CliftonLarsonAllen LLP
CLAconnect.com

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

We have audited the financial statements of the governmental activities and the general fund of Falls County Emergency Services District No. 1 as of and for the year ended September 30, 2025, and have issued our report thereon dated August 20, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated November 6, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Falls County Emergency Services District No. 1 are described in Note 2 to the basic financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2025.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the basic financial statements which were particularly sensitive or required substantial judgments by management.

Basic financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to basic financial statement users. There were no particularly sensitive basic financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify, and we did not notify them of any uncorrected basic financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated August 20, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We discussed a variety of matters, including the application of accounting principles and auditing standards, with management prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate communication to you dated August 20, 2026, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the basic financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of Falls County Emergency Services District No. 1 and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Austin, Texas
August 20, 2026

Client: *B129483 - Falls County Emergency Services District No. 1*
Engagement: *AUD2025 - Falls County ESD No. 1*
Period Ending: *9/30/2025*
Trial Balance: *0900.00 - New Combined TB*
Workpaper: *0921.00 - Adjusting Journal Entry Report*
Fund Level: *All*
Index: *All*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**5000.02**		
To properly record expenditures and prepaid expense for PHI Health				
1501	Prepaid Expenditures		22,048.00	
5001	Ambulance Service		48,017.00	
1002	Citizens State Bank 10157			70,065.00
Total			**70,065.00**	**70,065.00**
Adjusting Journal Entries JE # 3		**4006.03**		
Property Tax Receivable Adjustment				
1201	Property Tax Receivable		97,327.00	
3102	Unearned Revenue			91,864.00
4002	Property Taxes			5,463.00
Total			**97,327.00**	**97,327.00**
Adjusting Journal Entries JE # 4		**5000.02**		
To record Audit Adjustments from FY24 not recorded by client.				
4002	Property Taxes		10,251.00	
5001	Ambulance Service		22,679.00	
3001	Fund Balance			32,930.00
Total			**32,930.00**	**32,930.00**
	Total Adjusting Journal Entries		**200,322.00**	**200,322.00**
	Total All Journal Entries		**200,322.00**	**200,322.00**