

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1

GALVESTON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

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McCall Gibson Swedlund Barfoot Ellis PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Galveston County Emergency
Services District No. 1
Galveston County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Galveston County Emergency Services District No. 1 (the "District") as of and for the year ended December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 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 the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

May 27, 2025

**GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Management’s discussion and analysis of Galveston County Emergency Services District No. 1’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all the District’s assets, liabilities and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include 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 has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, property tax revenues, costs of assessing and collecting taxes, and general expenditures.

**GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund financial statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$1,406,794 as of December 31, 2024.

A portion of the District's net position reflects its net investment in capital assets (firefighting gear, firefighting equipment and communication equipment, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide additional equipment to its service provider.

**GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position:

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 3,501,033	\$ 3,255,711	\$ 245,322
Capital Assets (Net of Accumulated Depreciation)	309,288	207,127	102,161
Right-of-Use Assets (Net of Accumulated Amortization)	<u>986,480</u>	<u>1,118,492</u>	<u>(132,012)</u>
Total Assets	<u>\$ 4,796,801</u>	<u>\$ 4,581,330</u>	<u>\$ 215,471</u>
Long-Term Liabilities	\$ 878,670	\$ 993,719	\$ 115,049
Current and Other Liabilities	<u>122,631</u>	<u>115,379</u>	<u>(7,252)</u>
Total Liabilities	<u>\$ 1,001,301</u>	<u>\$ 1,109,098</u>	<u>\$ 107,797</u>
Deferred Inflows of Resources	<u>\$ 2,388,706</u>	<u>\$ 2,169,399</u>	<u>\$ (219,307)</u>
Net Position:			
Net Investment in Capital Assets Unrestricted	<u>\$ 302,049</u> <u>1,104,745</u>	<u>\$ 219,304</u> <u>1,083,529</u>	<u>\$ 82,745</u> <u>21,216</u>
Total Net Position	<u>\$ 1,406,794</u>	<u>\$ 1,302,833</u>	<u>\$ 103,961</u>

The following table provides a summary of the District's operations for the years ended December 31, 2024, and December 31, 2023.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 2,158,098	\$ 1,945,445	\$ 212,653
Other Revenues	<u>111,811</u>	<u>137,685</u>	<u>(25,874)</u>
Total Revenues	<u>\$ 2,269,909</u>	<u>\$ 2,083,130</u>	<u>\$ 186,779</u>
Expenses for Services	<u>2,165,948</u>	<u>1,844,852</u>	<u>(321,096)</u>
Change in Net Position	<u>\$ 103,961</u>	<u>\$ 238,278</u>	<u>\$ (134,317)</u>
Net Position, Beginning of Year	<u>1,302,833</u>	<u>1,064,555</u>	<u>238,278</u>
Net Position, End of Year	<u>\$ 1,406,794</u>	<u>\$ 1,302,833</u>	<u>\$ 103,961</u>

**GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's General Fund fund balance as of December 31, 2024, was \$853,308, a decrease of \$13,282 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$184,967 more than budgeted revenues and actual expenditures were \$266,394 more than budgeted expenditures, which resulted in a negative variance of \$81,427. See the budget to actual comparison.

CAPITAL ASSETS

Capital assets as of December 31, 2024, total \$309,288 (net of accumulated depreciation).

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets, Net of Accumulated Depreciation:			
Vehicle and Equipment	\$ 309,288	\$ 207,127	\$ 102,161

RIGHT-OF-USE ASSETS

In accordance with the requirements of GASB Statement No. 87, the District classified certain capital assets to right-of-use assets. Right-of-use assets consisted of 2 Spartan Trucks which totaled \$1,316,510, had current year amortization expense of \$132,012, and had an accumulated amortization balance of \$330,030 as of December 31, 2024.

**GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had debt payable of \$993,719. The changes in the debt position of the District during the current year ended December 31, 2024, are summarized as follows:

Leases Payable, January 1, 2024	\$ 1,106,315
Less: Principal Paid	<u>112,596</u>
Leases Payable, December 31, 2024	<u>\$ 993,719</u>

CONTACTING THE DISTRICT'S MANAGEMENT

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 requests for additional information should be addressed to Galveston County Emergency Services District No. 1, c/o Coveler & Peeler, P.C., 820 Gessner, Suite 1710, Houston, Texas 77024.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 968,786	\$	\$ 968,786
Investments	956,037		956,037
Receivables:			
Property Taxes	1,336,905		1,336,905
Penalty and Interest on Delinquent Taxes		102,606	102,606
Prepaid Costs	136,699		136,699
Capital Assets (Net of Accumulated Depreciation)		309,288	309,288
Right-of-Use Assets (Net of Accumulated Amortization)		986,480	986,480
TOTAL ASSETS	\$ 3,398,427	\$ 1,398,374	\$ 4,796,801
LIABILITIES			
Accounts Payable	\$ 7,582	\$	\$ 7,582
Leases Payable:			
Due Within One Year		115,049	115,049
Due After One Year		878,670	878,670
TOTAL LIABILITIES	\$ 7,582	\$ 993,719	\$ 1,001,301
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 2,537,537	\$ (148,831)	\$ 2,388,706
FUND BALANCE			
Nonspendable: Prepaid Costs	\$ 136,699	\$ (136,699)	\$
Unassigned	716,609	(716,609)	
TOTAL FUND BALANCE	\$ 853,308	\$ (853,308)	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 3,398,427		
NET POSITION			
Net Investment in Capital Assets		\$ 302,049	\$ 302,049
Unrestricted		1,104,745	1,104,745
TOTAL NET POSITION		\$ 1,406,794	\$ 1,406,794

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

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balance - Governmental Funds	\$	853,308
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and right-of-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		1,295,768
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenues in the governmental activities of the District.		251,437
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of the following:

Leases Payable Within One Year	\$ (115,049)	
Leases Payable After One Year	<u>(878,670)</u>	<u>(993,719)</u>
Total Net Position - Governmental Activities		<u>\$ 1,406,794</u>

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

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 2,135,255	\$ 22,843	\$ 2,158,098
Penalty and Interest	37,044	11,655	48,699
Investment Revenues	61,366		61,366
Miscellaneous Revenues	1,746		1,746
TOTAL REVENUES	\$ 2,235,411	\$ 34,498	\$ 2,269,909
EXPENDITURES/EXPENSES			
Service Operations:			
District Services - Santa Fe			
Fire and Rescue	\$ 1,891,547	\$	\$ 1,891,547
Accounting and Auditing	21,102		21,102
Appraisal District Fees	15,152		15,152
Commissioner Fees	4,650		4,650
Insurance	2,063		2,063
Legal Fees - General	23,591		23,591
Legal Fees - Delinquent Tax Collections	10,957		10,957
Tax Assessor/Collector Fees	2,906		2,906
Depreciation/Amortization		168,251	168,251
Other	1,626		1,626
Capital Outlay	138,400	(138,400)	
Debt Service:			
Capital Leases Principal	112,596	(112,596)	
Capital Leases Interest	24,103		24,103
TOTAL EXPENDITURES/EXPENSES	\$ 2,248,693	\$ (82,745)	\$ 2,165,948
NET CHANGE IN FUND BALANCE	\$ (13,282)	\$ 13,282	\$
CHANGE IN NET POSITION		103,961	103,961
FUND BALANCE/NET POSITION - JANUARY 1, 2024	866,590	436,243	1,302,833
FUND BALANCE/NET POSITION - DECEMBER 31, 2024	\$ 853,308	\$ 553,486	\$ 1,406,794

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

**GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balance - Governmental Funds	\$	(13,282)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report property tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.		22,843
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Governmental funds report penalty and interest revenue on property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.		11,655
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Governmental funds do not account for depreciation/amortization. However, in the Statement of Net Position, capital assets are depreciated/amortized and depreciation/amortization expense is recorded in the Statement of Activities.		(168,251)
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		138,400
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Governmental funds report principal payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, liabilities are reduced when principal payments are made and the Statement of Activities is not affected.		112,596
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Change in Net Position - Governmental Activities	\$	<u>103,961</u>
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The accompanying notes to the financial statements are an integral part of this report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1. CREATION OF DISTRICT

Galveston County Emergency Services District No. 1 (the “District”) was created by the Commissioners’ Court of the County of Galveston on May 16, 1994, in accordance with Article III, Section 48-e, of the Texas Constitution. This action was taken by the Commissioners as a result of voter approval by residents of the District on May 7, 1994. The District operates under Chapter 775 of the Health and Safety Code. The District was established to provide operating funds for the contracting of fire prevention and emergency medical services within the boundaries of the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

The District is a political subdivision of the State of Texas governed by an appointed board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenues and expenses in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

Fund Types

The District has one governmental fund; therefore, it is a major fund.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

General Fund – To account for resources not required to be accounted for in another fund, property tax revenues, costs of assessing and collecting taxes, and general expenditures.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenues include 2023 tax levy collections during the period October 1, 2023, to December 31, 2024, and taxes collected from January 1, 2024, to December 31, 2024, for all prior tax levies. The 2024 tax levy has been fully deferred.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Capital Assets and Right-of-Use Assets

Capital assets, which include land, buildings and equipment, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Right-of-Use Assets (Continued)

Assets are capitalized if they have a total cost of \$5,000 or more (including installation costs and professional fees) and a useful life of at least two years or more. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Vehicle and Equipment	10
Firefighting Equipment	10
Firefighting Gear	7
Communication Equipment	10

In accordance with GASB Statement No. 87, the District recorded an apparatus as a right-of-use asset (see Note 8). The right-of-use asset is being amortized over the estimated useful life using the straight-line method of amortization.

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Commissioners. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Commissioners are wages subject to federal income tax withholding for payroll tax purposes only.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, liabilities, and deferred inflows and outflows of resources associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Governmental Funds Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. TAX LEVY

Voters of the District approved a maximum tax rate of \$0.10 per \$100 of assessed valuation. During the year ended December 31, 2024, the District levied an ad valorem tax at the rate of \$0.08473 per \$100 of assessed valuation, which resulted in a tax levy of \$2,388,706 on the adjusted taxable valuation of \$2,817,890,471 for the 2024 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$968,786 and the bank balance was \$263,028. The District was not exposed to custodial credit risk at year-end.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth.

The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Commissioners.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas Class.

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	<u>\$ 956,037</u>	<u>\$ 956,037</u>

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2024, the District’s investment in Texas CLASS was rated “AAAm” from Standard and Poor’s.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have a maturity of less than one-year due to the fact that the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024:

	<u>January 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2024</u>
Capital Assets Subject to Depreciation				
Vehicle and Equipment	\$ 261,595	\$ 138,400	\$	\$ 399,995
Fire Fighting Gear	38,831			38,831
Fire Fighting Equipment	97,686			97,686
Communication Equipment	<u>314,169</u>			<u>314,169</u>
Total Capital Assets Subject to Depreciation	<u>\$ 712,281</u>	<u>\$ 138,400</u>	<u>\$ - 0 -</u>	<u>\$ 850,681</u>
Less Accumulated Depreciation				
Vehicle and Equipment	\$ 54,468	\$ 36,239	\$	\$ 90,707
Fire Fighting Gear	38,831			38,831
Fire Fighting Equipment	97,686			97,686
Communication Equipment	<u>314,169</u>			<u>314,169</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 505,154</u>	<u>\$ 36,239</u>	<u>\$ - 0 -</u>	<u>\$ 541,393</u>
Total Capital Assets Net of Accumulated Depreciation	<u><u>\$ 207,127</u></u>	<u><u>\$ 102,161</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 309,288</u></u>

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6. CONTRACT FOR THE PAYMENT OF FIRE PROTECTION, FIRE SUPPRESSION AND EMERGENCY MEDICAL RESCUE SERVICES

On February 22, 2010, the District executed a contract for the payment of fire protection, fire, suppression and rescue services with Santa Fe Fire and Rescue (the “Department”). The Contract was renewed on July 24, 2017 and the term of the contract was extended for five years, beginning effective January 1, 2017, and shall continue on a year to year basis thereafter, subject to the adoption each year of the Operating and Capital Budgets of the Department. Under the terms of the contract, the Department agrees to provide fire protection and suppression services, emergency medical and rescue services to the residents and commercial interests within the boundaries of the geographic District. This contract may be terminated by either party without cause upon 180 days’ notice to the other party, or for cause upon 150 days’ notice to the other party.

The Department agrees to prepare for submission to the District an Operating Budget to be tendered to the District at the District’s August meeting of each year. The District has the right to approve the monthly monetary amount that will be invoiced to the District by the Department. At the same meeting, the Department will also submit to the District a Capital Budget for the District’s review and approval. The District will not be obligated to pay more than the funds it receives in hand less its own administrative costs and operating expenditures.

Ownership of all assets of the Department shall remain with the Department, if purchased by the Department, during the term of this contract. Any and all assets purchased by the District remain with the District, including the two new pumper trucks, regardless of the term of the contract. However, in the event of dissolution of the Department or termination and non-renewal of this contract, the ownership and possession of all non-disposable assets purchased in whole with District appropriated funds shall revert to the District; and ownership and possession of all non-disposable assets purchase partly with District appropriated funds shall revert to the District, subject to reimbursement to the Department for its pro rata share of the fair market value of such asset based upon the ratio of the purchase price paid for with Department funding. The Department agrees to insure all capital assets of the Department, to the extent available, for full replacement costs with the District listed as the “loss payee”. The District agrees to furnish sufficient funds annually for the purchase of the insurance required by this contract.

All funds received by the Department, during the term of this agreement, from private insurance carriers, Medicaid, Medicare or directly from a patient in payment for emergency medical, transport and similar services of an emergency nature are to be held by the District for the benefit of the Department’s capital expenditure needs or approved prior capital loan repayment obligations, the payment of the Department’s pension plan annual obligations, or as otherwise mutually agreed by the District and the Department. In the event of termination or non-renewal of this contract, the ambulance billing revenue not funded to the Department by the District shall be remitted to the Department, less any lawful offsets and credits that may be due the District.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three fiscal years.

NOTE 8. EQUIPMENT LEASE

On January 7, 2022, the District entered into a \$1,216,510 lease agreement with Leasing 2, Inc. to fund the purchase of two pumper fire trucks for future fire protection. Annual installments of \$136,699 are due every January 7, beginning January 7, 2023, and ending January 7, 2032. The interest rate is 2.179%.

In accordance with the requirements of GASB Statement No. 87, the District classified certain capital assets to right-of-use assets. Right-of-use assets, current year amortization expense, and accumulated amortization is summarized below:

	January 1, 2024	Increases	Decreases	December 31, 2024
Right-of-use Asset Subject to Amortization				
Firefighting/Rescue Apparatus	\$ 1,316,510	\$ - 0 -	\$ - 0 -	\$ 1,316,510
Less Accumulated Amortization				
Firefighting/Rescue Apparatus	\$ 198,018	\$ 132,012	\$ - 0 -	\$ 330,030
Right-of-use Asset, Net of Accumulated Amortization	<u>\$ 1,118,492</u>	<u>\$ (132,012)</u>	<u>\$ - 0 -</u>	<u>\$ 986,480</u>

The following is a summary of transactions regarding lease payable for the year ended December 31, 2024:

	January 1, 2024	Additions	Retirements	December 31, 2024
Leases Payable	<u>\$ 1,106,315</u>	<u>\$ - 0 -</u>	<u>\$ 112,596</u>	<u>\$ 993,719</u>
				\$ 115,049
				878,670
				<u>\$ 993,719</u>

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8. EQUIPMENT LEASE (Continued)

As of December 31, 2024, the debt service requirements on the lease payable were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 115,049	\$ 21,650	\$ 136,699
2026	117,556	19,143	136,699
2027	120,117	16,582	136,699
2028	122,734	13,965	136,699
2029	125,408	11,291	136,699
2030-2032	392,855	17,242	410,097
	\$ 993,719	\$ 99,873	\$ 1,093,592

The assets acquired with this lease, will be operated, maintained and insured by the Department.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$2,047,944	\$ 2,135,255	\$ 87,311
Penalty and Interest		37,044	37,044
Investment Revenues	2,500	61,366	58,866
Miscellaneous Revenues		1,746	1,746
	<u>\$2,050,444</u>	<u>\$ 2,235,411</u>	<u>\$ 184,967</u>
EXPENDITURES			
Service Operations:			
District Services - Santa Fe Fire and Rescue	\$1,764,000	\$ 1,891,547	\$ (127,547)
Accounting and Auditing	22,000	21,102	898
Appraisal District Fees	15,000	15,152	(152)
Commissioner Fees	9,000	4,650	4,350
Insurance	3,000	2,063	937
Legal Fees - General	17,000	23,591	(6,591)
Legal Fees - Delinquent Tax Collections		10,957	(10,957)
Tax Assessor/Collector Fees	7,000	2,906	4,094
Other	8,600	1,626	6,974
Capital Outlay		138,400	(138,400)
Debt Service:			
Capital Leases Principal	112,596	112,596	
Capital Leases Interest	24,103	24,103	
	<u>\$1,982,299</u>	<u>\$ 2,248,693</u>	<u>\$ (266,394)</u>
NET CHANGE IN FUND BALANCE	\$ 68,145	\$ (13,282)	\$ (81,427)
FUND BALANCE - JANUARY 1, 2024	<u>866,590</u>	<u>866,590</u>	
FUND BALANCE - DECEMBER 31, 2024	<u>\$ 934,735</u>	<u>\$ 853,308</u>	<u>\$ (81,427)</u>

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1

OTHER SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
LISTING OF THE NUMBER OF EMERGENCY
RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Number of Emergency Responses made Within the District	3,374
Number of Emergency Responses made Outside of the District	<u>217</u>
Total Emergency Responses	<u><u>3,157</u></u>

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
SCHEDULE OF INSURANCE AND BONDING COVERAGE
DECEMBER 31, 2024

Type of Coverage	From To	Amount of Coverage	Insurer/Name
PUBLIC EMPLOYEE BLANKET BOND	11/01/24 11/01/25	\$ 100,000	National Union Fire Insurance Company
POSITION SCHEDULE BOND Treasurer	11/01/24 11/01/25	\$ 100,000	National Union Fire Insurance Company
HIRED/NON-OWNED AUTO LIABILITY Combined Single Limit	11/01/24 11/01/25	\$ 1,000,000	National Union Fire Insurance Company
GENERAL LIABILITY General Aggregate Each Occurrence	11/01/24 11/01/25	\$ 3,000,000 1,000,000	National Union Fire Insurance Company
MANAGEMENT LIABILITY Each Wrongful Act Aggregate	11/01/24 11/01/25	\$ 1,000,000 3,000,000	National Union Fire Insurance Company
EXCESS LIABILITY Each Occurrence Aggregate	11/01/24 11/01/25	\$ 1,000,000 2,000,000	National Union Fire Insurance Company

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
ANALYSIS OF TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2024	\$ 1,693,496	
Adjustments to Beginning Balance	(11,301)	\$ 1,682,195
Original 2024 Tax Levy	\$ 2,311,637	
Adjustment to 2024 Tax Levy	77,069	2,388,706
TOTAL TO BE ACCOUNTED FOR		\$ 4,070,901
TAX COLLECTIONS:		
Prior Years	\$ 1,533,364	
Current Year	1,200,632	2,733,996
TAXES RECEIVABLE - DECEMBER 31, 2024		\$ 1,336,905
TAXES RECEIVABLE BY YEAR:		
2024		\$ 1,188,074
2023		51,165
2022		22,491
2021		13,567
2020		9,623
2019		8,095
2018		6,008
2017		5,215
2016		4,652
2015 and Prior		28,015
TOTAL		\$ 1,336,905

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
ANALYSIS OF TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023	2022	2021
PROPERTY VALUATIONS:				
Land	\$ 1,276,670,387	\$ 1,079,658,417	\$ 800,869,447	\$ 798,963,235
Improvements	2,346,096,208	2,289,212,734	2,070,970,680	1,827,775,921
Personal Property	100,083,742	96,858,981	82,201,456	76,482,728
Exemptions	<u>(904,959,866)</u>	<u>(843,880,604)</u>	<u>(646,609,668)</u>	<u>(614,938,399)</u>
TOTAL PROPERTY VALUATIONS	<u><u>\$ 2,817,890,471</u></u>	<u><u>\$ 2,621,849,528</u></u>	<u><u>\$ 2,307,431,915</u></u>	<u><u>\$ 2,088,283,485</u></u>
TAX RATES PER \$100 VALUATION:				
	<u>\$ 0.084730</u>	<u>\$ 0.082716</u>	<u>\$ 0.084377</u>	<u>\$ 0.084605</u>
ADJUSTED TAX LEVY*	<u><u>\$ 2,388,706</u></u>	<u><u>\$ 2,169,399</u></u>	<u><u>\$ 1,947,913</u></u>	<u><u>\$ 1,767,775</u></u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED				
	<u>50.26 %</u>	<u>97.64 %</u>	<u>98.85 %</u>	<u>99.23 %</u>

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 2,135,255	\$ 1,934,310	\$ 1,760,117
Penalty and Interest	37,044	37,994	35,923
Investment Revenues	61,366	65,479	12,484
Miscellaneous Revenues	1,746	28,072	818
TOTAL REVENUES	\$ 2,235,411	\$ 2,065,855	\$ 1,809,342
EXPENDITURES			
District Services - Santa Fe Fire and Rescue	\$ 1,891,547	\$ 1,583,349	\$ 1,659,218
Accounting and Auditing	21,102	19,865	18,576
Appraisal District Fees	15,152	13,317	13,772
Commissioner Fees	4,650	5,400	4,500
Insurance	2,063	2,063	2,163
Legal Fees - General	23,591	19,685	21,274
Legal Fees - Delinquent Tax Collections	10,957	11,493	10,937
Tax Assessor/Collector Fees	2,906	3,589	3,571
Other	1,626	1,778	1,611
Capital Outlay	138,400		1,316,510
Debt Service:			
Lease Principal	112,596	110,195	
Lease Interest	24,103	26,503	
TOTAL EXPENDITURES	\$ 2,248,693	\$ 1,797,237	\$ 3,052,132
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (13,282)	\$ 268,618	\$ (1,242,790)
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	\$ - 0 -	\$ - 0 -	\$ 1,216,510
NET CHANGE IN FUND BALANCE	\$ (13,282)	\$ 268,618	\$ (26,280)
BEGINNING FUND BALANCE	866,590	597,972	624,252
ENDING FUND BALANCE	\$ 853,308	\$ 866,590	\$ 597,972

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 1,586,066	\$ 1,485,356	95.5 %	93.6 %	97.3 %	97.7 %	97.4 %
35,398	30,189	1.7	1.8	2.0	2.2	2.0
1,185	8,756	2.7	3.2	0.7	0.1	0.6
314	500	0.1	1.4			
<u>\$ 1,622,963</u>	<u>\$ 1,524,801</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,409,403	\$ 1,365,844	84.6 %	76.6 %	91.7 %	86.8 %	89.6 %
19,400	18,866	0.9	1.0	1.0	1.2	1.2
12,625	10,937	0.7	0.6	0.8	0.8	0.7
7,200	7,200	0.2	0.3	0.2	0.4	0.5
2,447	3,067	0.1	0.1	0.1	0.2	0.2
50,338	24,147	1.1	1.0	1.2	3.1	1.6
11,131	9,345	0.5	0.6	0.6	0.7	0.6
3,313	3,362	0.1	0.2	0.2	0.2	0.2
26,565	7,106	0.1	0.1	0.1	1.6	0.5
261,595		6.2		72.8	16.1	
		5.0	5.3			
		1.1	1.3			
<u>\$ 1,804,017</u>	<u>\$ 1,449,874</u>	<u>100.6 %</u>	<u>87.1 %</u>	<u>168.7 %</u>	<u>111.1 %</u>	<u>95.1 %</u>
<u>\$ (181,054)</u>	<u>\$ 74,927</u>	<u>(0.6) %</u>	<u>12.9 %</u>	<u>(68.7) %</u>	<u>(11.1) %</u>	<u>4.9 %</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ (181,054)	\$ 74,927					
805,306	730,379					
<u>\$ 624,252</u>	<u>\$ 805,306</u>					

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024

District Mailing Address - Galveston County Emergency Services District No. 1
c/o Coveler & Peeler, P.C.
Two Memorial City Plaza
820 Gessner Road, Suite 1710
Houston, Texas 77024-8261

District Telephone Number - (713) 984-8222

<u>Commissioners</u>	<u>Term of Office Appointed - Expires</u>	<u>Fees of Office for the year ended December 31, 2024</u>	<u>Expense Reimbursements for the year ended December 31, 2024</u>	<u>Title</u>
Lance Williams	01/01/24 12/31/25	\$ -0-	\$ -0-	President
Kevin O'Brien	01/01/24 12/31/25	\$ 2,250	\$ -0-	Assistant Treasurer/ Secretary
Sharon Free	01/01/23 12/31/24	\$ 2,100	\$ -0-	Treasurer/ Secretary/ Investment Officer
Greg Gardner	01/01/23 12/31/24	\$ -0-	\$ -0-	Secretary
Tommy Gaas	03/25/24 12/31/24	\$ -0-	\$ -0-	Commissioner

Note: Terms of office are as of the date of this report.

The limit on fees of office that a Commissioner may receive during a year is set by the Health and Safety Code-Chapter 775. Effective September 1, 2017, a Commissioner is entitled to receive compensation in the same manner and amount as are provided by Section 49.060 of the Texas Water Code, currently \$7,200 per fiscal year. The above fees of office and expense reimbursements are the amounts paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

GALVESTON COUNTY EMERGENCY SERVICES DISTRICT NO. 1
BOARD OF COMMISSIONERS AND CONSULTANTS
DECEMBER 31, 2024

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2024*</u>	<u>Title</u>
Coveler & Peeler, P.C.	1994	\$ 23,591	General Counsel
McCall Gibson Swedlund Barfoot PLLC	03/26/01	\$ 10,700	Auditor
Galveston County Tax Assessor/Collector	Legislative Action	\$ 2,906	Tax Assessor/ Collector
Ham, Langston & Brezina LLP	12/18/15	\$ 10,401	Bookkeeper
Lineberger Goggan Blair & Sampson, LLP	04/25/05	\$ 10,957	Delinquent Tax Attorney

* Accrual basis

See accompanying independent auditor's report.