full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The district-wide financial statements can be found on page 9 and pages 11 through 12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are 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, governmental fund financial statements focus on *current sources and uses of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* 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 near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The basic governmental funds financial statements can be found on pages 9 through 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 19 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements.

Required supplementary information can be found on pages 20 through 23 of this report.

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a district's financial position. Assets exceeded liabilities by $1,901,103.20 at the close of the most recent yearly period, September 30, 2024.

A portion of the District's net assets reflects its investment in capital assets less any debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services: consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At September 30, 2024, the District has no debt is outstanding.

The District's net assets for the year ended September 30, 2024 is summarized as follows:

	Governmental Activities		
	Fiscal Year Ended 9/30/2024	Fiscal Year Ended 9/30/2023	Variance
Current and other assets	677,882.08	489,394.39	188,487.69
Capital assets	1,368,159.51	1,417,865.11	(49,705.60)
Total assets	2,046,041.59	1,907,259.50	138,782.09
Current liabilities	6,456.30	6,156.30	300.00
Non-current liabilities			-
Total liabilities	6,456.30	6,156.30	300.00
Net assets:			
Invested in capital assets, net of related debt	1,368,159.51	1,417,865.11	(49,705.60)
Unrestricted	671,425.78	483,238.09	188,187.69
	2,039,585.29	1,901,103.20	138,482.09
Total Liabilities and Net Assets	2,046,041.59	1,907,259.50	138,782.09

A portion of the District's net assets (67.08 percent) represents resources that are invested in capital assets. The remaining balance of unrestricted net assets (32.92 percent) may be used to meet the District's ongoing obligations.

At the end of the current fiscal year, the District is able to report positive balances in both categories of net assets. The same situation held true for the prior fiscal year.

There was a decrease of $49,705.60 in restricted net assets reported in connection with the District's governmental activities.

The District's overall net assets increased by $138,482.09.

Governmental activities. Governmental activities increased the District's net assets by $74,235.23. Key elements of this increase are as follows:

	Governmental Activities		
	Fiscal Year Ended 9/30/2024	Fiscal Year Ended 9/30/2023	Variance
Revenues:			
General Revenues			
Property taxes	713,034.92	584,829.70	128,205.22
Tax penalties & Interest	1,774.89		
Investment earnings	5,471.49	8,026.28	(2,554.79)
Grants	-	6,000.00	(6,000.00)
Donations	2,239.00	15,147.00	(12,908.00)
Other income	4,392.00	3,025.00	1,367.00
Total revenues	726,912.30	617,027.98	108,109.43
Expenses:			
Fire and ambulance services	357,440.76	127,783.11	229,657.65
Salaries, benefits and payroll taxes	23,995.00	22,189.40	1,805.60
Contracted services	8,198.00	7,033.50	1,164.50
Professional fees	7,996.24	6,846.44	1,149.80
Other	371.46	23,994.88	(23,623.42)
Depreciation	137,759.77	152,589.76	(14,829.99)
Total expenses	535,761.23	340,437.09	195,324.14
Increase (decrease) in net assets	191,151.07	276,590.89	(85,439.82)
Net assets beginning	1,901,103.20	1,741,428.15	159,675.05
Net assets ending	$2,092,254.27	$2,018,019.04	$ 74,235.23

Management's Discussion and Analysis
September 30, 2024

Jackson County Emergency Services District No. 1
Governmental Activities

- Property taxes increased by $128,205.22.
- Investment earnings decreased by $2,554.79.
- Grants increased by $0.
- Fundraisers and hall rental decreased by $12,908.00.
- Other income increased by $1,367.00:
  - Depreciation expense decreased by $14,829.99;
  - Provision of fire and ambulance services increased by $229,657.65;
  - Contracted services increased by $1,164.50;
  - Salaries and benefits increased by $1,805.60
  - Professional fees increased by $1,149.80.
  - Other expenses decreased by $23,623.42.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the District's strong fiscal management and accountability.

Governmental Funds. The general governmental functions are reported in the General and Special Revenue Funds. The focus of the District's *governmental funds* is to provide information on current sources, uses, and balances of spendable resources. Such information is useful in determining the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year the District's governmental funds reported ending unreserved fund balance of $613,541.08 (total fund balance of $613,541.08), an increase of $176,411.97. This unreserved fund balance is available for spending at the District's discretion.

The general fund is the only operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was $573,541.08 As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents .47 times total general fund expenditures.

The general fund balance increased by $179,911.97 from current year operations. Key factors in this decrease in fund balance are as follows:

• Property tax collections were $656,900.22.
• Capital outlay was $88,054.17.

General Fund Budgetary Highlights. The Board of Directors approved an increase to budgeted revenues and appropriations.

Actual Revenues exceeded budgetary estimates and actual expenditures were less than appropriated amounts.

	Governmental Activities		
	Fiscal Year Ended 9/30/2024	Fiscal Year Ended 9/30/2023	Variance
Business-type activities			
Land and improvements	$ 26,286.00	$ 26,286.00	$ -
Buildings and equipment	501,679.54	478,862.17	22,817.37
Equipment and vehicles	2,779,686.44	2,714,449.64	65,236.80
Total capital assets at historical cost	3,307,651.98	3,219,597.81	88,054.17
Less accumulated depreciation	(1,939,492.47)	(1,801,732.70)	(137,759.77)
Capital assets, net	1,368,159.51	1,417,865.11	$ (49,705.60)

Major capital asset events during the current fiscal year included the following:

- Building improvements totaled $22,817.37.
- Equipment and vehicle purchases were $65,236.80.
- Equipment and vehicle dispositions totaled $0.

Depreciation expense for the year was $137,759.77.

Debt Administration

The District has no outstanding debt at September 30, 2024.

Economic Factors and Next Year's Budgets and Rates

The District anticipates no changes in operations for the upcoming fiscal year ended September 30, 2025.

The annual budget is developed to provide efficient, effective and controlled use of the District's resources.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Jackson County Emergency Services District No. 1, PO Box 455, Vanderbilt, Texas 77991.

Basic Financial Statements

ASSETS

GENERAL FUND

	General	Total	Adjustments	Statement of Net Assets
Cash and investments	$ 555,347.38	$ 555,347.38	$ -	$ 555,347.38
Taxes receivable from collector	-	-	-	-
Taxes receivable	56,134.70	56,134.70	-	56,134.70
Prepaid expenses	27,850.00	27,850.00	(1,450.00)	26,400.00
Inventory	40,000.00	40,000.00	-	40,000.00
Capital Assets (net of accumulated depreciation)				
Land	-	-	26,286.00	26,286.00
Other capital assets	-	-	1,341,873.51	1,341,873.51
TOTAL ASSETS	679,332.08	679,332.08	1,366,709.51	2,046,041.59

LIABILITIES AND FUND EQUITY

	General	Total	Adjustments	Statement of Net Assets
Accounts payable	$ 4,800.00	$ 4,800.00	$ 300.00	$ 5,100.00
Payroll taxes payables	1,356.30	1,356.30	-	1,356.30
Deferred income	56,134.70	56,134.70	(56,134.70)	-
Total Liabilities	62,291.00	62,291.00	(55,834.70)	6,456.30
FUND BALANCE / NET ASSETS				
Fund balances:				
Reserved for inventories	40,000.00	40,000.00	(40,000.00)	
Unreserved	573,541.08	573,541.08	(573,541.08)	
Total fund balances	613,541.08	613,541.08	(613,541.08)	
TOTAL LIABILITIES AND FUND EQUITY	$ 675,832.08	$ 675,832.08		
Net assets:				
Invested in capital assets net of related debt			1,368,159.51	1,368,159.51
Unrestricted			671,425.78	671,425.78
Total net assets			$ 2,039,585.29	$ 2,039,585.29

See accompanying notes and independent auditor's report.

(1) -- Disclosure of Information about Capital Assets

Capital asset activity for the twelve month period ended September 30, 2024 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Fire and ambulance activities:				
Capital assets not being depreciated:				
Land and improvements	$ 26,286.00	$ -	$ -	$ 26,286.00
Total capital assets not being depreciated	26,286.00	-	-	26,286.00
Other capital assets:				
Buildings and equipment	3,193,311.81	88,054.17	-	3,281,365.98
Total other capital assets at historical cost	3,193,311.81	88,054.17	-	3,281,365.98
Less accumulated depreciation for:				
Buildings and equipment	1,801,732.70	137,759.77	-	1,939,492.47
Total accumulated depreciation	1,801,732.70	137,759.77 *	-	1,939,492.47
Other capital assets, net	1,391,579.11	(49,705.60)	-	1,341,873.51
Business-type activities capital assets, net	$ 1,417,865.11	$ (49,705.60)	$ -	$ 1,368,159.51

*Depreciation expense was charged to functions as follows:

Fire and ambulance activities	$ 137,759.77
Total depreciation expense	$ 137,759.77

(2) -- Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Statement of Net Assets

Capital assets are added to Statement of net assets	$1,368,159.51
Deferred revenues are eliminated on Statement of net assets	56,134.70
	$ 1,424,294.21

Statement of Activities and Governmental Funds
Revenues, Expenditures, and Changes in Fund Balance
September 30, 2024

	General	Total	Adjustments	Statement of Activities
REVENUES				
Property taxes	656,900.22	656,900.22	56,134.70	713,034.92
Tax penalties and interest	1,774.89	1,774.89	-	1,774.89
Interest	5,471.49	5,471.49	-	5,471.49
EMS insurance collections	-	-	-	-
Donations and grants	-	-	-	-
Donations, Fundraisers and hall rental	6,559.00	6,559.00	-	6,559.00
Grants	-	-		-
Refunds	72.00	72.00	-	72.00
Proceeds - asset dispositions	-	-	-	-
Total Revenues	670,777.60	670,777.60	56,134.70	726,912.30
EXPENDITURES				
Appraisal district	15,944.72	15,944.72	-	15,944.72
Awards and meals	1,925.56	1,925.56	-	1,925.56
Capital outlay -building equipment and vehicles	88,054.17	88,054.17	(88,054.17)	-
Clothing Allowance and Supplies	128,058.46	128,058.46		128,058.46
Contracted services	8,198.00	8,198.00	-	8,198.00
Donations and fundraising	-	-	-	-
Fire commissioners	2,729.03	2,729.03	-	2,729.03
Fire dues and subscriptions	375.00	375.00	-	375.00
Fire prevention	864.50	864.50	-	864.50
Fire run allowance	6,560.00	6,560.00		
Fire training	550.99	550.99	-	550.99
Fuel - fire vehicle	4,937.26	4,937.26	-	4,937.26
Insurance	53,432.25	53,432.25	-	53,432.25
Office supplies	3,740.93	3,740.93	-	3,740.93
Other expenses			1,750.00	1,750.00
Professional fees	7,996.24	7,996.24	-	7,996.24
Public Notices	2.00	2.00		2.00
Repairs and maintenance - building	59,627.39	59,627.39	-	59,627.39
Repairs and maintenance - communications	4,212.20	4,212.20	-	4,212.20
Repairs and maintenance - fire vehicle	28,473.29	28,473.29	-	28,473.29
Repairs and maintenance -other	2,615.54	2,615.54		2,615.54
Supplies and maintenance - fire	27,073.98	27,073.98	-	27,073.98
Telephone	8,112.50	8,112.50	-	8,112.50
Utilities	13,014.56	13,014.56	-	13,014.56
Salaries	22,400.00	22,400.00	-	22,400.00
Payroll taxes	1,595.60	1,595.60	-	1,595.60
Other expenses	371.46	371.46	-	371.46
Depreciation	-	-	137,759.77	137,759.77
Total expenditures/expenses	490,865.63	490,865.63	51,455.60	535,761.23
Excess (deficiency) of revenues over expenditures	179,911.97	179,911.97	4,679.10	191,151.07
Change in net assets	179,911.97	179,911.97		-
FUND BALANCE/NET ASSETS:				
Beginning of the year	437,129.11	437,129.11	1,463,974.09	1,901,103.20
End of the year	$ 617,041.08	$ 617,041.08	$ 1,468,653.19	$ 2,092,254.27

See accompanying notes and independent auditor's report.

(3) -- Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities

Differences in taxes receivable are reflected in the Statement of activities	$ 56,134.70
Proceeds - asset dispositions are not shown on the Statement of activities	-
Capital outlay is not shown on the Statement of activities	(88,054.17)
Loss on disposal of capital assets is not shown in the Statement of activities	-
Depreciation is shown on the Statement of activities	137,759.77
	$ 105,840.30

Notes to the Basic Financial Statements

CREATION OF THE DISTRICT

The Jackson County Rural Fire District No. 1 was formed in August 1979 by a special election. On September 1, 2003, the Texas Legislature converted all Fire Districts into Emergency Services Districts, and the District passed a resolution to that effect on October 9, 2003, therefore creating Jackson County Emergency Services District No. 1 (the District).

NOTE 1. SUMMARY OF ACCOUNTING POLICIES AND BASIS OF ACCOUNTING

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District is not a component unit or has no component units. The District receives funding from taxes, EMS runs, interest and donations.

The commissioners are appointed by the Commissioners' Court of Jackson County, Texas. Once appointed, they act independent of the County.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, EMS runs, interest, and donations.

The statement of activities presents expenses and revenues for the District's activities.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District has only a general fund.

The District reports the following governmental funds:

General Fund - The General (System) Fund is the general operating fund of the District. It is used to account for all financial resources.

2. Measurement Focus, Basis of Accounting

Government-wide Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from local sources consist primarily of property taxes and donations. Property tax revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, claims and judgment, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Financial Statement Amounts

1. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from Texas Legislature. The District has no allowance for uncollectible tax receivables. The amount is not considered material.

2. Inventories and Prepaid Items

The District records purchases of supplies as expenditures at cost. The District does not conduct year-end inventory counts. The amount recorded as inventory is not adjusted to a physical inventory count. Fund balance is reserved to cover amounts recorded as inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50
Equipment	10 - 20

4. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of the management's estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

A. Deposits

At September 30, 2024, the carrying amount of the District's deposits was $555,347.38. The District's deposits consist of demand deposits and a money market account. Bank deposits are held at Prosperity Bank, the District's depository bank. At year-end, total bank deposits were $555,347.38. Of the bank balances, the FDIC covered $250,000.00 and pledged collateral covered $305,347.38.

The District does not carry any bank balance over and above the insured and secured amounts.

The cash deposits held at the financial institution can be categorized according to three levels of risk. These levels are:

Category 1 – Insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
Category 3 – Uncollateralized.

Based on these three levels of risk, all of the District's cash deposits are classified as category 1.

B. Investments

The District is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are guaranteed by the State of Texas or the United States; (4) obligations of state agencies, counties, cities and other political subdivisions of any state which is of investment quality and which has received a rating of not less than A or its equivalent; (5) fully collateralized or insured time deposits; (6) fully collateralized direct repurchase agreements; (7) and other securities or obligations approved by the District and eligible under the Public Funds Investment Act. The District had investments at September 30, 2024 in the amount of $2,969.05.

NOTE 3. PROPERTY TAXES

	Maintenance Taxes
Taxes Receivable, Beginning of Year	$ 46,108.98
Plus: 2024 Original Tax Levy	669,969.74
Less: Adjustments	(3,043.80)
Total to be accounted for	713,034.92
Tax collections:	
Current year	655,259.77
Prior years	1,640.45
Total collections	656,900.22
Taxes Receivable, End of Year	$ 56,134.70
Taxes Receivable, By Years	
Prior	$ 26,716.07
2020	5,264.12
2021	5,652.01
2022	5,637.04
2023	12,865.46
Taxes Receivable, End of Year	$ 56,134.70

NOTE 4. COMMITMENTS AND CONTINGENCIES

There were no commitments or contingent liabilities that came to our attention that would have a material effect on the financial statements as of September 30, 2024 through the date of report issuance.

There is no litigation pending that came to our attention that would have a material effect on the financial statements as of September 30, 2024 through the date of report issuance.

NOTE 5. RETIREMENT PLAN AND OTHER EMPLOYEE BENEFITS

A. Retirement Plan

There is no retirement plan set up for the employees of the District.

B. Social Security Coverage

The District has one employee participating in the Social Security and Medicare programs.

C. Accumulated unpaid employee benefits

The District employs part-time staff. There are no unpaid employee benefits at September 30, 2024

NOTE 6. ENCUMBRANCES

The District does not employ encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land and improvements	$ 26,286.00	$ -	$ -	$ 26,286.00
Total capital assets not being depreciated	26,286.00	-	-	26,286.00
Other capital assets:				
Buildings and improvements	478,862.17	22,817.37	-	501,679.54
Equipment and vehicles	2,714,449.64	65,236.80	-	2,779,686.44
Total other capital assets at historical cost	3,193,311.81	88,054.17	-	3,281,365.98
Buildings and improvements	(105,630.62)	(9,467.50)	-	(115,098.12)
Equipment and vehicles	(1,696,102.08)	(128,292.27)	-	(1,824,394.35)
Less accumulated depreciation	(1,801,732.70)	(137,759.77) *	-	1,939,492.47
Other capital assets, net	1,391,579.11	(49,705.60)	-	1,341,873.51
Business-type activities capital assets, net	$1,417,865.11	$ (49,705.60)	-	$ 1,368,159.51

*Depreciation expense was charged to functions as follows:

Business-type activities:	
Governmental activities	$ 137,759.77
Total governmental activities depreciation expense	$ 137,759.77

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors, and omissions, injuries to employees, and natural disasters. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding coverage for each of the past three fiscal years.

NOTE 9. RECEIVABLES

	General Fund	Total
Taxes	$ 56,134.70	$ 56,134.70
Less: Allowance for uncollectible	-	-
	$ 56,134.70	$ 56,134.70
Taxes due from tax collector	$ -	$ -
Grants receivable	$ -	$ -
Penalties and interest due from tax collector	$ -	$ -

Uncollectible accounts

The District uses the specific write-off method of accounting for uncollectible accounts by charging such losses to operations in the period in which uncollectibility is determined. This method does not differ materially from generally accepted accounting principles. There were no receivables written-off as uncollectible for the year ended September 30, 2024.

NOTE 10. RESERVED EQUITY ACCOUNTS

	General Fund	Total
Reserved for inventories	$ 40,000.00	$ 40,000.00
	$ 40,000.00	$ 40,000.00

NOTE 11. SHARED FACILITIES

The District shares office space in the Vanderbilt Community Center with the Jackson County Water Control and Improvement District No. 2 (JCWCID #2). The building is the property of the County of Jackson. The District received from the JCWCID #2 utilities, telephone/internet, and insurance reimbursements for the year ended September 30, 2024, and are recognized as a reduction of expenditures in the General Fund.

NOTE 12. BUDGETS AND BUDGETARY ACCOUNTING

The District adopts an annual appropriated budget for the General Fund. This budget is used as a guide by management to limit expenditures to revenues received.

Excess of Actual Revenues over Budget

The General Fund actual revenues exceeded budgeted revenues by $1,006.60 for the year ended September 30, 2024.

Excess Expenditures over Revenues

The General Fund expenditures exceeded revenues in the amount of $123,723.86 for the year ended September 30, 2024.

NOTE 13. RELATED PARTY TRANSACTIONS

No related party transactions came to our attention.

NOTE 14. SUBSEQUENT EVENTS

In the opinion of the District's administration, no events have occurred through April 1, 2025, the date the financial statements were available to be issued, which would materially affect the financial statements.

Required Supplementary Information

Jackson County Emergency Services District No. 1

Budget Comparison Schedule
September 30, 2024

	Actual	Original Budget	Amended Budget	Variance Positive (Negative)
Revenues:				
Property taxes	$ 656,900.22	$ 669,771.00	N/A	$ (12,870.78)
Tax penalties and interest	1,774.89	-		1,774.89
Interest	5,471.49	-		5,471.49
Donations and grants	2,239.00	-		2,239.00
Fundraisers and hall rental	4,320.00	-		4,320.00
Refunds	72.00			72.00
Proceeds - asset dispositions	-	-		-
Total Revenues	670,777.60	669,771.00		1,006.60
Expenditures/expenses:				
Appraisal district	15,944.72	15,000.00		944.72
Awards and meals	1,925.56	-		1,925.56
Capital outlay - equipment and vehicles	88,054.17	236,884.18		(148,830.01)
Clothing allowance	128,058.46	-		128,058.46
Contracted services	8,198.00	10,700.00		(2,502.00)
Fire commissioners	2,729.03	2,400.00		329.03
Fire dues and subscriptions	375.00	-		375.00
Fire prevention	864.50	-		864.50
Fire run allowance	550.99			
Fire training	6,560.00	-		6,560.00
Fuel - fire vehicle	4,937.26	-		4,937.26
Insurance	53,432.25	50,800.00		2,632.25
Office supplies	3,740.93	2,000.00		1,740.93
Professional fees	7,996.24	6,000.00		1,996.24
Public Notices	2.00	700.00		(698.00)
Repairs and maintenance - building	59,627.39	10,000.00		49,627.39
Repairs and maintenance - communications	4,212.20	3,000.00		1,212.20
Repairs and maintenance - fire vehicle	28,473.29	-		28,473.29
Repairs and maintenance - other	2,615.54	-		2,615.54
Supplies and maintenance - fire	27,073.98	-		27,073.98
Telephone	8,112.50	1,500.00		6,612.50
Utilities	13,014.56	2,500.00		10,514.56
Salaries	22,400.00	18,600.00		3,800.00
Payroll taxes	1,595.60	5,500.00		(3,904.40)
Other expenses	371.46	-		371.46
Depreciation	-	-		-
Total expenditures/expenses	490,865.63	365,584.18		124,730.46

	Actual	Original Budget	Amended Budget	Variance Positive (Negative)
Excess (deficiency) of revenues over expenditures	179,911.97	304,186.82		(123,723.86)
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	179,911.97	304,186.82		(123,723.86)
Fund balance:				
Beginning of the year	437,129.11	437,129.11		437,129.11
End of the year	$ 617,041.08	$ 741,315.93		$ 313,405.25

NOTE 1. BUDGETS

The budget for the Governmental Fund adopted during the year by the District was prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The General Fund has a legally adopted budget.

Other Supplementary Information

Board of Directors
September 30, 2024

District Mailing Address: Jackson County Emergency Services District No. 1
P.O. Box 455
Vanderbilt, Texas 77971

District Business Telephone No: (361) 284-3222

Name and Address:	Term of Office Elected and Expires or Date Hired	Fees For Year Ended 09/30/2024	Title at Year-End	Resident of District?
Commissioners:				
Richard Koch	2/14/06 to 12/31/26	0.00	President	Yes
Nathan Sappington	4/24/12 to 12/31/26	0.00	1st Vice-President	Yes
Loren Solberg	1/18/22 to 12/31/25	0.00	Commissioner	Yes
Michael Malone	1/21/20 to 12/31/25	0.00	Treasurer	Yes
Clarence Joines	1/18/22 to 12/31/25	0.00	Secretary	Yes
Key Administrative Personnel:				
Christy Clark	1/1/05 to current	20,400.00	Executive Secretary	No

Name and Address:	Term of Office Elected and Expires or Date Hired	Fees and Expense Reimbursements (Year Ended 9/31/2024)	Title at Year-End	Resident of District?
Consultants:				
Jackson County Appraisal District 404 N. Allen Edna, Texas 77957	11/85	15,944.72	Appraisal District	N/A
Jackson County Tax Assessor/Collector Monica H. Foster 115 W. Main Edna, Texas 77957	10/09/03	1,223.74	Tax Assessing and Collection	N/A
Garland R. Sandhop, CPA 608 N. Wells Edna, Texas 77957	2012	4,450.00	Auditor	N/A
Burns Anderson Jury & Brenner, L.L.P. PO Box 26300 Austin, Texas 78755-6300	2019	1,650.00	Attorney	N/A