

**Williamson County
Emergency Services District No. 7
Financial Statements
September 30, 2024**

Williamson County Emergency Services District No. 7
For the Year Ending September 30, 2024

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MEDACK & OLTMANN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

James E. Medack, CPA
Melodi J. Oltmann, CPA

PROFESSIONAL STAFF

Ashton McGonagle, CPA
Laura Frerich, E.A.
Tyler Cupit, Staff Accountant

MEMBERS

American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Williamson County Emergency Services District No. 7

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Williamson County Emergency Services District No. 7 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 each major fund of Williamson County Emergency Services District No. 7, as of September 30, 2024, and the respective changes in financial position thereof 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 Williamson County Emergency Services District No. 7, 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 Williamson County Emergency Services District No. 7'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 Williamson County Emergency Services District No. 7'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, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of employer contributions on pages 3-7 and 28-31 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.

Medack & Oltmann, LLP

Medack & Oltmann, LLP
Giddings, Texas
April 7, 2025

Williamson County Emergency Services District #7

Management's Discussion and Analysis September 30, 2024

As management of the Williamson County Emergency Services District #7 (the District), we are pleased to offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended September 30, 2024. We encourage readers to consider it in conjunction with the additional information presented in the accompanying basic financial statements and the notes to the financial statements.

Financial Statements

- The net position of the District increased by \$1,430,150. Net position at year end consisted of net investment in capital assets of \$(1,714,263) and unrestricted net position of \$8,626,006, for a total of \$6,911,743.
- Total revenues from all sources were \$3,950,659 which represents an increase of \$411,375 from the prior year.
- Total expenditures from operations were \$2,520,509 which was an increase of \$758,702 from the prior year.
- As of September 30, 2024, the District's governmental fund reported an ending fund balance of \$8,633,061, an increase of \$4,815,429 from the prior fiscal year (which includes \$3,563,564 of debt proceeds).
- The District entered into two new debt agreements during the fiscal year, \$1,024,140 for the purchase of new equipment and \$2,539,434 for the construction of a new fire station.

Using this Annual Report

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the District as a whole.
2. Fund financial statements provide detailed information for the District's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. This information includes management's discussion and analysis as well as a budgetary comparison schedule.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities of the District. The difference between assets and liabilities is 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 is improving or deteriorating.

The *Statement of Activities* presents information on how the District's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all of the current year revenues and expenses are taken into account regardless of when the cash is received or paid.

Williamson County Emergency Services District #7

Management's Discussion and Analysis September 30, 2024

Both the Statement of Net Position and the Statement of Activities present information for the following:

- Government activities – This includes all of the District's emergency protection services which are primarily supported by property taxes.

The government-wide financial statements begin on page 8. The following is a summary of net position as of September 30, 2024, and September 30, 2023.

Table 1
Net Position

	2024	2023
Assets:		
Current & Other Assets	\$ 8,873,811	\$ 3,980,698
Capital Assets, Net	2,415,287	2,388,973
Total Assets	\$11,289,098	\$ 6,369,671
Deferred Outflows of Resources	\$ 116,113	\$ 73,107
Liabilities:		
Current Liabilities	\$ 427,196	\$ 191,378
Long term liabilities	4,029,265	768,237
Total Liabilities	\$ 4,456,461	\$ 959,615
Deferred Inflows of Resources	\$ 37,007	\$ 1,570
Net Position:		
Net Investment in Capital Assets	\$ 1,772,681	\$ 1,661,585
Unrestricted	5,139,062	3,820,008
Total Net Position	\$ 6,911,743	\$ 5,481,593

Williamson County Emergency Services District #7

Management's Discussion and Analysis September 30, 2024

The following table is a summary of changes in net position for the years ended September 30, 2024 and 2023.

Table 2
Change in Net Position

	2024	2023
Revenues		
Operating Grants & Contributions	\$ 60,974	\$ 163,446
Property Taxes	924,985	887,307
Penalty/Interest	12,934	8,487
Sales Tax	2,854,344	2,258,345
Interest	86,326	17,368
Miscellaneous	11,096	205,537
Loss on Sale of Assets	-	(1,206)
Total Revenues	\$3,950,659	\$3,539,284
Expenses:		
General Government	\$2,520,509	\$1,761,807
Total Expense	\$2,520,509	\$1,761,807
Change in Net Position	\$1,430,150	\$1,777,477
Net Position-Beginning of Year	5,481,593	3,704,116
Net Position-End of Year	\$6,911,743	\$5,481,593

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the District's significant funds – not the District as a whole. The District's funds fall into one category – governmental funds.

The focus of the District's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The *governmental funds statements* provide a detailed short-term view of the government operations and the basic services it provided, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the District's short-term financing requirements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to the government-wide financial statements.

The District adopts an annual budget for the general fund. A budgetary comparison statement has been provided to demonstrate compliance. The governmental fund financial statements begin on page 8, and the budgetary comparison schedule is on page 28.

Williamson County Emergency Services District #7

Management's Discussion and Analysis September 30, 2024

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 27 of this report.

General Fund Budgetary Highlights

The budgeted revenues were \$126,804 less than actual revenues and budgeted expenses were \$374,932 more than actual expenses for the year ended September 30, 2024. Actual results for expenditures were 12.22% less than budgeted expenditures, while the District's overall actual revenue were 3.32% more than budgeted.

Capital Assets

The District's investment in capital assets for its governmental activities as of September 30, 2024, amounts to \$2,415,287 (net of accumulated depreciation). This investment in capital assets includes vehicles, machinery, equipment, and buildings.

Capital Assets Governmental Activities (net of depreciation)

	Balance 9/30/2024	Balance 9/30/2023
Land	\$ 117,387	\$ 111,969
Construction-in-Progress	76,620	65,524
Vehicles	905,681	844,157
Equipment	289,292	247,533
Buildings and Structures	1,692,243	1,619,923
Accumulated Depreciation	(665,936)	(500,133)
Governmental activities capital assets, net	<u>\$ 2,415,287</u>	<u>\$ 2,388,973</u>

Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration

As of September 30, 2024, and September 30, 2023, the District was obligated on the following debt:

Outstanding Debt at Year-End

	09/30/2024	09/30/2023
Notes	\$4,129,550	\$ 727,388
Pension Liability	84,961	79,760
Compensated Absences	32,112	23,914
Total	<u>\$4,246,623</u>	<u>\$ 831,062</u>

The District incurred \$27,299 in interest expense as of September 30, 2024. Additional information on the District's non-current liabilities can be found in Note 5 of this report.

Williamson County Emergency Services District #7

Management's Discussion and Analysis September 30, 2024

Economic Factors and Next Year's Budgets and Rates

Williamson County ESD #7 is experiencing steady revenue growth due to ongoing development within the district. The transition of agricultural tracts into suburban developments continued throughout 2024, with significant projects such as the Palmer Ranch Subdivision and the Nolana Development along Ronald Reagan, south of FM 2338, breaking ground. This sustained growth is a positive indicator for the district's financial outlook. Additionally, the passage of the sales tax initiative for areas outside the City of Florence has further bolstered revenue, strengthening the district's financial position.

To meet the increasing demand for emergency services, ESD #7 has expanded its staffing to 8 full-time personnel per shift in 2024. Plans are underway for a third fire station near Ronald Reagan and Williams Drive, with an anticipated opening in 2026. This new facility is programmed to house a ladder truck, a Type 6 NWCG brush engine (squad), ambulance and a district commander. Staff for this station will include five firefighters per shift, along with a shift district commander.

Meanwhile, the Florence and Andice fire stations are undergoing major renovations, with completion expected by July 2025. Additionally, the district is actively seeking land near FM 487 and CR 233 for the future construction of Fire Station #4, though no timeline has been established for this project.

As growth continues, the demand for emergency services will increase, placing additional strain on district resources. A key challenge remains the delay between property development and the collection of ad valorem tax revenue, which can take up to two years. For FY 24/25, Williamson County ESD #7 has adopted a voter-approved ad valorem tax rate of \$0.10 per \$100 of property valuation.

These strategic investments in staffing, infrastructure, and planning ensure the district remains prepared to serve its growing community effectively while maintaining fiscal responsibility.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives from the citizens of the Williamson County Emergency Services District #7. If you have any questions about this report or need further information, contact the Williamson County Emergency Services District #7, P.O. Box 523, Florence, TX 76527, or call 254-793-2591.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
GOVERNMENTAL FUND BALANCE SHEET AND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	General Fund	Adjustments (Note 9)	Statement of Net Position
ASSETS			
Cash	\$ 8,241,153	\$ -	\$ 8,241,153
Property Taxes Receivable	28,116	-	28,116
Accounts Receivable	585,690	-	585,690
Other Receivable	18,852	-	18,852
Capital Assets (net of accumulated depreciation)	-	2,415,287	2,415,287
TOTAL ASSETS	<u>\$ 8,873,811</u>	<u>\$ 2,415,287</u>	<u>\$ 11,289,098</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Amounts	\$ -	\$ 116,113	\$ 116,113
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ 116,113</u>	<u>\$ 116,113</u>
LIABILITIES			
Accounts Payable	\$ 136,607	\$ -	\$ 136,607
Accrued Payroll/Liabilities	57,175	-	57,175
Accrued Interest Payable	-	16,056	16,056
Long Term Liabilities - Due within one year	-	217,358	217,358
Long Term Liabilities - Due after one year	-	4,029,265	4,029,265
TOTAL LIABILITIES	<u>\$ 193,782</u>	<u>\$ 4,262,679</u>	<u>\$ 4,456,461</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 28,116	\$ (28,116)	\$ -
Deferred inflows related to pensions	-	37,007	37,007
Deferred inflows related to TAFMS	18,852	(18,852)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 46,968</u>	<u>\$ (9,961)</u>	<u>\$ 37,007</u>
FUND BALANCES/NET POSITION			
Fund balances:			
Non-Spendable	-		
Committed	-		
Assigned	-		
Unassigned	8,633,061		
TOTAL FUND BALANCES	<u>8,633,061</u>		
TOTAL LIABILITIES AND FUND BALANCES	<u>8,873,811</u>		
Net Position:			
Net investment in capital assets		1,772,681	1,772,681
Unrestricted		5,139,062	5,139,062
Restricted		-	-
TOTAL NET POSITION		<u>\$ 6,911,743</u>	<u>\$ 6,911,743</u>

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2024

	General Fund	Adjustments (Note 9)	Statement of Activities
EXPENDITURES/EXPENSES			
Apparatus	\$ 86,951	\$ -	\$ 86,951
Utilities	22,078	-	22,078
Maintenance and Repairs	26,714	-	26,714
Professional Fees	118,890	-	118,890
Office Expenses/Postage	12,261	-	12,261
Insurance	68,626	-	68,626
Appraisal District & Tax Collector Fees	5,493	-	5,493
Fire Equipment & Supplies	210,593	-	210,593
Communications	10,817	-	10,817
EMS	9,696	-	9,696
Training	38,928	-	38,928
Miscellaneous	51,017	-	51,017
Personnel	1,589,633	5,830	1,595,463
Capital Outlay	210,716	(210,716)	-
Depreciation	-	184,403	184,403
Debt Service:			
Debt Issue Costs	42,214	-	42,214
Principal	161,402	(161,402)	-
Interest	27,299	9,066	36,365
Total expenditures/expenses	<u>\$ 2,693,328</u>	<u>\$ (172,819)</u>	<u>\$ 2,520,509</u>
PROGRAM REVENUES			
Grants/Contributions	<u>\$ 42,122</u>	<u>\$ 18,852</u>	<u>\$ 60,974</u>
Net program expense			2,459,535
GENERAL REVENUES			
Ad valorem taxes	\$ 938,371	\$ (13,386)	\$ 924,985
Penalties and Interest	12,934	-	12,934
Sales Tax	2,854,344	-	2,854,344
Interest income	86,326	-	86,326
Miscellaneous	11,096	-	11,096
Total general revenues	<u>\$ 3,903,071</u>	<u>\$ (13,386)</u>	<u>\$ 3,889,685</u>
Excess (Deficiency) of revenues over expenditures	\$ 1,251,865	\$ (1,251,865)	\$ -
OTHER FINANCING SOURCES/(USES):			
Financing Proceeds	<u>\$ 3,563,564</u>	<u>\$ (3,563,564)</u>	<u>\$ -</u>
Total Other Financing Sources/(Uses):	<u>\$ 3,563,564</u>	<u>\$ (3,563,564)</u>	<u>\$ -</u>
Net Change in Fund Balance	4,815,429	(4,815,429)	-
Change in Net Position	\$ -	\$ 1,430,150	\$ 1,430,150
Fund Balance/Net Position			
Beginning of the year	<u>3,817,632</u>	<u>1,663,961</u>	<u>5,481,593</u>
End of the year	<u>8,633,061</u>	<u>(1,721,318)</u>	<u>6,911,743</u>

See Accompanying Notes to the Financial Statements

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. More significant of these accounting policies are described below.

REPORTING ENTITY

The Williamson County Emergency Services District No. 7 (the District) was created by Article III, Section 48-e of the Constitution of Texas as proposed by SJR, No. 27, Acts of the 70th Legislature, Regular Session 1987, and adopted by the voters at an election held on February 15, 2005, to protect life and property from fire and to conserve natural and human resources. The District's governing body consist of a Board of Commissioners appointed by the Williamson County Commissioners Court.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units appear to exist.

BASIS OF PRESENTATION

Basic Financial Statements

GASB sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures/expenses or either fund category or governmental and enterprise combined. Due to the fund structure of the District, all funds have been classified as major funds. As a part of this Statement, there is a reporting requirement regarding the local government's infrastructure (road, bridges, etc.) The District does not own any infrastructure assets and therefore is unaffected by this requirement.

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting model focus is on either the District as a whole or major individual funds

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(within the fund financial statements). In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District does not have any fiduciary activities.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. The net cost by function is normally covered by general revenues (intergovernmental revenues, interest income, etc).

The District does not currently employ indirect cost allocation systems.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the District's actual experience conforms to the budget or fiscal plan.

GASB provides that for governments engaged in a single governmental program, the fund financial statements and the government-wide statements may be combined. The District presents the general fund in the first column. The next column is an adjustments column. It reconciles the amounts reported in the governmental funds to show how each would change when reported on the full-accrual basis of accounting. The last column of these combination statements shows the amounts that normally would appear in the government-wide statements.

Fund Accounting

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The focus of Governmental Fund measurement (in the Fund Financial Statements) is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Fund

The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented on an 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

BUDGETS

The District follows these procedures in establishing the budget reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the District prepares a budget. The operating budget includes proposed expenditures and the means of financing those expenditures and is prepared in accordance with the basis of accounting utilized by that fund.
2. Public meetings are conducted at which all interested persons' comments concerning the budget are heard. After such meetings, the Board of Commissioners formally adopts the budget through passage of a motion in a public meeting.
3. The District amends the budget throughout the year approving such additional expenses. The original and final amended budgets are used in presenting the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. All annual appropriations lapse at fiscal year-end.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

AD VALOREM PROPERTY TAXES

Delinquent taxes are prorated based on rates adopted for the year of the levy. Allowances for uncollectibles within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. There were no allowance for uncollectible property taxes as of September 30, 2024.

CAPITAL ASSETS

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The range of estimated useful lives by type of asset is as follows:

Vehicles	5-10 years
Other Equipment	5-20 years

The District does not own any infrastructure assets or have any leases required to be reported under GASB 87.

Fund Financial Statements

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

EQUITY CLASSIFICATIONS

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 regulation of other government; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable or spendable with spendable being further classified into restricted, committed, assigned or unassigned.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

COMPENSATED ABSENCES

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. As of the year end, the liability for accrued vacation reflects that time earned by the employees in the current year. The liability for these compensated absences is recorded as long-term debt in the government-wide statements.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by Texas County & District Retirement System (TCDRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases its insurance from regular commercial companies. As of September 30, 2024, no claims or losses have been incurred that were not covered by insurance. There is no liability due to any claim or suit having ever been filed.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Operating results in the future could vary from the amounts derived from management's estimates.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the effects that the full implementation of GASB Statement No. 101 will have on its financial statements for the year ended September 30, 2025.

NOTE 2: DEPOSITS, SECURITIES, AND INVESTMENTS

Deposits were with a contracted depository bank, VeraBank N.A.. As of September 30, 2024, the carrying amount of the District's deposits was \$8,241,153 and the bank balance was \$8,260,859. As of year-end, deposits exceeded FDIC coverage by \$8,010,859 however; difference was collateralized with pledged securities of \$8,043,795 (Category 2).

The collateral pledged is represented by specific identifiable investment securities and classified as to credit risk by the three categories described below:

- Category 1 - Insured by FDIC or collateralized with securities held by the District or by its agent in its name.
- Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- Category 3 - Uncollateralized.

NOTE 3: PROPERTY TAXES

The District property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real property located in the District. The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. An enforceable lien is attached to the property as of January 1. The assessed value of the roll as of January 1, 2023, upon which the 2023 levy was based, was \$1,137,378,352 as certified by the Williamson County Central Appraisal District.

Taxes are due by January 31 following the October 1 levy date. The total 2023 levy was \$911,791 and the tax rate was \$0.080166 per \$100 assessed valuation. Property taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4: CAPITAL ASSETS

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

	Balance 9/30/2023	Additions/ Completions	Retirements/ Adjustments	Balance 9/30/2024
Governmental Activities:				
Capital assets not being depreciated:				
Land	111,969	5,418	-	117,387
Construction in Progress	65,524	72,620	(61,524)	76,620
Total capital assets not being depreciated	177,493	78,038	(61,524)	194,007
Capital assets, being depreciated:				
Vehicles	844,157	61,524	-	905,681
Equipment	247,533	60,359	(18,600)	289,292
Building	1,619,923	72,320	-	1,692,243
Total capital assets being depreciated	2,711,613	194,203	(18,600)	2,887,216
Total capital assets	2,889,106	272,241	(80,124)	3,081,223
Less accumulated depreciation:	(500,133)	(184,403)	18,600	(665,936)
Total capital assets, net of depreciation	2,211,480	9,800	-	2,221,280
Governmental activities capital assets, net	2,388,973	87,838	(61,524)	2,415,287

Current year depreciation expense was \$184,403.

The District received a donation of land and building from the City of Florence. In the terms of the agreement the property will revert back to the City if the District discontinues use of the property from its primary purpose, a fire station and secondary purpose as District offices.

NOTE 5: LIABILITIES

Transactions for the year ended September 30, 2024, are summarized as follows:

	Balance 09/30/2023	Additions	Payments	Balance 09/30/2024	Due within one year
Government Capital #8072	607,529	-	32,091	575,438	33,329
Government Capital #9655	28,326	-	9,141	19,185	9,433
Government Capital #9983	91,533	-	21,542	69,991	22,429
Government Capital #10695	-	1,024,140	98,628	925,512	72,220
Government Capital #10806	-	2,539,424	-	2,539,424	79,947
Total Notes	\$ 727,388	\$3,563,564	\$ 161,402	\$4,129,550	\$ 217,358
Pension Liability	79,760	5,201	-	84,961	-
Compensated Absences	23,914	8,198	-	32,112	-
Total Governmental	\$ 831,062	\$3,576,963	\$ 161,402	\$4,246,623	\$ 217,358

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5: LIABILITIES (continued)

Annual payments required are as follows:

Year Ending September 30	Principal	Interest	Total
2025	\$ 217,358	\$ 174,924	\$ 392,282
2026	359,564	76,591	436,155
2027	275,877	150,258	426,135
2028	262,667	138,266	400,933
2029	274,212	126,722	400,934
2030-2034	1,563,303	441,366	2,004,669
2035-2039	1,176,569	134,835	1,311,404
Total	\$4,129,550	\$1,242,962	\$5,372,512

The District entered into a loan agreement for the financing of the construction of a new fire station (Andice Station), pledging tax revenue as security, for \$765,000, at 3.80% for 20 years. Payments \$27,440 are made semi-annual beginning July 1, 2018 until January 1, 2038.

The District entered into a loan agreement for the financing of equipment, pledging tax revenue as security, for \$45,750, at 3.20% for 5 years. Payments of \$10,047 are made annually beginning October 6, 2022 until October 6, 2026.

The District entered into a loan agreement for the financing of equipment, pledging tax revenue as security, for \$112,310, at 3.90% for 5 years. Payments of \$25,157 are made annually beginning July 1, 2022 until July 1, 2027.

In the current fiscal year, the District entered into a loan agreement for the financing of equipment, pledging tax revenue as security, for \$1,024,140, at 5.40% for 10 years. Payments of \$122,197 are made annually beginning July 30, 2025 until July 30, 2034.

In the current fiscal year, the District entered into a loan agreement for the financing of the construction of a new fire station, pledging tax revenue as security, for \$2,539,424, at 3.94% for 5 years. Payments of \$223,856 are made annually beginning October 30, 2025 until October 30, 2038.

Compensated absences represent the estimated liability for employees' accrued vacation for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund.

NOTE 6: ACCOUNTS RECEIVABLE

Accounts receivable at year end consist of the following:

Sales Tax	\$585,690
Grant Receivable	<u>18,852</u>
Total	\$604,542

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: PENSION

Plan Description. Williamson County Emergency Services District #7 participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.

a. A brief description of benefit terms:

- 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
- 2) The plan provides retirement, disability and survivor benefits.
- 3) TCDRS is a savings-based plan. For the district's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.
- 4) There are no automatic COLAs. Each year, the district may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
- 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.

b. Membership information is shown in the chart below.

c. The district's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Williamson County Emergency Services District #7 contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the district and are currently 7%. Contributions to the pension plan from the district for 2023 are shown in the Schedule of Employer Contributions.

d. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Employee membership data related to the Plan, as of the valuation date of December 31, 2023, was as follows:

Members	Dec. 31, 2022	Dec. 31, 2023
Number of inactive employees entitled to but not yet receiving benefits	13	19
Number of active employees	24	23
Average monthly salary:	\$3,490	\$3,810
Average age:	34.32	38.21
Average length of service in years:	4.62	7.09

Inactive Employees (or their Beneficiaries) Receiving Benefits

Number of benefit recipients:	0	0
Average monthly benefit:	\$0	\$0

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: PENSION (continued)

Net Pension Liability

The District's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay)
Amortization Method	Recognition of economic/demographic gains or losses Straight-Line amortization over Expected Working Life
	Recognition of assumptions changes or inputs Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.
Investment Rate of Return	7.60%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Williamson County Emergency Services District #7 are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility. <i>(For all eligible members ages 75 and later, retirement is assumed to occur immediately.)</i>

Turnover New employees are assumed to replace any terminated members and have similar entry ages.

Mortality

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: PENSION (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
US Equities	Dow Jones US Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
Int'l Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
Int'l Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	Morningstar LTSA US Leveraged Loan TR Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index +33% Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

⁽¹⁾ Target asset allocation adopted at the March 2024 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.2% per Cliffwater's 2024 capital market assumptions.

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: PENSION (continued)

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2022	December 31, 2023
Total pension liability	\$224,562	\$365,003
Fiduciary net position	144,803	280,042
Net pension liability / (asset)	79,760	84,961
Fiduciary net position as a % of total pension liability	64.48%	76.72%
 Pensionable covered payroll ⁽¹⁾	 \$748,698	 \$928,898
Net pension liability as a % of covered payroll	10.65%	9.15%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exist above or in other tables in this report.

(1) Payroll is calculated based on contributions as reported to TCDRS.

Discount Rate

Discount rate ⁽²⁾	7.60%	7.60%
Long-term expected rate of return, net of investment expense ⁽²⁾	7.60%	7.60%
Municipal bond rate ⁽³⁾	Does not apply	Does not apply

(2) This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

(3) The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: PENSION (continued)

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability/(Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances as of December 31, 2022	\$224,562	\$144,803	\$79,760
<i>Changes for the year:</i>			
Service cost	122,157		122,157
Interest on total pension liability ⁽¹⁾	25,713		25,713
Effect of plan changes ⁽²⁾	49,797		49,797
Effect of economic/demographic gains or losses	(40,120)		(40,120)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(17,106)	(17,106)	0
Benefit payments	0	0	0
Administrative expenses		(146)	85
Member contributions		65,023	(65,023)
Net investment income		17,029	(17,029)
Employer contributions		64,743	(64,743)
Other ⁽³⁾	0	5,698	(5,698)
Balances as of December 31, 2023	\$365,003	\$280,042	\$84,961

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Reflects plan changes adopted effective in 2024.

(3) Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the district, calculated using the discount rate of 7.60%, as well as what the ESD net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$446,782	\$365,003	\$300,647
Fiduciary Net Position	280,042	280,042	280,042
Net pension liability/(asset)	\$166,740	\$84,961	\$20,605

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: PENSION (continued)

As of September 30, 2024, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$36,597	\$9,965
Changes of assumption	410	1,927
Net difference between projected and actual earnings	0	7,776
Contributions made subsequent to measurement date	<u>N/A</u>	<u>96,445</u>
Totals	\$37,007	\$116,113

The \$116,113 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The remaining amounts currently reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended September 30:

2025	\$(891)
2026	(991)
2027	149
2028	(3,599)
2029	(3,277)
Thereafter ⁽¹⁾	(8,730)

(1) Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

Payable to the Pension Plan

The District reported a payable of \$13,533 for the outstanding amount of employer and employee contributions to the pension plan required for the year ended September 30, 2024.

NOTE 8: FUND BALANCE CLASSIFICATION

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Non-spendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 8: FUND BALANCE CLASSIFICATION (continued)

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can only be used for specific purpose pursuant to approval by formal action by the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as non-spendable, restricted, or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balance is included in the Governmental Fund Balance Sheet on page 8.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated the authority to assign fund balance for a specific purpose to the District's Chief or Assistant Chief.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

As of September 30, 2024, the District has not adopted a minimum fund balance policy.

**NOTE 9: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND
AND GOVERNMENT-WIDE STATEMENTS**

Differences between the Governmental Fund Balance Sheet and the Statement of Net Position:

The differences (as reflected in the adjustments column) primarily result from the long-term economic resources focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$3,081,223
Accumulated Depreciation	<u>(665,936)</u>
	<u>\$2,415,287</u>

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

The statement of net position includes as Deferred Outflows of Resources are amounts that are permitted to be recognized as part of pension expense over a period of years in the governmental funds.

Deferred Outflows of Resources	\$116,113
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Accrued interest payable	\$16,056
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Long-term liabilities applicable to the district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long-term—are reported in the statement of net assets.

Due within one year	\$217,358
Due after one year	4,029,265

Taxes receivable and interlocal agreement (county) are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Property Taxes	\$(28,116)
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deferred Inflows of Resources	\$37,007
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Receivables are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred inflows related to TAFMS	(\$18,852)
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Differences between the Governmental Fund Operating Statement and the Statement of Net Activities:

The differences (as reflected in the adjustments column) arise primarily from the long-term economic resources focus of the statement of activities versus the current financial resources focus of the governmental funds.

Some expenses reporting in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Adjustment for Compensated Leave	\$8,198
Adjustment for Pension Liability	5,201
Change in Deferred Inflows/Outflows related to Pension	<u>(7,569)</u>
Total adjustment	\$5,830

When capital assets that to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities the cost of those assets, or fair market value of donated assets, is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$(210,716)
Depreciation Expense	184,403

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS (continued)

Repayment of capital lease obligations is reported as an expenditure in governmental funds. For the district as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Payment of Principal	\$(161,402)
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Interest expense in the statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for capital lease obligations.

Change in accrued interest payable	\$9,186
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Because some property taxes will not be collected for several months after the district's year end, they are not considered as "available" revenues in the governmental funds.

Adjustment for property taxes collected after year-end	\$(13,386)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Grants/Contributions	\$18,852
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The issuance of long-term debt provides current financial resources to the governmental funds, however, this has no effect of net position. The amount is the net effect of these differences in the treatment of long-term debt and related items.

Financing Proceeds	\$(3,563,564)
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NOTE 10: DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through the date the financial statements were available to be issued.

NOTE 11: COMMITMENT

The District entered into an agreement with Williamson County whereby the County paid \$300,000 towards the construction cost of the Andice station. Under this agreement the District will provide to the County housing bay for one EMS response vehicle and housing (bedroom, office, and storage) for EMS personnel for an unspecified time at no additional future cost. The County may terminate this agreement without cause upon a 90-day notice. The District may terminate this agreement after 5 years from the date of final completion of the station with or without cause with 180 days written notice. Under the terms of the agreement should the District terminate this agreement prior to the 5-year period the District would have to repay the \$300,000. If beginning in the sixth year the District terminates, only \$150,000 would be repaid and a credit of \$30,000/year would be granted for years 7-10, that after the 10th year no repayment would be required. The District currently does not expect to terminate this agreement, and no liability has been established.

The District entered into an interlocal agreement with Travis County Emergency Services District No. 1 for them to provide the District with management services for \$20,000 per month beginning August 12, 2024 and ending November 11, 2024. For the year ending September 30, 2024, the total amount paid was \$30,000.

Required Supplemental Information

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. 7
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
BUDGET TO ACTUAL COMPARISON - GENERAL FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Budget		Actual Amounts Budgetary Basis	Variance Favorable/ (Unfavorable)
	Original	Final		
GENERAL REVENUES				
Ad Valorem Taxes	\$ 912,312	\$ 941,000	\$ 938,371	(2,629)
Penalty & Interest	-	12,000	12,934	934
Sales Tax	2,068,360	2,765,800	2,854,344	88,544
Interest Income	12,589	62,589	86,326	23,737
Grants/Contributions	27,000	27,000	42,122	15,122
Miscellaneous	17,000	10,000	11,096	1,096
Total General Revenues	<u>\$ 3,037,261</u>	<u>\$ 3,818,389</u>	<u>\$ 3,945,193</u>	<u>126,804</u>
EXPENDITURES/EXPENSES				
Apparatus	\$ 126,600	\$ 128,965	\$ 86,951	\$ 42,014
Utilities	31,200	32,450	22,078	10,372
Maintenance and Repairs	13,000	102,600	26,714	75,886
Professional Fees	72,000	151,300	118,890	32,410
Office Expense/Postage	3,900	13,900	12,261	1,639
Insurance	144,968	76,552	68,626	7,926
Appraisal District & Tax Collector Fees	10,000	18,500	5,493	13,007
Fire Equipment & Supplies	211,800	260,500	210,593	49,907
Communications	51,000	51,000	10,817	40,183
EMS	15,500	15,500	9,696	5,804
Training	22,000	40,850	38,928	1,922
Miscellaneous	21,800	25,950	51,017	(25,067)
Personnel	1,765,250	1,731,070	1,589,633	141,437
Capital Outlay	123,200	131,200	210,716	(79,516)
Debt Service:				
Debt Issue Cost	-	-	42,214	(42,214)
Principal	219,256	260,072	161,402	98,670
Interest	26,483	27,851	27,299	552
Total expenditures/expenses	<u>\$ 2,857,957</u>	<u>\$ 3,068,260</u>	<u>\$ 2,693,328</u>	<u>374,932</u>
Excess (Deficiency) of revenues over expenditures	179,304	750,129	1,251,865	501,736
OTHER FINANCING SOURCES/(USES):				
Note Proceeds	-	-	3,563,564	3,563,564
Total Other Financing Sources/(Uses)	-	-	3,563,564	3,563,564
Excess (Deficiency) of revenues and other financing sources over expenditures	\$ 179,304	\$ 750,129	\$ 4,815,429	
Fund Balance Beginning of the year			<u>3,817,632</u>	
End of the year			<u>\$ 8,633,061</u>	

See Accompanying Notes to the Financial Statements

Williamson County Emergency Services District #7
Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	122,157	61,528	24,385	17,785	7,343	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	25,713	12,364	4,291	2,084	595	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	49,797	38,307	42,423	-	-	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	-	-	(617)	3,027	-	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(40,120)	11,212	(1,403)	1,233	6	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(17,106)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	140,441	123,411	69,079	24,129	7,944	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	224,563	101,152	32,073	7,944	-	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	365,004	224,563	101,152	32,073	7,944	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	64,743	32,868	6,029	5,457	2,571	N/A	N/A	N/A	N/A	N/A
Member contributions	65,023	52,409	13,957	13,072	6,157	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	17,029	(10,687)	8,675	969	(9)	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(17,106)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(146)	(85)	(32)	(21)	(7)	N/A	N/A	N/A	N/A	N/A
Other	5,698	12,055	574	549	300	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	135,241	86,560	29,203	20,026	9,012	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	144,801	58,241	29,038	9,012	-	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	280,042	144,801	58,241	29,038	9,012	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a) - (b)	84,962	79,762	42,911	3,035	(1,068)	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	76.72%	64.48%	57.58%	90.54%	113.44%	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	928,898	748,698	348,927	326,790	153,930	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	9.15%	10.65%	12.30%	0.93%	-0.69%	N/A	N/A	N/A	N/A	N/A

Williamson County Emergency Services District #7
Schedule of Employer Contributions

Year Ending September 30	Actually Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	-	-	-	-	0.0%
2020	2,571	2,571	-	153,930	1.7%
2021	5,457	5,457	-	326,790	1.7%
2022	6,029	6,029	-	348,927	1.7%
2023	32,868	32,868	-	748,698	4.4%
2024	64,743	64,743	-	928,898	7.0%

Williamson County Emergency Services District No. 7
Notes to the Schedule of Employer Contributions
For the year ending September 30, 2024

Valuation Date:	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	15.8 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule	2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: Employer contributions reflect that the member contribution rate was increased to 7%. 2023: Employer contributions reflect that the current service matching rate was increased to 150% for future benefits.

**Only changes effective 2015 and later are shown in the Notes to Schedule.*