

# **Wharton County Emergency Services District #3**

## **Auditor's Report**

Fiscal Year Ended  
September 30, 2022

**Baker, Stogner & Associates**  
*Certified Public Accountants*  
316 E. Jackson  
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(979) 543-3251

## **Wharton County ESD #3**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Wharton County ESD #3

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wharton County ESD #3, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Wharton County ESD #3'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 fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

***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 Wharton County ESD #3, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***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 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.

*Baker Stogner & Associates*

Baker, Stogner & Associates

El Campo, Texas

May 10, 2022

## Management's Discussion and Analysis

This section of the Wharton County Emergency Services District #3 Annual Financial Report presents a narrative overview and analysis of the financial activities of the Wharton County Emergency Services District #3 for the fiscal year ended September 30, 2022. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

The MD&A is being presented as a part of the Wharton County Emergency Services District #3's Report and it coincides with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

### Financial Highlights

The total assets of the Wharton County Emergency Services District #3 exceeded its liabilities at the close of fiscal year 2022 by \$702,107.79 (total Net Position). All of this amount is considered unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. There are no restricted assets for specific purposes and no capital assets.

In contrast to the government-wide financial statements, the governmental funds statement reports a combined fund balance at year-end of \$604,578.59, of which 100% represents unreserved fund balance. At the end of the current fiscal year, the unreserved fund balance in the general fund of \$604,578.59 represented 33.11% of total general fund expenditures.

The Wharton County Emergency Services District #3 had no debt as of the end of the fiscal year presented, but did have some minor accounts payable.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Wharton County Emergency Services District #3 basic financial statements. Wharton County Emergency Services District #3's basic financial statements consist of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 Wharton County Emergency Services District #3 finances, in a manner similar to a private-sector business. They present the financial status of the Wharton County Emergency Services District #3 from an economic resources measurement focus using the accrual basis of accounting and include all assets and liabilities.

The statement of Net Position presents information on all Wharton County Emergency Services District #3 assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of Wharton County Emergency Services District #3 is improving or deteriorating.

The statement of activities presents information showing how the Net Position changed during the fiscal year. All Changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.

Both of the government-wide financial statements distinguish functions of the Wharton County Emergency Services District #3 that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

**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. Wharton County Emergency Services District #3, 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 Wharton County Emergency Services District #3 are governmental 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 near-term inflows and outflows 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 the Wharton County Emergency Services District #3's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the government-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 government's near-term financing decisions. Both the governmental fund 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.

Wharton County Emergency Services District #3 maintains one individual governmental fund. Information would be presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund debt, if there was any debt held by the District, which are considered to be major funds.

The Wharton County Emergency Services District #3 adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with this budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information concerning the Wharton County Emergency Services District #3's budgetary schedules for its major fund. A budgetary comparison schedule, which includes the original and final budget and the actual expenditures, has been provided to demonstrate compliance with this budget.

**Government-wide financial statements.**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Wharton County Emergency Services District #3, assets exceed liabilities by \$604,578.59 at the close of the most recent fiscal year.

The largest portion of the Wharton County Emergency Services District #3's Net Position (86.12%) consists of cash.

Wharton County Emergency Services District #3  
Statement of Net Position  
September 30, 2022

Assets	
Cash	604,578.59
Taxes Receivable	<u>97,529.20</u>
Total Assets	702,107.79
Liabilities	
Deferred Revenues – Taxes Receivable	0.00
Liabilities	<u>0.00</u>
Total Liabilities	0.00
Net Position	<u>702,107.79</u>
Total Liabilities & Net Position	702,107.79

There are currently no restrictions on the Wharton County Emergency Services District #3's Net Position representing resources that would be subject to external restrictions on how they may be used. All Net Position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of its current fiscal year, the Wharton County Emergency Services District #3 reported positive Net Position in all categories of Net Position for its governmental activities.

**Governmental Activities.** Governmental activities decreased the Wharton County Emergency Services District #3's Net Position by \$26,416.58 during the current fiscal year.

The following table indicates changes in Net Position for governmental type activities:

**Wharton County Emergency Services District #3**  
Statement of Activities  
for the year ended September 30, 2022

	Statement of Activities
Revenues	
Tax revenues	1,799,132.12
Penalties	26,299.84
Interest Income & reimbursements	325.50
Total Revenues	<u>1,825,757.46</u>
Expenditures	
Quarterly CAD Payments	28,720.00
CAD Reimbursements	1,635.00
Dues	-
Insurance	1,182.86
Local Emergency Services Support	1,811,070.00
Other interlocal support	118.97
Office	56.00
Advertising	416.96
Legal & accounting	8,974.25
Total Expenses	<u>1,852,174.04</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(26,416.58)</u>
Excess (Deficiency) of Revenues over Expenditures	-
Change in Net Position	(26,416.58)
Fund Balance, Beginning of Year	
Fund Balance, End of Year	
Net Position, Beginning of year	<u>728,524.37</u>
Net Position, End of year	<u><u>702,107.79</u></u>

assessing the Wharton County Emergency Services District #3'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.

As of the end of the current fiscal year, the Wharton County Emergency Services District #3's governmental funds reported combined fund balances of \$604,578.590, a decrease of \$33,231.50 from the prior year. One hundred percent of the combined fund balances constitutes unreserved fund balance, which is available to meet the Wharton County Emergency Services District #3's current and future needs. There is no remainder of fund balance which would indicate a reservation that would not be available for new spending because it had been committed for other purposes.

#### **General Fund Budgetary Highlights.**

The budget was used as an internal tool and was not amended.

#### **Capital Asset and Debt Administration.**

There was none since the Wharton County Emergency Services District #3 owns no capital assets and has incurred no related long-term debt.

#### **Requests for Information.**

This financial report is designed to provide a general overview of Wharton County Emergency Services District #3's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Wharton County Emergency Services District #3.

**Wharton County Emergency Services District #3**  
Statement of Net Position & Government Fund Balance Sheet  
September 30, 2022

	<u>General</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets and other Debits				
Current Assets				
Cash in Bank - FSB Checking	385,121.09	385,121.09	-	385,121.09
Texasgulf FCU - CD	20,257.06	20,257.06	-	20,257.06
Prosperity Bank MMA	199,200.44	199,200.44	-	199,200.44
Taxes Receivable	32,689.26	32,689.26	-	32,689.26
Delinquent Taxes Receivable	64,839.94	64,839.94	-	64,839.94
Total Current Assets	702,107.79	702,107.79	-	702,107.79
Long Term Assets	-	-	-	-
Deferred Outflows of Resources	-	-	-	-
Total Assets and other Debits	<u>702,107.79</u>	<u>702,107.79</u>	<u>-</u>	<u>702,107.79</u>
Liabilities and Fund Balances				
	-	-	-	-
Liabilities	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Deferred Revenues Taxes Receivable	97,529.20	97,529.20	(97,529.20)	-
Fund Balances				
Unreserved Fund Balance	604,578.59	604,578.59	-	-
Total Liabilities, Deferred Inflows & Fund Balance	<u>702,107.79</u>	<u>702,107.79</u>	<u>-</u>	<u>-</u>
Net Position				
Unrestricted Net Position			-	702,107.79
Total Liabilities & Net Position			<u>-</u>	<u>702,107.79</u>

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**

Reconciliation of Total Governmental Fund Fund Balance  
to Governmental Net Position  
September 30, 2022

**Total Governmental Fund Balance**

604,578.59

Amounts reported for governmental activities in the statement of net position  
are different because:

Certain liabilities and accruals are not reported in fund accounting, but are  
included in the full accrual Statement of Net Position

97,529.20

**Net Position of Governmental Activities**

702,107.79

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance  
for the year ended September 30, 2022

	General	Total	Adjustments	Statement of Activities
Revenues				
Tax revenues	1,792,317.20	1,792,317.20	6,814.92	1,799,132.12
Penalties & Interest	26,299.84	26,299.84	-	26,299.84
Interest Income & Miscellaneous	325.50	325.50	-	325.50
Total Revenues	1,818,942.54	1,818,942.54	6,814.92	1,825,757.46
Expenditures				
Quarterly CAD Payments	28,720.00	28,720.00	-	28,720.00
CAD Reimbursements	1,635.00	1,635.00	-	1,635.00
Dues	-	-	-	-
Insurance	1,182.86	1,182.86	-	1,182.86
Local Emergency Services Support	1,811,070.00	1,811,070.00	-	1,811,070.00
Other interlocal support	118.97	118.97	-	118.97
Office	56.00	56.00	-	56.00
Advertising	416.96	416.96	-	416.96
Legal & accounting	8,974.25	8,974.25	-	8,974.25
Total Expenses	1,852,174.04	1,852,174.04	-	1,852,174.04
Excess (Deficiency) of Revenues over Expenditures	(33,231.50)	(33,231.50)	6,814.92	(26,416.58)
Excess (Deficiency) of Revenues over Expenditures	(33,231.50)	(33,231.50)	-	-
Change in Net Position	-	-	6,814.92	(26,416.58)
Fund Balance, Beginning of Year	637,810.09	637,810.09		
Fund Balance, End of Year	604,578.59	604,578.59		
Net Position, Beginning of year			-	728,524.37
Net Position, End of year			-	702,107.79

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**

Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - General Fund  
for the year ended September 30, 2022

	<u>2022</u>			Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Tax revenues	1,716,726.00	1,716,726.00	1,792,317.20	75,591.20
Penalties & Interest	-	-	26,299.84	26,299.84
Interest Income & miscellaneous	-	-	325.50	325.50
Total Revenues	1,716,726.00	1,716,726.00	1,818,942.54	102,216.54
Expenditures				
Quarterly CAD Payments	29,613.00	29,613.00	28,720.00	893.00
Other CAD reimbursements	-	-	1,635.00	(1,635.00)
Administrative	1,000.00	1,000.00	-	1,000.00
CPA & Audit Fees	7,500.00	7,500.00	4,000.00	3,500.00
Insurance	-	-	1,182.86	(1,182.86)
Local Emergency Services Support	1,811,070.00	1,811,070.00	1,811,070.00	-
Other Interlocal Support	-	-	118.97	(118.97)
Legal	10,000.00	10,000.00	4,974.25	5,025.75
Memberships	-	-	-	-
Office & Miscellaneous	4,000.00	4,000.00	56.00	3,944.00
Advertising	-	-	416.96	(416.96)
Travel	-	-	-	-
Total Expenses	1,863,183.00	1,863,183.00	1,852,174.04	11,008.96
Excess (Deficiency) of Revenues over Expenditures	(146,457.00)	(146,457.00)	(33,231.50)	113,225.50
Fund Balance, Beginning of Year	637,810.09	637,810.09	637,810.09	-
Fund Balance, End of Year	491,353.09	491,353.09	604,578.59	113,225.50

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**

Reconciliation of Total Governmental Fund Fund Balance  
to Governmental Net Assets  
September 30, 2022

**Total Governmental Fund Balance**

604,578.59

Amounts reported for governmental activities in the statement of activities  
are different because:

Certain revenues not accounted for in the Governmental Fund Revenues statement are  
included in the full accrual Statement of Activities

97,529.20

**Net Assets of Governmental Activities**

702,107.79

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**  
**Notes to Financial Statements**  
**For the fiscal year ended September 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

The Wharton County Emergency Services District #3 (the District) operates under a Board of Directors form of government and provides support to local emergency response departments in Wharton County, Texas.

The accounting policies of Wharton County Emergency Services District #3 conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**A.     Reporting Entity**

The Wharton County Emergency Services District #3 has included in these financial statements all funds which meet the entity definition criteria of the Governmental Accounting Standards Board, for control or dependency upon the Board of Directors. Factors considered in making this determination included responsibility for financing deficits, entitlements to surplus, guarantees or moral responsibility for debt, scope of public service, special financing arrangement, selection of governing authority, ability to significantly influence operations, and management of fiscal accountability. No other types of organizations are included in these financial statements.

The Wharton County Emergency Services District #3 was created by enactment of the State of Texas Health and Safety Code Chapter 775. It is a political subdivision of the state of Texas. The governing body of the District is appointed by the members of the Wharton County Commissioner's Court. Among its duties, it approves the District's budget, determines the District's tax rates, and approves contracts.

**B.     Government-wide and fund financial statements**

The government-wide financial statements report information on all of the activities of the Wharton County Emergency Services District #3. There has been no inter-fund activity in these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues would include (1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues, such as taxes and interest, are reported as general revenues.

Fund financial statements are provided separately for governmental funds.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

As a result of significant differences in accounting for GWFS and the GFFS a reconciliation is a necessary component of the financial statement presentations.

The government reports the following major funds:

Governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all functions of the government.

D. Basis of Accounting

Basis of accounting refers to when revenues and/or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become measurable and available as net current assets, that is, when they become susceptible to accrual. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred.

E. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriate budget is adopted for the general fund. All annual appropriations lapse at fiscal year end.

Note 2 – Statement of Activities Reconciliation

	General	Total	Adjustments	Statement of Activities
Revenues				
Tax revenues	1,792,317.20	1,792,317.20	6,814.92	1,799,132.12
Penalties & Interest	26,299.84	26,299.84	-	26,299.84
Interest Income & Miscellaneous	325.50	325.50	-	325.50
Total Revenues	1,818,942.54	1,818,942.54	6,814.92	1,825,757.46
Expenditures				
Quarterly CAD Payments	28,720.00	28,720.00	-	28,720.00
CAD Reimbursements	1,635.00	1,635.00	-	1,635.00
Dues	-	-	-	-
Insurance	1,182.86	1,182.86	-	1,182.86
Local Emergency Services Support	1,811,070.00	1,811,070.00	-	1,811,070.00
Other interlocal support	118.97	118.97	-	118.97
Office	56.00	56.00	-	56.00
Advertising	416.96	416.96	-	416.96
Legal & accounting	8,974.25	8,974.25	-	8,974.25
Total Expenses	1,852,174.04	1,852,174.04	-	1,852,174.04
Excess (Deficiency) of Revenues over Expenditures	(33,231.50)	(33,231.50)	6,814.92	(26,416.58)
Excess (Deficiency) of Revenues over Expenditures	(33,231.50)	(33,231.50)	-	-
Change in Net Position	-	-	6,814.92	(26,416.58)
Fund Balance, Beginning of Year	637,810.09	637,810.09		
Fund Balance, End of Year	604,578.59	604,578.59		
Net Position, Beginning of year			-	728,524.37
Net Position, End of year			-	702,107.79

### Note 3 – Cash Deposits with Financial Institutions

Wharton County Emergency Services District #3 has deposits that are held by more than one financial institution within the State of Texas. The deposits were not at all times fully collateralized by FDIC coverage. The District had a FHLB Letter of credit issued by First State Bank during the year held by a third party bank in the District's name. The book value of the Letter of credit was \$1,150,000 and the fair market value was \$1,150,000 At the end of the year the District held cash deposits of \$604,578.59.

Texas statutes authorize Wharton County Emergency Services District #3 to invest in:

1. Obligations of the U.S. Treasury 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 unconditionally guaranteed or insured by the State of Texas or the United States,
4. Obligations of states, agencies, counties, or cities rated A or better by a national investment rating firm,
5. Certificates of deposit that are insured by the Federal Deposit Insurance Corporation or secured by obligations having a market value of at least the principal amount of the certificates, and
6. Fully collateralized direct repurchase agreements.

As of September 30, 2022, Wharton County Emergency Services District #3 held investments in checking and money market accounts only.

#### Note 4 – Property Taxes

Property is appraised and an ad valorem tax lien of such property becomes enforceable as of October 1, subject to certain procedures for rendition, appraisal review, and judicial review. Property taxes are based on a fiscal year (October 1 – September 30). The 2022 property taxes were levied on October 1, 2020. Billings were sent out in October 2020 and are considered due upon receipt by the taxpayer; however, the actual due date is January 31, 2022. Unpaid tax billings are subject to penalty and interest on February 1. Penalty and interest are added if not paid by that date. Property taxes are collected by the Wharton County Tax Assessor-Collector and are remitted to the District.

The District levied taxes of \$.087450 per \$100 on an assessed valuation of \$2,036,313,498. All was designated for maintenance and operations.

District property tax revenues are recognized when received. The related receivables at year end have not been included in revenue for the tax year, but are shown as receivables on the balance sheet with an offsetting contra-account, deferred revenue, in the liability section.

#### Note 5 – Capital Assets

Wharton County Emergency Services District #3 had no capital assets at the fiscal year end.

#### Note 6 – Redemption of Bonds

Wharton County Emergency Services District #3 had no bonds redeemed at the fiscal year end.

#### Note 7 – Changes in Long-Term Debt

Wharton County Emergency Services District #3 had no debt at the end of the fiscal year.

#### Note 8- Pledge of Revenues

Wharton County Emergency Services District #3 had no bonds to which a pledge of revenues was required at the fiscal year end.

#### Note 9 – Pension Plan Obligations

Wharton County Emergency Services District #3 has no pension plan at the fiscal year end. It has no employees.

Note 10 – Accounts Receivable

Wharton County Emergency Services District #3 assessed taxes as follows:

Original Levy	\$ 1,786,655.67
Adjustments	<u>(2,141.49)</u>
Net Levy	1,784,514.18
Collections of current year taxes	<u>1,751,824.92</u>
Net Receivable of current levy	<u>\$ 32,689.26</u>
Current and prior receivables	Ending Balance
Year	
2009	\$ 1,021.46
2010	2,050.16
2011	2,463.45
2012	2,375.76
2013	2,333.42
2014	2,801.12
2015	2,772.23
2016	4,227.79
2017	6,192.35
2018	13,344.87
2019	10,466.34
2020	14,790.99
2021	32,689.26
	<u>-</u>
Total receivables	<u>\$ 97,529.20</u>

**Wharton County Emergency Services District #3**

## Statement of Net Position &amp; Government Fund Balance Sheet

September 30, 2022

	<u>General</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets and other Debits				
Current Assets				
Cash in Bank - FSB Checking	385,121.09	385,121.09	-	385,121.09
Texasgulf FCU - CD	20,257.06	20,257.06	-	20,257.06
Prosperity Bank MMA	199,200.44	199,200.44	-	199,200.44
Taxes Receivable	32,689.26	32,689.26	-	32,689.26
Delinquent Taxes Receivable	64,839.94	64,839.94	-	64,839.94
Total Current Assets	<u>702,107.79</u>	<u>702,107.79</u>	<u>-</u>	<u>702,107.79</u>
Long Term Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and other Debits	<u>702,107.79</u>	<u>702,107.79</u>	<u>-</u>	<u>702,107.79</u>
Liabilities and Fund Balances				
	-	-	-	-
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Deferred Revenues Taxes Receivable	<u>97,529.20</u>	<u>97,529.20</u>	<u>(97,529.20)</u>	<u>-</u>
Fund Balances				
Unreserved Fund Balance	<u>604,578.59</u>	<u>604,578.59</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u>702,107.79</u>	<u>702,107.79</u>	<u>-</u>	<u>-</u>
Net Position				
Unrestricted Net Position			<u>-</u>	<u>702,107.79</u>
Total Liabilities & Net Position			<u>-</u>	<u>702,107.79</u>

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance  
for the year ended September 30, 2022

	General	Total	Adjustments	Statement of Activities
Revenues				
Tax revenues	1,792,317.20	1,792,317.20	6,814.92	1,799,132.12
Penalties & Interest	26,299.84	26,299.84	-	26,299.84
Interest Income & Miscellaneous	325.50	325.50	-	325.50
Total Revenues	1,818,942.54	1,818,942.54	6,814.92	1,825,757.46
Expenditures				
Quarterly CAD Payments	28,720.00	28,720.00	-	28,720.00
CAD Reimbursements	1,635.00	1,635.00	-	1,635.00
Dues	-	-	-	-
Insurance	1,182.86	1,182.86	-	1,182.86
Local Emergency Services Support	1,811,070.00	1,811,070.00	-	1,811,070.00
Other interlocal support	118.97	118.97	-	118.97
Office	56.00	56.00	-	56.00
Advertising	416.96	416.96	-	416.96
Legal & accounting	8,974.25	8,974.25	-	8,974.25
Total Expenses	1,852,174.04	1,852,174.04	-	1,852,174.04
Excess (Deficiency) of Revenues over Expenditures	(33,231.50)	(33,231.50)	6,814.92	(26,416.58)
Excess (Deficiency) of Revenues over Expenditures	(33,231.50)	(33,231.50)	-	-
Change in Net Position	-	-	6,814.92	(26,416.58)
Fund Balance, Beginning of Year	637,810.09	637,810.09		
Fund Balance, End of Year	604,578.59	604,578.59		
Net Position, Beginning of year			-	728,524.37
Net Position, End of year			-	702,107.79

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District #3**

Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - General Fund  
for the year ended September 30, 2022

	2022		Difference Favorable (Unfavorable)
	Original	Final	
Revenues			
Tax revenues	1,716,726.00	1,716,726.00	1,792,317.20
Penalties & Interest	-	-	26,299.84
Interest Income & miscellaneous	-	-	325.50
Total Revenues	1,716,726.00	1,716,726.00	1,818,942.54
Expenditures			
Quarterly CAD Payments	29,613.00	29,613.00	28,720.00
Other CAD reimbursements	-	-	1,635.00
Administrative	1,000.00	1,000.00	-
CPA & Audit Fees	7,500.00	7,500.00	4,000.00
Insurance	-	-	1,182.86
Local Emergency Services Support	1,811,070.00	1,811,070.00	1,811,070.00
Other Interlocal Support	-	-	118.97
Legal	10,000.00	10,000.00	4,974.25
Memberships	-	-	-
Office & Miscellaneous	4,000.00	4,000.00	56.00
Advertising	-	-	416.96
Travel	-	-	-
Total Expenses	1,863,183.00	1,863,183.00	1,852,174.04
Excess (Deficiency) of Revenues over Expenditures	(146,457.00)	(146,457.00)	(33,231.50)
Fund Balance, Beginning of Year	637,810.09	637,810.09	637,810.09
Fund Balance, End of Year	491,353.09	491,353.09	604,578.59

See audit report and accompanying notes to financials.

**Wharton County Emergency Services District # 3**  
**Financial Statement as of September 30, 2022**  
**Fiscal Year 2021-22**

**BALANCE SHEET**

First State Bank	\$ 385,121.09
Prosperity	\$ 199,200.44
Texasgulf CU	\$ 20,257.06
	<u>\$ 604,578.59</u>

**FINANCIAL STATEMENT**

	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>
<b><i>Revenues:</i></b>		
Property Taxes	\$ 1,716,726	1,816,693
Funds from Fund Balance	\$ 146,457	\$ -
	<u>\$ 1,863,183</u>	<u>1,816,693</u>
<b><i>Expenses:</i></b>		
Legal Expense	\$ 10,000	\$ 4,974
CAD Expense	\$ 29,613	\$ 30,355
Administrative	\$ 1,000	\$ -
Audit	\$ 7,500	\$ 4,000
Other	\$ 4,000	\$ 1,775
EMS Services-Base	\$ 1,811,070	\$ 1,811,070
Total Expenses	<u>\$ 1,863,183</u>	<u>\$ 1,852,174</u>
Revenues Over/Under Expenses	<u>\$ -</u>	<u>(\$35,481)</u>