

**MONTGOMERY COUNTY EMERGENCY
SERVICES DISTRICT NO. 6**

MONTGOMERY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2024

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET	9
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	11
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	12
NOTES TO THE FINANCIAL STATEMENTS	13-24
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	26
OTHER SUPPLEMENTARY INFORMATION	
TAXES LEVIED AND RECEIVABLE	28-29
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND – FIVE YEARS	30-31
BOARD OF COMMISSIONERS AND CONSULTANTS	32-33

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

*Mike M. McCall
(retired)
Debbie Gibson
(retired)*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Montgomery County Emergency
Services District No. 6
Montgomery County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Montgomery County Emergency Services District No. 6 (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of September 30, 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

April 23, 2025

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Management’s discussion and analysis of Montgomery County Emergency Services District No. 6’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended September 30, 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) fund financial statements and government-wide financial statements and (2) notes to the financial statements. The fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund 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 like 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 as a whole 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 property tax revenues, sales tax revenues and other contributions which are used to pay for operating and administrative costs.

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 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 Fund 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 by \$30,140,162 as of September 30, 2024. A portion of the District’s net position reflects its net investment in capital assets (land, buildings, emergency vehicles and equipment, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide firefighting and fire prevention services within the District. The following is a comparative analysis of government-wide changes in net position:

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 23,934,952	\$ 12,732,747	\$ 11,202,205
Capital Assets (Net of Accumulated Depreciation)	14,104,974	12,994,370	1,110,604
Total Assets	\$ 38,039,926	\$ 25,727,117	\$ 12,312,809
Note Payable	\$ 7,170,000	\$	\$ (7,170,000)
Other Liabilities	328,778	82,131	(246,647)
Total Liabilities	\$ 7,498,778	\$ 82,131	\$ (7,416,647)
Deferred Inflows of Resources	\$ 400,986	\$ 345,324	\$ (55,662)
Net Position:			
Net Investment in Capital Assets	\$ 6,934,974	\$ 12,994,370	\$ (6,059,396)
Unrestricted	23,205,188	12,305,292	10,899,896
Total Net Position	\$ 30,140,162	\$ 25,299,662	\$ 4,840,500

The following table provides a summary of the District's operations for the years ended September 30, 2024, and September 30, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 5,202,845	\$ 4,510,517	\$ 692,328
Sales Tax Receipts	5,451,665	5,043,086	408,579
EMCID Contributions	3,128,583	1,635,917	1,492,666
Miscellaneous Revenues	1,280,370	1,126,125	154,245
Total Revenues	\$ 15,063,463	\$ 12,315,645	\$ 2,747,818
Expenses for Services	10,222,963	8,641,621	(1,581,342)
Change in Net Position	\$ 4,840,500	\$ 3,674,024	\$ 1,166,476
Net Position, Beginning of Year	25,299,662	21,625,638	3,674,024
Net Position, End of Year	\$ 30,140,162	\$ 25,299,662	\$ 4,840,500

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's fund balance as of September 30, 2024, was \$23,070,540, an increase of \$10,976,047 from the prior year, primarily due to note proceeds and revenues exceeding operating costs and capital outlay.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. The District had a total positive variance for the year of \$10,759,803, primarily due to unbudgeted note proceeds, mutual aid reimbursements; and various revenues exceeding operating costs and capital outlay.

CAPITAL ASSETS

Capital assets as of September 30, 2024, total \$14,104,974 (net of accumulated depreciation) and include land, buildings, vehicles and equipment.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 3,770,565	\$ 2,690,759	\$ 1,079,806
Construction in Progress	2,679,209	2,775,064	(95,855)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	5,920,360	6,284,100	(363,740)
Vehicles and Equipment	1,734,840	1,244,447	490,393
Total Net Capital Assets	\$ 14,104,974	\$ 12,994,370	\$ 1,110,604

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total long-term debt payable of \$7,170,000. The changes in the debt position of the District during the fiscal year ended September 30, 2024, are summarized as follows:

Notes Payable, October 1, 2023	\$ - 0 -
Add: New Emergency Services Facility Loan	7,170,000
Notes Payable, September 30, 2024	\$ 7,170,000

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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 Montgomery County Emergency Services District No. 6, c/o Coveler & Peeler, P.C., 820 Gessner, Suite 1710, Houston, TX 77024.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 679,716	\$	\$ 679,716
Investments	21,380,614		21,380,614
Receivables:			
Property Taxes	215,274		215,274
Penalty and Interest on Delinquent Taxes		11,631	11,631
Sales Tax Receivable	941,018		941,018
Lease Receivable, Due Within One Year		21,084	21,084
Lease Receivable, Due After One Year		379,902	379,902
Prepaid Costs	83,596		83,596
Due from Other Governmental Units	222,117		222,117
Land		3,770,565	3,770,565
Construction in Progress		2,679,209	2,679,209
Capital Assets (Net of Accumulated Depreciation)		7,655,200	7,655,200
TOTAL ASSETS	\$ 23,522,335	\$ 14,517,591	\$ 38,039,926
LIABILITIES			
Accounts Payable	\$ 236,521	\$	\$ 236,521
Accrued Interest Payable		92,257	92,257
Note Payable:			
Due Within One Year		890,042	890,042
Due After One Year		6,279,958	6,279,958
TOTAL LIABILITIES	\$ 236,521	\$ 7,262,257	\$ 7,498,778
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 215,274	\$ (215,274)	\$
Lease Revenues		400,986	400,986
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 215,274	\$ 185,712	\$ 400,986
FUND BALANCE			
Nonspendable-Prepaid Costs	\$ 83,596	\$ (83,596)	\$
Restricted for Construction	7,170,000	(7,170,000)	
Unassigned	15,816,944	(15,816,944)	
TOTAL FUND BALANCE	\$ 23,070,540	\$ (23,070,540)	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
	\$ 23,522,335		
NET POSITION			
Net Investment in Capital Assets Unrestricted		\$ 6,934,974 23,205,188	\$ 6,934,974 23,205,188
TOTAL NET POSITION		\$ 30,140,162	\$ 30,140,162

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

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total Fund Balances - Governmental Funds		\$ 23,070,540
--	--	---------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		14,104,974
--	--	------------

Deferred inflows of resources related to property tax revenues and penalty and interest revenues on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		226,905
--	--	---------

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:

Accrued Interest Payable	\$ (92,257)	
Note Payable	<u>(7,170,000)</u>	<u>(7,262,257)</u>

Total Net Position - Governmental Activities		<u>\$ 30,140,162</u>
--	--	----------------------

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

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 5,187,849	\$ 14,996	\$ 5,202,845
Sales Tax Revenues	5,451,665		5,451,665
EMCID Contributions	3,128,583		3,128,583
Penalty and Interest	71,553	1,110	72,663
Mutual Aid Reimbursement	389,607		389,607
Lease Revenues	34,200		34,200
Miscellaneous Revenues	783,900		783,900
TOTAL REVENUES	<u>\$ 15,047,357</u>	<u>\$ 16,106</u>	<u>\$ 15,063,463</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Salaries and Benefits	\$ 7,529,266	\$	\$ 7,529,266
Accounting and Auditing Fees	40,700		40,700
Legal Fees	68,176		68,176
Dispatch Fees	98,850		98,850
Training	89,921		89,921
Insurance	312,395		312,395
Maintenance	468,447		468,447
Operations	447,069		447,069
Utilities	118,524		118,524
Other	184,666		184,666
Depreciation		668,169	668,169
Loss on Disposal of Assets		104,523	104,523
Capital Outlay	1,883,296	(1,883,296)	
Debt Service:			
Interest		92,257	92,257
TOTAL EXPENDITURES/EXPENSES	<u>\$ 11,241,310</u>	<u>\$ (1,018,347)</u>	<u>\$ 10,222,963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>\$ 3,806,047</u>	<u>\$ 1,034,453</u>	<u>\$ 4,840,500</u>
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 7,170,000	\$ (7,170,000)	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 10,976,047	\$ (10,976,047)	\$
CHANGE IN NET POSITION		4,840,500	4,840,500
FUND BALANCE/NET POSITION - OCTOBER 1, 2023	<u>12,094,493</u>	<u>13,205,169</u>	<u>25,299,662</u>
FUND BALANCE/NET POSITION - SEPTEMBER 30, 2024	<u>\$ 23,070,540</u>	<u>\$ 7,069,622</u>	<u>\$ 30,140,162</u>

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

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balance - Governmental Fund \$ 10,976,047

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

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenues are recorded in the accounting period for which the taxes are levied. 14,996

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenues are recorded when penalty and interest are assessed. 1,110

Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities. (668,169)

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. 1,778,773

Governmental funds report interest payments on long-term liabilities as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term liabilities through fiscal year-end. (92,257)

Governmental funds report note proceeds as other financing sources. However, in the government-wide financial statements, the issuance of debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. (7,170,000)

Change in Net Position - Governmental Activities \$ 4,840,500

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

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. CREATION OF DISTRICT

Montgomery County Emergency Services District No. 6, located in Montgomery County, Texas (the “District”), operates under Chapter 775 of V.T.C.A. Health & Safety Code. The District was converted from a rural fire prevention district on January 1, 1996.

The District is governed by a Board of Commissioners consisting of five individuals residing within the District who are appointed by Montgomery County. The Board of Commissioners sets the policies 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 elected 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.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 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 revenue and expense 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 Fund Balance Sheet and a Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Fund

The District has one governmental fund which is considered a major fund.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

General Fund - To account for property tax revenues, sales tax revenues and other contributions which are used to pay for operating and administrative costs.

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 revenue 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 revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Capital Assets

Capital assets, which include land, buildings, emergency vehicles 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 after completion.

Capital assets are capitalized if they have an original cost of \$5,000 or more and a useful life of at least five years. 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:

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

	Years
Buildings and Improvements	15 - 30 years
Vehicles	5 - 15 years
Equipment	5 - 15 years

Budgeting

An annual unappropriated combined 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 combined 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 compared to the actual amounts of revenues and expenditures for the current year.

Pensions

See Note 8 for the District’s deferred compensation plans. The Commissioners do not participate in the deferred compensation plans. The District also makes payments into the social security/medicare system for 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.

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 and liabilities 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 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.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. 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. The District 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.

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

During the year ended September 30, 2024, the District levied an ad valorem tax rate of \$0.0934 per \$100 of assessed valuation, which resulted in a tax levy of \$5,217,010 on the adjusted taxable valuation of \$5,583,183,231 for the 2023 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.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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 \$679,716 and the bank balance was \$288,166. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at September 30, 2024, as listed below:

	<u>Cash</u>
GENERAL FUND	<u>\$ 679,716</u>

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.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all its portfolio assets at amortized cost. The District records its investment in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

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 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.

As of September 30, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 20,574	\$ 20,574
Texas CLASS	21,360,040	21,360,040
TOTAL INVESTMENTS	\$ 21,380,614	\$ 21,380,614

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the District’s investments in TexPool and Texas CLASS were rated “AAAm” by 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 TexPool and Texas CLASS to have a maturity of less than one year due to the fact the share positions can usually be redeemed each day at the discretion of the District unless there has been a significant change in value.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5. CAPITAL ASSETS

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

	October 1, 2023	Increases	Decreases	September 30, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 2,690,759	\$ 1,079,806	\$	\$ 3,770,565
Construction in Progress	<u>2,775,064</u>	<u>1,898,293</u>	<u>1,994,148</u>	<u>2,679,209</u>
Total Capital Assets Not Being Depreciated	<u>\$ 5,465,823</u>	<u>\$ 2,978,099</u>	<u>\$ 1,994,148</u>	<u>\$ 6,449,774</u>
Capital Assets Subject to Depreciation				
Buildings and Improvements	\$ 9,634,783	\$	\$ 440,433	\$ 9,194,350
Vehicles and Equipment	<u>6,029,664</u>	<u>914,342</u>	<u>133,600</u>	<u>6,810,406</u>
Total Capital Assets Subject to Depreciation	<u>\$ 15,664,447</u>	<u>\$ 914,342</u>	<u>\$ 574,033</u>	<u>\$ 16,004,756</u>
Accumulated Depreciation				
Buildings and Improvements	\$ 3,350,683	\$ 244,220	\$ 320,913	\$ 3,273,990
Vehicles and Equipment	<u>4,785,217</u>	<u>423,949</u>	<u>133,600</u>	<u>5,075,566</u>
Total Accumulated Depreciation	<u>\$ 8,135,900</u>	<u>\$ 668,169</u>	<u>\$ 454,513</u>	<u>\$ 8,349,556</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,528,547</u>	<u>\$ 246,173</u>	<u>\$ 119,520</u>	<u>\$ 7,655,200</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,994,370</u>	<u>\$ 3,224,272</u>	<u>\$ 2,113,668</u>	<u>\$ 14,104,974</u>

NOTE 6. 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 participates in the Texas Municipal League Intergovernmental Risk Pool (“TML”) and VFIS of Texas to provide general liability, auto liability, errors and omissions liability, worker’s compensation and health coverage. The District, along with other participating entities, contributes annual amounts determined by the insurers’ management. As claims arise, they are submitted and paid by TML or VFIS of Texas. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7. AGREEMENTS WITH EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

On April 3, 2008, the District entered into an agreement with the East Montgomery County Improvement District (“Improvement District”). On June 16, 2009, the Improvement District approved an agreement with the District to provide for a monthly contribution to be used for the expansion of fire services within the Improvement District during the term of the agreement (25 years). On September 10, 2009, an amendment to this agreement set the monthly contribution at \$58,164. The agreement calls for a true-up to be completed each year in which the amount due to the District by the Improvement District is the greater of \$58,164 per month or 0.25% of sales taxes collected. During the current fiscal year, the District received \$3,128,583 from the Improvement District, including a true-up for the prior three years.

NOTE 8. DEFERRED COMPENSATION PLANS

The District offers its employees two deferred compensation plans, a Section 401(k) plan and a Section 457 plan. These plans are qualified prototype plans approved by the Internal Revenue Service and administered by a national brokerage firm, which also serves as trustee or custodian of assets of the plans.

The 401 (k) plan is a defined contribution retirement plan in lieu of social security. All eligible employees may contribute up to the maximum amount allowed by the Internal Revenue Service for any calendar year through salary reduction elections, each employee participant directs the investment in their respective account. The District contributes 10% of an employee’s base compensation for the calendar year. All contributions to the plan are immediately vested with the employee. During the current year, the eligible employees contributed \$75,511 to the plan and the District contributed \$149,126.

The 457(B) plan is a non-qualified, tax advantaged deferred-compensation retirement plan. John Hancock Life Insurance Company is the trustee of the plan assets. Employees may make contributions to the plan and each employee directs their respective account. During the current year, the eligible employees contributed \$408,346 to the plan.

NOTE 9. SALES AND USE TAX

In accordance with Chapter 775 of the Health and Safety Code, the District is authorized to adopt and impose a sales and use tax if authorized by a majority of the qualified voters of the District. The election to adopt sales and use tax is governed by the provisions of Subchapter E, Chapter 323 of the Tax Code. During the current year, the District recorded \$5,451,665 in sales tax receipts, of which \$941,018 was due from the State Comptroller at September 30, 2024.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 10. LEASE RECEIVABLE

The District, as lessor, has entered into various housing agreements with entities which are required to be recorded in the financial statements in accordance with GASB Statement No. 87 standard. Details of the agreements are outlined below.

On January 1, 2018, the District entered into a Housing Agreement with Montgomery County Hospital District (“MCHD”), to allow for the District housing of MCHD personnel, facilities and equipment in the fire station at 23550 Loop 494 in Porter, Texas. The existing fire station was expanded and includes facilities for MCHD personnel and equipment. MCHD has agreed to pay a monthly rental fee, in the amount of \$900, for its use of these facilities. Effective January 1, 2024 the monthly rental fee increased to \$1,500. In addition, a one-time capital contribution that will not exceed \$225,000, will be paid in exchange for a long-term lease at this facility. Fifty percent of the capital contribution was paid upon the effective date of this agreement, and the remainder was paid upon completion and acceptance of the facilities by the District. The agreement is for a term of twenty years unless terminated as provided for in the agreement. The increase in monthly rental fee resulted in an increase of \$75,004 of lease principal receivable for the remainder of the lease term.

Effective May 1, 2020, the District entered into a Housing Agreement with MCHD, to allow for the District housing of MCHD personnel, facilities and equipment in the fire station at 20515 FM 1314, Porter, Texas. The facility was constructed to include facilities for MCHD personnel and equipment. MCHD has agreed to pay a monthly rental fee of \$1,500, for its use of these facilities. In addition, a one-time capital contribution that will not exceed \$500,000, will be paid in exchange for a long-term lease at this facility. Fifty percent of the capital contribution was paid as of the effective date of this agreement, and the remainder was paid upon completion and acceptance of the facilities by the District. The agreement is for a term of twenty years unless terminated as provided for in the agreement.

During the current year, MCHD paid \$34,200 in rental payments.

The changes in lease receivable during the current fiscal year are summarized in the following table:

Lease Receivable, October 1, 2023	\$ 345,324
Add: Lease Principal	75,004
Less: Lease Principal Received	<u>(19,342)</u>
Lease Receivable, September 30, 2024	<u>\$ 400,986</u>

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 10. AGREEMENT WITH MONTGOMERY COUNTY HOSPITAL DISTRICT
(Continued)

Future payments to be received by the District under the terms of the lease are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2025	\$ 21,084	\$ 14,916	\$ 36,000
2026	21,911	14,089	36,000
2027	22,770	13,230	36,000
2028	23,664	12,336	36,000
2029	24,595	11,405	36,000
2030-2034	138,298	41,702	180,000
2035-2039	136,809	13,191	150,000
2040	11,855	145	12,000
	<u>\$ 400,986</u>	<u>\$ 121,014</u>	<u>\$ 522,000</u>

Deferred inflows of resources related to lease revenues was \$345,324 as of the beginning of the current fiscal year. The District recognized an increase of \$75,004 in deferred inflow and a decrease in deferred revenue and lease revenue of \$19,342 during the current fiscal year which resulted in a year-end balance for deferred inflows of resources of \$400,986.

NOTE 11. MUTUAL AID REIMBURSEMENT

During the current year, the district received reimbursements from various state agencies totaling \$389,607. The reimbursements are for payroll, lodging, and other District costs related to its participation in responding to state disasters. The Texas Department of Emergency Management’s Texas Intrastate Fire Mutual Aid System (“TIFMAS”) reimbursed a total of \$350,212 for costs related to the 2023 Wildfire season; and \$39,395 for costs related to 2023 Perryton Tornado. Of this amount \$222,117 was recorded as receivable at year-end.

NOTE 12. NOTES PAYABLE

On June 21, 2024, the District executed a note with First Financial Bank, in the amount of \$7,170,000 for the construction of new fire station. The interest rate is 4.65%. The note is secured by ad valorem tax revenues and all other income or receipts. The first note payment and related interest of \$1,223,447.23 is due June 21, 2025 and annually thereafter each June 21 ending June 21, 2031.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 12. NOTES PAYABLE (Continued)

The following is a summary of transactions regarding notes payable for the year ended September 30, 2024:

Notes Payable, October 1, 2023	\$	- 0 -	
Add: New Emergency Services Facility Loan		<u>7,170,000</u>	
Notes Payable, September 30, 2024	\$	<u>7,170,000</u>	
Notes Payable:			
Due Within One Year	\$	890,042	
Due After One Year		<u>6,279,958</u>	
Notes Payable, September 30, 2024	\$	<u>7,170,000</u>	

As of September 30, 2024, debt service requirements on the notes are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 890,042	\$ 333,405	\$ 1,223,447
2026	931,429	292,018	1,223,447
2027	974,741	248,707	1,223,448
2028	1,020,066	203,381	1,223,447
2029	1,067,499	155,948	1,223,447
2030-2031	<u>2,286,223</u>	<u>160,672</u>	<u>2,446,895</u>
	<u>\$ 7,170,000</u>	<u>\$ 1,394,131</u>	<u>\$ 8,564,131</u>

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2024

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 5,225,623	\$ 5,187,849	\$ (37,774)
Sales Tax Revenues	4,641,244	5,451,665	810,421
EMCID Contributions	1,045,000	3,128,583	2,083,583
Penalty and Interest		71,553	71,553
Mutual Aid Reimbursement		389,607	389,607
Lease Revenues	10,800	34,200	23,400
Investment and Miscellaneous Revenues	<u>30,800</u>	<u>783,900</u>	<u>753,100</u>
TOTAL REVENUES	<u>\$ 10,953,467</u>	<u>\$ 15,047,357</u>	<u>\$ 4,093,890</u>
EXPENDITURES			
Service Operations:			
Salaries and Benefits	\$ 7,922,526	\$ 7,529,266	\$ 393,260
Accounting and Auditing Fees	79,500	40,700	38,800
Legal Fees	57,000	68,176	(11,176)
Dispatch Fees	114,800	98,850	15,950
Training	95,000	89,921	5,079
Insurance	220,000	312,395	(92,395)
Maintenance	267,000	468,447	(201,447)
Operations	492,700	447,069	45,631
Utilities	103,300	118,524	(15,224)
Other	113,640	184,666	(71,026)
Capital Outlay	<u>1,271,757</u>	<u>1,883,296</u>	<u>(611,539)</u>
TOTAL EXPENDITURES	<u>\$ 10,737,223</u>	<u>\$ 11,241,310</u>	<u>\$ (504,087)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 216,244</u>	<u>\$ 3,806,047</u>	<u>\$ 3,589,803</u>
OTHER FINANCING SOURCES(USES)			
Note Proceeds	<u>\$ -0-</u>	<u>\$ 7,170,000</u>	<u>\$ 7,170,000</u>
NET CHANGE IN FUND BALANCE	\$ 216,244	\$ 10,976,047	\$ 10,759,803
FUND BALANCE - OCTOBER 1, 2023	<u>12,094,493</u>	<u>12,094,493</u>	<u>_____</u>
FUND BALANCE - SEPTEMBER 30, 2024	<u>\$ 12,310,737</u>	<u>\$ 23,070,540</u>	<u>\$ 10,759,803</u>

See accompanying independent auditor's report.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6

OTHER SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2024

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Maintenance Taxes	
TAXES RECEIVABLE -		
OCTOBER 1, 2023	\$ 200,278	
Adjustments to Beginning		
Balance	(14,165)	\$ 186,113
Original 2023 Tax Levy	\$ 4,903,896	
Adjustment to 2023 Tax Levy	313,114	5,217,010
TOTAL TO BE		
ACCOUNTED FOR		\$ 5,403,123
 TAX COLLECTIONS:		
Prior Years	\$ 55,795	
Current Year	5,132,054	5,187,849
 TAXES RECEIVABLE -		
SEPTEMBER 30, 2024		\$ 215,274
 TAXES RECEIVABLE BY		
YEAR:		
2023		\$ 84,956
2022		41,246
2021		21,394
2020		16,263
2019		10,901
2018		8,222
2017		6,583
2016		4,642
2015		3,981
2014		3,361
2013		3,301
2012		2,937
2011		1,557
2010		1,274
2009		1,181
2008 and prior		3,475
TOTAL		\$ 215,274

See accompanying independent auditor's report.

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS	<u>\$ 5,583,183,231</u>	<u>\$ 4,903,828,171</u>	<u>\$ 3,887,776,430</u>	<u>\$ 3,550,178,873</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.0934</u>	<u>\$ 0.0923</u>	<u>\$ 0.1000</u>	<u>\$ 0.1000</u>
ADJUSTED TAX LEVY*	<u>\$ 5,217,010</u>	<u>\$ 4,529,688</u>	<u>\$ 3,889,944</u>	<u>\$ 3,554,255</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.37 %</u>	<u>99.09 %</u>	<u>99.45 %</u>	<u>99.54 %</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.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 5,187,849	\$ 4,486,490	\$ 3,879,750
Sales Tax Receipts	5,451,665	5,043,086	4,745,758
Grant Revenues			
EMCID Contributions	3,128,583	1,635,917	1,383,177
Incident Revenues	389,607	595,261	451,672
Lease Revenues	34,200	28,800	28,800
Miscellaneous Revenues	855,453	497,866	889,558
TOTAL REVENUES	\$ 15,047,357	\$ 12,287,420	\$ 11,378,715
EXPENDITURES			
Service Operations:			
Salaries and Benefits	\$ 7,529,266	\$ 6,158,348	\$ 5,786,101
Accounting and Auditing Fees	40,700	59,716	59,776
Legal Fees	68,176	53,436	48,411
Dispatch Fees	98,850	99,107	87,077
Training	89,921	90,671	36,182
Insurance	312,395	188,383	208,278
Maintenance	468,447	364,359	440,726
Operations	447,069	508,639	254,184
Utilities	118,524	131,400	120,670
Other	184,666	147,744	265,688
Capital Outlay	1,883,296	1,489,876	3,057,546
Debt Service:			
Principal			
Interest			
TOTAL EXPENDITURES	\$ 11,241,310	\$ 9,291,679	\$ 10,364,639
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,806,047	\$ 2,995,741	\$ 1,014,076
OTHER FINANCING SOURCES (USES)			
Note Proceeds	\$ 7,170,000	\$	\$
Capital Contribution		20,115	
TOTAL OTHER FINANCING SOURCES (USES)	\$ 7,170,000	\$ 20,115	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 10,976,047	\$ 3,015,856	\$ 1,014,076
BEGINNING FUND BALANCE	12,094,493	9,078,637	8,064,561
ENDING FUND BALANCE	\$ 23,070,540	\$ 12,094,493	\$ 9,078,637

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
\$ 3,533,995	\$ 3,133,378	34.5 %	36.5 %	34.0 %	38.3 %	42.3 %
3,962,767	3,314,680	36.2	41.1	41.7	43.0	44.8
101,638					1.1	
1,240,783	697,972	20.8	13.3	12.2	13.5	9.4
197,204		2.6	4.8	4.0	2.1	
15,851	10,800	0.2	0.2	0.3	0.2	0.1
169,700	248,654	5.7	4.1	7.8	1.8	3.4
<u>\$ 9,221,938</u>	<u>\$ 7,405,484</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 5,110,332	\$ 4,656,885	50.0 %	50.1 %	50.9 %	55.4 %	63.0 %
54,643	57,916	0.3	0.5	0.5	0.6	0.8
40,831	41,073	0.4	0.4	0.4	0.4	0.6
87,751	94,681	0.7	0.8	0.8	1.0	1.3
55,099	43,190	0.6	0.7	0.3	0.6	0.6
234,343	257,218	2.1	1.5	1.8	2.5	3.5
379,199	694,768	3.1	3.0	3.9	4.1	9.4
171,202	185,108	3.0	4.2	2.2	1.9	2.5
110,309	81,691	0.8	1.1	1.1	1.2	1.1
213,583	250,444	1.2	1.2	2.3	2.3	3.4
3,616,893	2,423,005	12.5	12.1	26.9	39.2	32.7
	294,573					4.0
	2,278					
<u>\$ 10,074,185</u>	<u>\$ 9,082,830</u>	<u>74.7 %</u>	<u>75.6 %</u>	<u>91.1 %</u>	<u>109.2 %</u>	<u>122.9 %</u>
\$ (852,247)	\$ (1,677,346)	<u>25.3 %</u>	<u>24.4 %</u>	<u>8.9 %</u>	<u>(9.2) %</u>	<u>(22.9) %</u>
\$	\$					
<u>250,000</u>	<u>250,000</u>					
\$ 250,000	\$ 250,000					
\$ (602,247)	\$ (1,427,346)					
<u>8,666,808</u>	<u>10,094,154</u>					
<u>\$ 8,064,561</u>	<u>\$ 8,666,808</u>					

See accompanying independent auditor's report.

MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
BOARD OF COMMISSIONERS AND CONSULTANTS
SEPTEMBER 30, 2024

District Mailing Address - Montgomery County Emergency Services District No. 6
23550 Loop 494
Porter, TX 77365

District Telephone Number - (281) 354-6666

<u>Commissioners</u>	<u>Term of Office Appointed Expires</u>	<u>Fees of Office for the year ended September 30, 2024</u>	<u>Expense Reimbursements for the year ended September 30, 2024</u>	<u>Title</u>
David Miller	01/01/24 12/31/25	\$ -0-	\$ -0-	President
Caleb Smith	01/01/24 12/31/25	\$ -0-	\$ -0-	Vice President
Terry Barnhill	01/01/23 12/31/24	\$ -0-	\$ -0-	Secretary
T.J. Davidson	01/01/24 12/31/25	\$ -0-	\$ -0-	Treasurer
Donnie Click	01/01/23 12/31/24	\$ -0-	\$ -0-	Assistant Treasurer

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.

**MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT NO. 6
BOARD OF COMMISSIONERS AND CONSULTANTS
SEPTEMBER 30, 2024**

Consultants:	<u>Fees for the year ended September 30, 2024</u>	<u>Title</u>
Coveler & Peeler, P.C.	\$ 42,648	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	\$ 15,000	Auditor
Clarity Consulting Corporation	\$ 27,675	Bookkeeper
Sales Tax Assurance LLC	\$ 6,000	Sales Tax Monitoring

See accompanying independent auditor's report.