

**Bexar County
Emergency Services District No. 11
Special Meeting Notice
Regarding Audit FY 2021
June 28, 2022
6:30 P.M.**

Bexar County Emergency Services District No. 11 will conduct a Special meeting regarding the FY 2021 audit at the ESD No. 11 Fire Facility located at 4511 Texas Palm Drive, Converse, Texas 78109 on June 28, 2022 beginning at 6:30 P.M. The following items will be discussed:

- Call the Bexar County Emergency Services District No. 11 Board meeting to Order and establish a quorum. **Time: 6:40 PM Present were President True and Commissioners Stevens, Brown and Williams**
 - a. The Pledge of Allegiance.
- Citizen Public Forum (3-minute time limit per individual). **None**
- Presentation, discussion and approval of the 2021 Draft Audit
 - a. Presentation of the 2021 Draft Audit – Margaret Nixon, CPA
Ms. Nixon explained that we have good results. We will go thru the same process as done in past years which will help Ms. Foster who is new to the organization. The audit letter tells the community that you have a good report. Next there is a management letter which discusses the results of the audit. On page five is an analysis of the district as a whole. The Fund Balance reflects your budget except for the actuals. Page 5-6 is for comparisons to the prior year. Page 9 shows the entity wide. Discussions included capital equipment purchases and depreciation. Reminder is that operations money is from your tax payers and loans are considered other financing sources. In the budget you must account for the loans separately. Ms. Nixon would like to discuss the carry over funds and how it is calculated. Carry over comes from the fund balance. Page 11 is the Balance Sheet for fund accounting. This is where you find your fund balance. As of September 30, 2021, including CD's your fund balance \$3.9 million. End of year accruals were discussed such as payroll, sales tax, etc. What is very important is that when books are turned over to the auditor, changes in the audit period are prohibited without the auditor's input. Page 28 shows revenues and expenses. Under the column Actual reflects your property taxes, delinquent taxes, penalties and interest. The sales tax has an amazing increase! There is also interest as part of your income. Property taxes were budgeted conservatively. Sales tax was more difficult to forecast since you only had a partial year of history. Chief salaries should be in operation salaries. Journal entries will be provided to the CPA. With regard to variances, there is a big one in capital expenditures. This is due to supply, demand and delivery delays. Orders intended to come in but did not come in until then next fiscal year. Ms. Nixon recommends a depreciation schedule and policy, asset disposition policy. Ms. Nixon explained that a budget

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is an estimate. As the year continues, there are things out of your control that can change your estimated budget, that is when you re-visit the budget at mid year to begin forming budget amendments. Ms. Nixon also wanted to discuss the carry over funds that were budgeted for FY20/21. Once your fund balance is determined, you can budget some of it as carry over and some goes to reserve. Ms. Nixon will provide adjusting entries for approval. Going forward, the CPA should be providing to auditor next year. CPA needs to request an end of year report from Uresti. CPA needs to record and estimate on 9/30/22 and the auditor will adjust in December. Ms. Nixon discussed the importance of internal controls, separation of duties and policy and procedures for records retention, purchasing, disposals and investments. All policy and procedures should be approved by the board. With regard to the attorney confirmation, the letter that the President signs is authorization to speak directly to the auditor. The attorney does not have to get permission from the President any longer after the letter is signed. President True explained that the attorney is out of the country and was a little different this year. Ms. Nixon understood.

- b. **Comments by Board of Commissioners** Commissioner Stevens questioned Page 11 delinquent taxes. Ms. Nixon explained that she sends a confirmation to Uresti office to provide the number. Ms. Foster asked if it would be ok to close periods once reported (quarterly) and Ms. Nixon concurred. Will have to research QuickBooks for that. Commissioner Stevens asked how do you plan for price increases for instance on the new station build? You start with a budget and by the time you open bids, you are already over budget. Ms. Nixon stated that you would then need to do a budget amendment. President True asked is it ok to make expenditures in this fiscal year in order to allow for delays in delivery? Ms. Nixon replied that you budget the money, you buy it and it is then a pre-paid expense. Commissioner Stevens stated that this board has a fiduciary responsibility to the taxpayers to spend wisely and if buying items early for a better price is acceptable, that is what they want to do. Ms. Nixon concurred. Ms. Foster questioned on Pg. 28 why the fund balance is a negative number? Ms. Nixon explained it is because of the two million dollars. Due to spending more than receiving. Ms. Foster questioned if the \$3.5 million fund balance as of 9/30/21 should have been used rather than the carry over of \$1.7 million that is stated on the FY21/22 budget. Ms. Nixon answered that you can carry over the amount you need and put the rest in reserves. Ms. Foster clarified that there are no corrections to the audit as presented. Ms. Nixon concurred.

- c. **Action to approve the Bexar County Emergency Services District No. 11 Fiscal Year 2021 Audit** Motion made to accept the Audit and Adjusting Entries made by Commissioner Brown and 2nd by Commissioner Stevens Motion carries 4/0

- **Adjourn.** Time: 8:20PM Motion made by Commissioner Stevens and 2nd by Commissioner Brown motion carries 4/0

The above notice was posted on the Bexar County Emergency Services District No. 11 website, www.BCESD11.org, and at ESD 11 Station 140, 4511 Texas Palm Dr., Converse, TX., 78109 before 6:30 P.M., Friday, June 24, 2022.

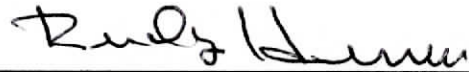
Note: The Board may retire to Executive Session any time between the meeting's opening and adjournment for any purpose authorized by the Texas Open Meetings Act, including but not limited to: consultation with legal counsel (Section 551.071 of the Texas

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Government Code); personnel matters (Section 551.074) and/or discussion of real estate acquisition (Section 551.072). Action, if any, will be taken in open session.

ATTEST:



Rudy Herrera, BCESD11 Secretary



Kathy Foster, BCESD11 Administrator