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

In planning and performing our audit of the financial statements of the governmental activities and the general fund of Falls County Emergency Services District No. 1 (the District) as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Material weakness

We consider the following deficiency in the entity's internal control to be a material weakness.

- The trial balance is prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. As a result, property taxes receivable and a deferred inflow of resources for unavailable property tax revenue were not recorded. Property taxes receivable at September 30, 2025, were $97,327. Additionally, property tax collections within 60 days of September 30, 2025, were not recorded as revenue. The amount of property tax collections in October and November 2025 was $5,463.

  Two checks that were issued on September 25, 2025, that were outstanding at September 30, 2025, were not recorded in the trial balance. This resulted in ambulance services expenditures and prepaid expenditures to be understated by $48,017 and $22,048, respectively.

Other deficiencies in internal control

During our audit, we became aware of other deficiencies in internal control that are opportunities to strengthen your internal control and improve the efficiency of your operations. They are considered of sufficient importance to merit the Board of Commissioner's attention.

- The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. As of September 30, 2025, the District has not publicized its investment policy.

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This communication is intended solely for the information and use of the Board of Commissioners and is not intended to be, and should not be, used by anyone other than this specified party.

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Austin, Texas
August 20, 2026