

AUSTIN COUNTY EMERGENCY
SERVICES DISTRICT NO. 3

Financial Statements
with
Report of Independent Auditor

September 30, 2023

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Introductory Section

Title Page

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Austin County Emergency Services District No. 3

Opinions

We have audited the financial statements of the governmental activities and general fund of the Austin County Emergency Services District No. 3, (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Austin County Emergency Services District No. 3 as of September 30, 2023, and the respective changes in financial position and budgetary comparison 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 (GAAS). 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 Austin County Emergency Services District No. 3, 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

Austin County Emergency Services District No. 3's 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, 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 Austin County Emergency Services District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including 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 GAAS 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 Austin County Emergency Services District No. 3'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 Austin County Emergency Services District No. 3'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 on pages 4 through 6 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.

A handwritten signature in black ink, appearing to read "Seidel Schaefer". The signature is written in a cursive, flowing style.

Brenham, Texas
April 15, 2024

Austin County
Emergency Services District No. 3
P.O. Box 772
Wallis, TX 77485

Management's Discussion and Analysis

The following discussion and analysis provides an overview of the financial activities of the Austin County Emergency Services District No. 3 for the year ended 2023. The information presented herein should be considered in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

The Statement of Net Position and the Statement of Activities are statements required under GASB 34 and provide information about the activities of the district as a whole and present a longer-term view of the District's finances.

Overview of the Financial Statements

The annual report consists of three parts - Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements and Fund Financial Statements.

- The first statement shows the Statement of Net Position and Governmental Funds Balance Sheet.
- The next statements present the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

The financial statements also include notes that explain some of the information in the financial statements and provide more details.

Reporting the District as a Whole

The accompanying **Government Wide Financial Statements** include two statements that present financial data for the district as a whole. The Statement of Activities reports information about the district as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting. All the current year revenues and expenses are taken into account regardless of when funds are received or paid.

These two statements report the District's net position and liabilities and changes in them. The difference between the District's assets and liabilities are one way to measure the district's financial position.

Reporting the District's Most Significant Funds

The fund financial statements provide detailed information about the District's general fund which is the only fund.

- The general fund is a governmental fund. This fund focuses on how much money flows into and out of the district and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides.

Government-Wide Financial Statements

Statement of Net Position

	2023	2022
Current and Other Assets	\$ 335,920	\$ 253,523
Capital assets (net)	159,399	206,334
Total assets	495,319	459,857
Current and Other Liabilities	86,498	51,437
Long term debt, net	3,954	33,825
Total liabilities	90,452	85,262
Net investment in capital assets	125,659	129,084
Unrestricted Net Position	279,208	245,511
Total Net Position	\$ 404,867	\$ 374,595

Statement of Activities

	2023	2022
Property tax revenue	\$ 175,819	\$ 159,380
Other income	2,036	828
Total Revenue	177,855	160,208
Appraisal District fees	9,837	5,243
Professional fees	8,150	8,074
Fire protection	74,443	77,668
Interest expense	2,417	4,232
Depreciation expense	46,935	46,937
Other administrative expenses	5,801	2,532
Total Expenses	147,583	144,686
Change in Net Position	\$ 30,272	\$ 15,522

As of September 30, 2023, the District had net position of \$404,867. As of September 30, 2022, net position was \$374,595 for a net increase of \$30,272.

Total assets increased by \$35,462 from \$459,857 in 2022 to \$495,319 in 2023 primarily due to the increase of cash and cash equivalents.

Total liabilities increased by \$5,190 from \$85,262 in 2022 to \$90,452 in 2023 primarily due to an increase in accounts payable in 2023 for equipment purchased, offset by the current year principal reduction of notes payable.

Property tax revenue increased by \$16,439 from \$159,380 in 2022 to \$175,819 in 2023 due to the increase in assessed property tax valuations.

General Fund Budget

Differences between the original budget and the actual income/expense are summarized as follows:

- Income was \$6,587 more than budgeted in 2023. This was primarily due to the increase in property tax collections.
- Fire protection and safety expenditures were \$4,443 more than budgeted. This was mainly due to the WVFD incurring more repairs and maintenance expenses than anticipated.

Capital Assets

The District owns the following capital assets:

<u>Governmental activities</u>	Balance at September 30, 2022	Additions/ Completions	Retirements/ Adjustments	Balance at September 30, 2023
Capital assets being depreciated				
Vehicles	\$ 469,366	\$ -	\$ -	\$ 469,366
Total at historical cost	469,366	-	-	469,366
Less: accumulated depreciation for:				
Vehicles	263,032	46,935	-	309,967
Total accumulated depreciation	263,032	46,935	-	309,967
Total capital assets being depreciated, net	206,334	(46,935)	-	159,399
Governmental activities capital assets, net	<u>\$ 206,334</u>	<u>\$ (46,935)</u>	<u>\$ -</u>	<u>\$ 159,399</u>

Long-Term Debt

At the end of the 2023 fiscal year the District owed \$33,740 on two loans. The loans were for the purchase of two trucks.

Contacting the District's Financial Management

This financial report is designed to provide our taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have a question about this report or need additional information, contact Austin County Emergency Services District #3, P.O. Box 772, Wallis, Texas 77485.

Austin County Emergency Services District No. 3
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2023

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 207,964	\$ -	\$ 207,964
Certificates of deposit	116,452	-	116,452
Receivables, tax	8,218	-	8,218
Accrued interest receivable	690	-	690
Prepaid expenses	-	2,596 (4)	2,596
Capital assets, net	-	159,399 (3)	159,399
Total Assets	<u>\$ 333,324</u>	<u>161,995</u>	<u>\$ 495,319</u>
LIABILITIES			
Accounts payable	\$ 48,617	\$ -	\$ 48,617
Accrued expenses	7,900	-	7,900
Accrued interest payable	-	195 (1)	195
Note payable			
Due within one year	-	29,786 (1)	29,786
Due after one year	-	3,954 (1)	3,954
Total Liabilities	<u>56,517</u>	<u>33,935</u>	<u>90,452</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	7,846	(7,846) (2)	-
Total deferred inflows of resources	<u>7,846</u>	<u>(7,846)</u>	<u>-</u>
FUND BALANCE/NET POSITION			
Fund Balance:			
Unassigned	268,961	(268,961)	-
	<u>268,961</u>		
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 333,324</u>		
Net Position:			
Net investment in capital assets		125,659	125,659
Unrestricted		279,208	279,208
Total Net Position		<u>\$ 404,867</u>	<u>\$ 404,867</u>

(1) Long-term liabilities are not recorded until due in the fund financial statements.

(2) Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

(3) Capital assets are not financial resources and are not reported in the general fund.

(4) Prepaid assets are not financial resources and are not reported in the general fund.

The notes to the financial statements are an integral part of this statement

Austin County Emergency Services District No. 3
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended September 30, 2023

	General Fund	Adjustments	Statement of Activities
Revenues:			
Property taxes	\$ 172,258	\$ 838 (3)	\$ 173,096
Penalty and interest	2,723	-	2,723
Interest income	2,036	-	2,036
Total revenues	<u>177,017</u>	<u>838</u>	<u>177,855</u>
Expenditures:			
Administrative:			
Appraisal District fees	10,385	(548) (2)	9,837
Professional fees	8,150	-	8,150
Bond fee	275	-	275
Office supplies	1,092	-	1,092
Board fee	2,673	-	2,673
Repairs and maintenance	1,000	-	1,000
Miscellaneous	761	-	761
Department:			
Wallis Volunteer Fire Department			
Operations	74,443	-	74,443
Depreciation expense	-	46,935 (3)	46,935
Debt service			
Principal	43,510	(43,510) (1)	-
Interest	2,417	-	2,417
Total expenditures	<u>144,706</u>	<u>2,877</u>	<u>147,583</u>
Change in fund balance/net position	32,311	(2,039)	30,272
Fund balance/net position			
Beginning of the year	236,650	137,945	374,595
End of the year	<u>\$ 268,961</u>	<u>\$ 135,906</u>	<u>\$ 404,867</u>

(1) Repayment of debt principal is an expenditure in general fund, but the repayment reduces long-term liabilities in the Statement of Net Position.

(2) Expenditures reported in the Statement of Activities are expensed once economic performance has occurred. In the Governmental funds expenditures are recognized when they are paid.

(3) General fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated based upon their estimated useful lives and reported as depreciation expense.

The notes to the financial statements are an integral part of this statement

Austin County Emergency Services District No. 3
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2023

	Original/Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues:			
Property taxes	\$ 170,430	\$ 172,258	\$ 1,828
Penalty and interest	-	2,723	2,723
Interest income	-	2,036	2,036
Total revenues	<u>170,430</u>	<u>177,017</u>	<u>6,587</u>
Expenditures:			
Administrative			
Appraisal District fees	7,500	10,385	2,885
Professional fees	9,000	8,150	(850)
Bond fee	400	275	(125)
Office supplies	810	1,092	224
Advertising	200	-	(200)
Board fee	5,275	2,673	(2,602)
Repairs and maintenance	-	1,000	-
Miscellaneous	4,100	761	(3,339)
Fire Protection and Safety:			
Wallis Volunteer			
Fire Department:			
Operations	70,000	74,443	4,443
Debt service:			
Principal	46,000	43,510	(2,490)
Interest	-	2,417	2,417
Total expenditures	<u>143,285</u>	<u>144,706</u>	<u>363</u>
Net change in fund balance	27,145	32,311	6,224
Fund balance, beginning of the year	236,650	236,650	-
Fund balance, end of the year	<u>\$ 263,795</u>	<u>\$ 268,961</u>	<u>\$ 6,224</u>

The notes to the financial statements are an integral part of this statement

AUSTIN COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Notes to Basic Financial Statements
September 30, 2023

1. Summary of significant accounting policies

The accompanying financial statements include all funds of Austin County Emergency Services District No. 3 (the District). The accounting policies of the District conform to generally accepted accounting principles. The following is a summary of the more significant policies:

A. Reporting entity

The District is a political subdivision created under Article III, Section 48-d, of the Texas Constitution by an affirmative vote of the Texas State Legislature in 1988. The District operates under Chapter 775 of the Health and Safety Code.

B. Basis of presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Governmental activities consist of only the general fund, as the general fund is the only fund of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements

The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. This fund is a governmental fund which is the general operating fund of the District. It is used to account for all financial resources.

C. Measurement focus and basis of accounting

Measurement Focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, 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 (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

AUSTIN COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Notes to Basic Financial Statements
September 30, 2023

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on this balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. The general fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

D. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Budgets and Budgetary Accounting

Budgets are generally adopted on a basis consistent with GAAP. The legal level of budgetary control is each general ledger account. Therefore, a budget amendment is required to increase the appropriations for any general ledger account. All annual appropriations lapse at fiscal year-end. The District adopted its 2023 budget on September 17, 2022.

F. Risk management

The District is exposed to various risks of loss from torts: theft of, damage to, and destruction of Department assets; business interruption; errors and omissions; injuries; and natural disasters. Commercial insurance coverage is purchased for claims

AUSTIN COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Notes to Basic Financial Statements
September 30, 2023

arising from such matters. No claims have been filed against this commercial coverage in any of the three preceding years.

G. Income taxes

The District is a political subdivision under the laws of the State of Texas and, therefore, is exempt from federal income tax.

H. Capital assets

Capital assets which include equipment, buildings, and vehicles are reported in the governmental activities column of the government-wide financial statements. The District defines capital assets as assets with an estimated useful life greater than one year. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is unavailable. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Improvements are capitalized over the remaining useful lives of the related capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation over the following estimated useful lives:

Machinery and equipment	10-15 years
Buildings	40 years
Vehicles	5-10 years

I. Fund equity

Government-wide statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - 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 improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

AUSTIN COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Notes to Basic Financial Statements
September 30, 2023

- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund statements

Governmental fund equity is classified as fund balance.

Classification of fund balances

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include supplies inventory and prepaid items, long-term advances to other funds net of deferred interest revenue, long-term receivable net of deferred interest revenue, nonfinancial assets held for resale, and unrealized change in the fair value of investments.

Some resources are spendable but are legally or contractually required to be maintained intact. Such resources include the principal of an endowment.

The *restricted* fund balance includes net resources that can be spent only for specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation. The enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Board actions, no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the Board or its designated officials to assign amounts to be used for specific purposes, but are neither restricted nor committed. Constraints imposed on the use of assigned amounts can be removed with no formal Board actions. The assigned fund balance is only reported in the General Fund.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes.

Spending Prioritization in Using Available Resources

When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the District budget considers restricted resources to be spent first.

AUSTIN COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Notes to Basic Financial Statements
September 30, 2023

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the District's budget is to spend the sequence of committed resources first, assigned second, and unassigned last.

2. Property tax

Property taxes are levied by October 1 of each year for the following year. Taxes are due on receipt of the tax statement and are delinquent if not paid before February 1 of the year following the year of assessment. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and the payment of any penalties and interest ultimately imposed.

Taxes levied for fiscal years ending September 30, 2023 were set and approved by the District at the tax rate of \$0.094421 per \$100 valuation. The tax for the 2023 fiscal year was levied in 2022 on property within the District having an assessed valuation of approximately \$182,359,000.

3. Deposits with financial institution

At September 30, 2023, the District's cash totaled \$324,417 and consisted of one demand deposit account and two certificates of deposit accounts held at two financial institutions. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At September 30, 2023, the District's deposits were covered by FDIC insurance in the amount of \$307,659 and \$16,758 was uninsured.

4. Capital Assets

The following is a summary of capital asset activity during the year ended September 30, 2023.

	Balance at September 30, 2022	Additions/ Completions	Retirements/ Adjustments	Balance at September 30, 2023
<u>Governmental activities</u>				
Capital assets being depreciated				
Vehicles	\$ 469,366	\$ -	\$ -	\$ 469,366
Total at historical cost	<u>469,366</u>	<u>-</u>	<u>-</u>	<u>469,366</u>
Less: accumulated depreciation for:				
Vehicles	263,032	46,935	-	309,967
Total accumulated depreciation	<u>263,032</u>	<u>46,935</u>	<u>-</u>	<u>309,967</u>
Total capital assets being depreciated, net	206,334	(46,935)	-	159,399
Governmental activities capital assets, net	<u>\$ 206,334</u>	<u>\$ (46,935)</u>	<u>\$ -</u>	<u>\$ 159,399</u>

AUSTIN COUNTY EMERGENCY SERVICES DISTRICT NO. 3
Notes to Basic Financial Statements
September 30, 2023

5. Long-term debt

In April 2014, the District entered into a loan agreement for financing a pumper truck used by the Department. The note payable is secured by a 2006 Pierce Contender pumper truck. The note bears interest at 4.35% and matures in April 2024. The balance as of September 30, 2023 was \$14,353.

In December 2019, the District entered into a loan agreement for financing a tanker truck used by the Department. The note payable is secured by a 2020 Kenworth CJ tanker truck. The note bears interest at 4% and matures in December 2024. The balance as of September 30, 2023 was \$19,387.

During the year ended September 30, 2023, the following changes occurred in long-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
September 30, 2023					
Notes payable	\$ 77,250	\$ -	\$ (43,510)	\$ 33,740	\$ 29,786

The annual debt service requirements for long-term liabilities as of September 30, 2023, were as follows:

	<u>Year Ending September 30:</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 29,786	\$ 717
2025	3,954	35
Total payments	<u>\$ 33,740</u>	<u>\$ 752</u>

6. Commitments

The District has entered into a contract with the Wallis Volunteer Fire Department for the period through December 31, 2024. The contract provides for two annual renewal periods subsequent to the expiration of the initial term. Within the District's geographical area, the Department has agreed to provide fire protection to the District.