



# Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

## **BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

## **BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

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# Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder  
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Commissioners  
Bastrop County Emergency Services District No. 2

## INDEPENDENT AUDITOR'S REPORT

### Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Bastrop County Emergency Services District No. 2 (District), 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 the general fund of the District, as of September 30, 2024 and the respective changes in financial position 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 the District, 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 the District'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.

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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 the District'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, the schedule of changes in the net pension liability and related ratios, the schedule of contributions, and budgetary comparison information 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.

*Monfermayor Britton Bender Carey PC*

February 18, 2025  
Austin, Texas

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

This is the discussion and analysis of the Bastrop County Emergency Services District Number 2 for the year ending September 30, 2024.

Citizens and taxpayers want a clear picture of the financial health of their governments, which include Emergency Services Districts. They also want to know how their tax dollars were spent and how much it costs to provide major services such as firefighting, fire prevention and rescue services. The concept of financial accountability of elected or appointed officials is reflected in the standards adopted by the Governmental Accounting Standards Board (GASB) for annual financial reporting.

This Management Discussion and Analysis (MD&A) is composed with the GASB concepts in mind. Please read it in conjunction with the District's financial statements, which follow this section.

### **Financial Highlights**

- The District's total net position for the fiscal year was \$9,127,752.
- Change in net position from current operations was an increase of \$1,174,602. This resulted in cash on hand of \$4,269,478 at the end of the fiscal year.

### **Using This Annual Report**

This annual report consists of two financial statements. GASB provides that for governments engaged in a single governmental program, the fund financial statements and the government-wide statements may be combined. These combined statements appear on pages 8 and 9. The first column is the only Governmental Fund, the General Fund. The second column is an adjustments column, reconciling 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.

### **Reporting the District as a Whole**

The Statement of Net Position and the Statement of Activities present information about the District as a whole. These statements (as reported in the last column of each of the statements) include all of the District's assets and liabilities, utilizing the accrual basis of accounting which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two columns report the District's net position and changes therein. The difference between assets and liabilities, net position, is one way to measure the District's financial health. 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. However, other non-financial factors such as changes in the District's property tax base must also be considered in an assessment of the overall financial health of the District.

The statement of activities, also included on page 9, presents information showing how the District's net position changed during the most recent twelve-month period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

### **Reporting the District's Funds**

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 District may establish other funds

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

to help control and manage money for particular purposes or to show that it is meeting its legal responsibilities for using certain taxes, grants, and other money. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The District reports using only one fund that being the General Fund.

**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 District as a Whole**

Governmental activities increased the District’s net position by \$1,174,602. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the District’s governmental activities.

Table 1  
Net Position

	<u>9/30/24</u>	<u>9/30/23</u>
<u>Assets:</u>		
Current Assets	\$4,881,132	\$2,606,197
Capital Assets, net	<u>7,295,222</u>	<u>6,041,106</u>
Total Assets	<u>12,176,354</u>	<u>8,647,303</u>
<u>Deferred Outflows of Resources</u>	<u>216,820</u>	<u>182,272</u>
<u>Liabilities:</u>		
Current Liabilities	246,708	249,072
Long-term Liabilities	<u>2,964,369</u>	<u>602,936</u>
Total Liabilities	<u>3,211,077</u>	<u>852,008</u>
<u>Deferred Inflows of Resources</u>	<u>54,345</u>	<u>24,417</u>
<u>Net Position:</u>		
Net Investment in Capital Assets	4,488,746	5,458,322
Unrestricted	4,119,555	2,494,828
Restricted for capital	<u>519,451</u>	<u>0</u>
Total Net Position	<u><u>\$9,127,752</u></u>	<u><u>\$7,953,150</u></u>

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

Table 2  
Change in Net Position

	<u>9/30/24</u>	<u>9/30/23</u>
<u>Revenues:</u>		
Property taxes	\$2,672,622	\$2,353,043
Sales taxes	1,753,286	1,554,849
Interest	217,217	96,340
Other	<u>114,476</u>	<u>75,662</u>
Total Revenues	<u>4,757,601</u>	<u>4,079,894</u>
<u>Expenses:</u>		
Salaries and related benefits	1,989,547	1,410,383
Supplies and materials	324,772	244,358
Maintenance and repairs	193,995	275,777
Professional services	152,591	78,435
Insurance	109,800	37,774
Tax collector/appraisal fees	89,606	92,800
Travel and training	30,181	38,225
Utilities	27,106	23,311
Dues, subscriptions and publications	19,972	56,501
Community risk reduction	17,905	0
Communications	16,016	14,828
Other	48,376	32,625
Depreciation	501,569	510,381
Interest	<u>61,563</u>	<u>16,767</u>
Total Expenses	<u>3,582,999</u>	<u>2,832,165</u>
Change in Net Position	1,174,602	1,247,729
Beginning Net Position	<u>7,953,150</u>	<u>6,705,421</u>
Ending Net Position	<u><u>\$9,127,752</u></u>	<u><u>\$7,953,150</u></u>

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

**Capital Asset and Debt Administration**

**Capital Assets:**

At the end of the fiscal year September 30, 2024, capital assets for governmental activities are as follows:

	<u>Balance</u> <u>9/30/23</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/24</u>
Capital assets not being depreciated:				
Land	\$302,274	\$0	\$0	\$302,274
Construction in progress	<u>0</u>	<u>1,174,798</u>	<u>0</u>	<u>1,174,798</u>
	<u>302,274</u>	<u>1,174,798</u>	<u>0</u>	<u>1,477,072</u>
Capital assets being depreciated:				
Vehicles	3,236,435	583,258	(213,543)	3,606,150
Buildings and structures	4,413,064	0	0	4,413,064
Equipment	<u>970,523</u>	<u>37,493</u>	<u>(10,000)</u>	<u>998,016</u>
	<u>8,620,022</u>	<u>620,751</u>	<u>(223,543)</u>	<u>9,017,230</u>
Less accumulated depreciation for:				
Vehicles	(1,653,407)	(272,704)	175,846	(1,750,265)
Buildings and structures	(741,874)	(128,032)	0	(869,906)
Equipment	<u>(485,909)</u>	<u>(100,833)</u>	<u>7,833</u>	<u>(578,909)</u>
	<u>(2,881,190)</u>	<u>(501,569)</u>	<u>183,679</u>	<u>(3,199,080)</u>
Capital assets being depreciated, net	<u>5,738,832</u>	<u>119,182</u>	<u>(39,864)</u>	<u>5,818,150</u>
Total capital assets, net	<u>\$6,041,106</u>	<u>\$1,293,980</u>	<u>(\$39,864)</u>	<u>\$7,295,222</u>

Depreciation expense charged to the general fund was \$501,569. More detailed information about the District's Capital Assets is presented in Note 5 of the financial statements.

**Debt:**

The District has two finance purchase agreements for fire apparatus as follows:

- Classic Bank - outstanding balance of \$491,476 with an interest rate of 2.5%, maturing September 2029.
- Capital One- outstanding balance of \$1,300,000 with an interest rate of 5.57%, maturing January 2034.

Additionally, the District has a promissory note payable to Government Capital for the remodel of a fire station, with an outstanding balance of \$1,015,000, an interest rate of 5.35%, maturing January 2034.

Fire apparatus and ad valorem tax revenues are pledged as collateral for the outstanding debt. More detailed information about the District's debt is presented in Note 6 of the financial statements.



**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**

**Financial Analysis of the Government’s Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the year ending September 30, 2024, the District’s total fund balance was \$4,432,270, of which \$519,451 was restricted for the capital remodel of a fire station.

**Budgetary Highlights**

The District’s annual budget includes estimated revenues and expenditures. The annual budget is a line-item document that allows the Board of Commissioners a high degree of control over District expenditures.

During the year, the board amended the original budget, while overall revenues did not change, overall expenditures increased by \$1,776,129 and proceeds from debt increased by \$1,436,995.

The District’s 2024 budget resulted in actual expenditures less than the final budget amounts by \$304,930, while revenues were more than the budgeted amounts by \$877,768. Revenue was over budget primarily due to increased sales tax collections. Expenditures were under budget mainly in the categories of salaries and related, capital outlay, travel and training, and supplies and materials, offset by over budget expenditures in professional services and maintenance and repairs.

**Economic Factors and Next Year’s Budgets and Rates**

The District hired three captains in October 2023 bringing the total to 15 full-time firefighters. The District has five firefighters per 48-hour shift covering 24/7/365. The District has three firefighters at the Highway 95 fire station and three at the FM 1441 station. The District also has 20 volunteer firefighters. The District hired two full-time Battalion Chiefs, allowing the District to have 24/7 command staff. The District also hired a full-time community risk reduction officer.

The District purchased Fire Station #2 from the City of Bastrop and started a major remodel of the interior, to allow for 24/7 staffing, with a cost of over \$1,000,000 that was financed with a 10-year note.

The District has placed a order for three new apparatus for Fire Station #2, which consist of an engine, tender and brush truck. The purchase is at a cost of \$1,300,000 and was financed with a 10-year note.

The District purchased a one ton truck and dump trailer for the CRR department.

The District currently has two lease purchase agreements for one fire engine and two 3000-gallon tenders. The remaining balance is approximately \$490,000.

**Contacting the District’s Financial Management**

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Bastrop County ESD No. 2  
Attn: Treasurer  
P.O. Box 1747  
Bastrop, Texas, 78602

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2024**

	General Fund	Adjustments (Note 8)	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 4,269,478		\$ 4,269,478
Sales taxes receivable	294,730		294,730
Ad Valorem property taxes receivable	202,154		202,154
Prepaid expenses	114,770		114,770
Capital assets:			
Land	-	302,274	302,274
Other capital assets, net of depreciation	-	6,992,948	6,992,948
	<u>-</u>		<u>7,295,222</u>
	<u>4,881,132</u>		<u>12,176,354</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Differences between actual and expected experience	-	40,668	40,668
Difference actual and projected plan earnings	-	14,025	14,025
Changes in assumptions	-	24,345	24,345
Contributions subsequent to measurement date	-	137,782	137,782
	<u>-</u>		<u>216,820</u>
	<u>\$ 4,881,132</u>		
<b>LIABILITIES</b>			
Accounts payable	\$ 103,670		103,670
Accrued interest payable	-	47,281	47,281
Accrued payroll and benefits	143,038		143,038
Long-term liabilities:			
Due within 1 year: loans payable	-	273,551	273,551
Due in more than 1 year:			
Loans payable	-	2,532,925	2,532,925
Accrued leave	-	62,086	62,086
Net pension liability	-	48,526	48,526
	<u>246,708</u>		<u>3,211,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Differences between expected and actual experience and changes in assumptions	-	54,345	54,345
Unavailable revenue - Ad Valorem taxes	202,154	(202,154)	-
	<u>202,154</u>		<u>54,345</u>
<b>FUND BALANCES/NET POSITION</b>			
<b>FUND BALANCES</b>			
Fund balance - nonspendable	114,770	(114,770)	
Fund balance - restricted for capital	519,451	(519,451)	
Fund balance - unassigned	3,798,049	(3,798,049)	
	<u>4,432,270</u>	<u>(4,432,270)</u>	
	<u>\$ 4,881,132</u>	<u>(4,881,132)</u>	
<b>NET POSITION</b>			
Net investment in capital assets		4,488,746	4,488,746
Restricted for capital		519,451	519,451
Unrestricted		4,119,555	4,119,555
			<u>\$ 9,127,752</u>

The accompanying notes are an integral part of this financial statement presentation

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	General Fund	Adjustments (Note 8)	Statement of Activities
<b>EXPENDITURES/EXPENSES:</b>			
Salaries and related benefits	\$ 1,994,942	\$ (5,395)	\$ 1,989,547
Supplies and materials	324,772		324,772
Maintenance and repairs	193,995		193,995
Professional services	152,591		152,591
Insurance	109,800		109,800
Tax collector/appraisal fees	89,606		89,606
Travel and training	30,181		30,181
Utilities	27,106		27,106
Dues, subscriptions and publications	19,972		19,972
Community risk reduction	17,905		17,905
Communications	16,016		16,016
Other	48,376		48,376
Depreciation		501,569	501,569
Capital outlay	1,795,549	(1,795,549)	-
Debt service			
Interest expense	14,497	47,066	61,563
Principal payments	91,308	(91,308)	-
	<u>4,926,616</u>		<u>3,582,999</u>
<b>GENERAL REVENUES:</b>			
Property taxes	2,659,878	12,744	2,672,622
Sales taxes	1,753,286		1,753,286
Interest	217,217		217,217
Other	44,360		44,360
	<u>4,674,741</u>		<u>4,687,485</u>
<b>REVENUE OVER EXPENDITURES/EXPENSES</b>	<u>(251,875)</u>		<u>1,104,486</u>
<b>OTHER FINANCING SOURCES:</b>			
Gain/(loss) for sale/disposal of assets	109,980	(39,864)	70,116
Proceeds from debt	2,315,000	(2,315,000)	-
	<u>2,424,980</u>		<u>70,116</u>
Net change in fund balance/net position	2,173,105		1,174,602
Beginning fund balance/net position	2,259,165		7,953,150
Ending fund balance/net position	<u>\$ 4,432,270</u>		<u>\$ 9,127,752</u>

The accompanying notes are an integral part of this financial statement presentation

## **BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1: ORGANIZATION**

The Bastrop Country Emergency Services District No. 2 (the District) was created by Article III, Section 48-e of the Constitution of Texas as proposed by SJR No. 27, Acts of the 70<sup>th</sup> Legislature, Regular Session 1987, and adopted by the voters on November 6, 2007, to protect life and property from fire and to conserve natural and human resources.

#### **NOTE 2: 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.

#### **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The District is considered a special purpose government under GASB Statement No. 34. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported primarily by ad valorem and sales taxes. The Statement of Activities demonstrates how the District used revenue.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's government activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the Statement of Activities. Program revenues include any grants and contributions that are restricted for program operations or capital requirements. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. All other revenue is considered measurable and available only when cash is received by the District. Expenditures are recognized in the accounting period in which the liability is incurred.

## **BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **NET POSITION**

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

##### **FUND BALANCES**

The fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District can establish limitations on the use of resources through either a commitment or an assignment.

When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

Restricted fund balances include amounts that can only be spent for specific purposes stipulated by external resource providers. Committed fund balances include amounts that can only be used for specific purposes determined by a formal action of the Board or adoption of an ordinance. Limitations imposed by commitments remain in place until formal Board action is taken to remove the limitation. Amounts in the assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be committed. Assignments are generally temporary and do not require Board action to be taken to remove the assignment.

##### **CAPITAL ASSETS**

All capital assets are recorded at historical cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000 for assets with a useful life of one year or more. The District does not possess any infrastructure. Improvements are capitalized. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses. Depreciation is calculated on a straight-line basis. Estimated useful lives are as follows:

Buildings and structures	40 years
Vehicles	7-20 years
Equipment	10-20 years

##### **COMPENSATED ABSENCES**

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. As year end, the liability for accrued vacation reflects that time earned by employees in the current year and allowable carryover from prior periods.

## **BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **ESTIMATES**

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

##### **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The statement of net position and governmental funds balance sheet report a separate section for deferred outflows of resources representing a consumption of net position that applies to a future period and is not recognized as an outflow of resources in the current period. The District's pension related items qualify for reporting in this category in the government-wide financial statements. See Note 11 for more information.

The statement of financial position and governmental funds balance sheet report a separate section for deferred inflows of resources representing an acquisition of net position that applies to a future period and is not recognized as an inflow of resources or revenue until that time. The District has two types of items which qualify for reporting in this category. The governmental funds report unavailable revenue from property taxes and grants. These amounts are deferred and recognized as an inflow in the period that they become available. The other type is pension related items reported in the government-wide financial statements. See Note 11 for more information.

##### **PENSIONS**

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

#### **NOTE 3: DEPOSITS**

At September 30, 2024, the carrying amount of the District's cash deposits was \$4,269,478 and the bank balance was \$4,620,211. All of the District's deposits were fully collateralized with securities held by the pledging financial institution. The District has an investment policy governing the investment of all District funds, and the District was in compliance with the policy during the year.

#### **NOTE 4: AD VALOREM PROPERTY TAXES**

The District has the authority to levy a tax to a maximum of \$0.10 per \$100 of value. Ad Valorem taxes are levied each October 1 on the assessed valuation of all taxable property in the District. The tax rate for the October 1, 2023 levy was \$0.088 per \$100 of value. Taxes are due upon receipt of the bill and are delinquent if not paid before the first day of February in the year following levy. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties and interest ultimately imposed. Taxes are billed and collected by the Bastrop County Tax Assessor-Collector.

# BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5: CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land	\$302,274	\$0	\$0	\$302,274
Construction in progress	<u>0</u>	<u>1,174,798</u>	<u>0</u>	<u>1,174,798</u>
	<u>302,274</u>	<u>1,174,798</u>	<u>0</u>	<u>1,477,072</u>
<u>Capital assets being depreciated:</u>				
Vehicles	3,236,435	583,258	(213,543)	3,606,150
Buildings and structures	4,413,064	0	0	4,413,064
Equipment	<u>970,523</u>	<u>37,493</u>	<u>(10,000)</u>	<u>998,016</u>
	<u>8,620,022</u>	<u>620,751</u>	<u>(223,543)</u>	<u>9,017,230</u>
	<u>8,922,296</u>	<u>1,795,549</u>	<u>(223,543)</u>	<u>10,494,302</u>
<u>Accumulated depreciation:</u>				
Vehicles	(1,653,407)	(272,704)	175,846	(1,750,265)
Buildings and structures	(741,874)	(128,032)	0	(869,906)
Equipment	<u>(485,909)</u>	<u>(100,833)</u>	<u>7,833</u>	<u>(578,909)</u>
	<u>(2,881,190)</u>	<u>(501,569)</u>	<u>183,679</u>	<u>(3,199,080)</u>
Total capital assets	<u>\$6,041,106</u>	<u>\$1,293,980</u>	<u>(\$39,864)</u>	<u>\$7,295,222</u>

### NOTE 6: LONG-TERM LIABILITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Total</u>
Accrued leave	<u>\$50,492</u>	<u>\$70,159</u>	<u>(\$58,565)</u>	<u>\$62,086</u>
Net pension liability	<u>\$60,895</u>	<u>\$0</u>	<u>(\$12,369)</u>	<u>\$48,526</u>

<u>Loans</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Fire apparatus	\$926,006	2029	2.50%	\$582,784	\$0	\$91,308	\$491,476
Station 2	1,000,000	2034	5.35%	0	1,015,000		1,015,000
Fire apparatus	<u>1,300,000</u>	2034	5.57%	<u>0</u>	<u>1,300,000</u>		<u>1,300,000</u>
	<u>\$3,226,006</u>			<u>\$582,784</u>	<u>\$2,315,000</u>	<u>\$91,308</u>	<u>\$2,806,476</u>

## BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 6: LONG-TERM LIABILITIES

All loans are secured by the underlying asset (property or equipment) acquired or by pledged tax revenues. The loan agreements have provisions that change the timing of repayment of outstanding amounts to become immediately due if the District defaults on its required payments. Maturities of loans as of years ending September 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$273,551	\$138,974	\$412,525
2026	285,739	126,786	412,525
2027	298,527	113,999	412,526
2028	311,943	104,543	416,486
2029	325,946	86,507	412,453
2030-2034	<u>1,310,770</u>	<u>222,839</u>	<u>1,533,609</u>
	<u>\$2,806,476</u>	<u>\$793,648</u>	<u>\$3,600,124</u>

#### NOTE 7: BUDGET VARIANCES

The District adopts an annual budget for the General Fund. The District amends the budget as needed during the year. Certain revenue and expenses were different from budgeted, resulting in a higher than budgeted fund balance. Sales tax revenues, interest and other revenues were more than budgeted, offset by slightly lower than anticipated property taxes. Capital outlay, salaries and related benefits, travel and training, and supplies and materials were lower than anticipated, which was offset partially by higher than anticipated maintenance and repairs and professional services. The variances in all other expenses were not significant. The District received income from unbudgeted sales of assets. Additionally, proceeds from debt were more than budgeted.

#### NOTE 8: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Fund balance - general fund	\$4,432,270
Increase net position for capital assets not reported in the fund financial statements	7,295,222
Taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	202,154
Long-term liabilities not reported in the fund financial statements	(2,917,088)
Accrued interest expense on long-term debt not reported in the fund financial statements	(47,281)
Deferred outflows and inflows of resources related to pensions, net, are applicable to future reporting periods and are not reported in the fund financial statements	<u>162,475</u>
Net position - governmental activities	<u>\$9,127,752</u>



## BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 8: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Net change in fund balance - governmental fund	\$2,173,105
Proceeds from debt not recognized as other financing source income not reported in the government-wide financial statements	(2,315,000)
Difference between proceeds from sales and gain on sale of assets not recognized in the government-wide financial statements	(39,864)
Change in taxes receivable deferred in the fund financial statements	12,744
Depreciation expense not recognized in the fund financial statements	(501,569)
Long-term debt principal payments recognized as expenditures in the fund financial statements	91,308
Change in accrued leave not reported in the fund financial statements	(11,594)
Change in accrued interest not reported in the fund financial statements	(47,066)
Pension contributions are reported as expenditures in the governmental fund when made. Adjustments to the net pension liability and pension expense resulting from changes in deferred outflows and inflows of resources are not recognized in the fund financial statements.	16,989
Capital outlays recognized as expenditures in the fund financial statements	<u>1,795,549</u>
Change in net position - governmental activities	<u>\$1,174,602</u>

#### NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss including torts, general liability, property damage, injuries to employees and natural disasters. The District insures against risk through the purchase of commercial insurance policies.

#### NOTE 10: ANNEXATION

The City of Bastrop has the right to annex property within the District which could result in a future reduction of total property values within the District and, therefore, a reduction in future tax revenue collected.

#### NOTE 11: PENSION PLAN

##### Plan Description

The District provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide TCDRS, an agent multiple-employer public employee retirement system. TCDRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TCDRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TCDRS. This report may be obtained by calling TCDRS at 800-823-7782; in addition, the report is available on TCDRS' website at [www.tcdrs.org](http://www.tcdrs.org). Plan provisions for the District were as follows:

## BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 11: PENSION PLAN

##### Benefits Provided

The plan provisions that have been adopted by the Board of the District are within the options available in the governing state statutes of TCDRS. TCDRS provides retirement benefits that are calculated based on age, average compensation and service credit as follows:

Employee deposit rate	7%
District contribution rate	11.22%
Service retirement eligibility (expressed as age/years of service)	60/10, any/20, rule of 80

##### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

##### Employees Covered

As of the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	9
Active employees	19

##### Contributions

Under the state law governing TCDRS, the contribution rate for each District is determined annually by the actuary, using the Entry Age actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees of the District were required to contribute 7% of their annual salary during the calendar year, and the District was required to contribute at the actuarially determined rate of 9.5% for calendar 2023 and 11.22% for calendar 2024. The District's contributions to TCDRS for the year ended September 30, 2024 were \$156,607 which equaled the required contribution.

##### Discount Rate

The discount rate used to measure the total TCDRS pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the rates specified in the funding policy. Based on that assumption, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for calculating the total pension liability is equal to the long-term expected rate of return on pension plan investments applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on the TCDRS pension plan investments was determined to be 7.60% using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage

## BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 11: PENSION PLAN

and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return</u>
U.S. Equities	11.50%	4.75%
Private Equity	25.00%	7.75%
Global Equities	2.50%	4.75%
International Equities-Developed	5.00%	4.75%
International Equities-Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%

#### Net Pension Liability/(Asset)

The District's net pension liability of \$48,526 for TCDRS at September 30, 2024 was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the District, calculated using the discount rate of 7.60%, as well as what the District's 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 <u>(6.60%)</u>	Discount Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
District's net pension liability (asset)	<u>\$234,901</u>	<u>\$48,526</u>	<u>(\$95,911)</u>

#### Pension Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

# BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11: PENSION PLAN

Actuarial valuation date:	12/31/2023
Actuarial cost method:	Entry age normal
Investment rate of return (7.50% rate of return plus 0.10% adjustment gross of administrative expenses):	7.60%
Inflation:	2.50%
Projected Salary Increases:	Varies by age and service, 4.7% average
Mortality rates:	135% and 120% of Pub-2010 General Retirees Tables for males and females, respectively, both projected with 100% of MP-2021 scale after 2010

Actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study over the years 2017-2020.

#### Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the District recognized pension expense of \$146,762. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$53,921	\$40,668
Changes in assumptions	\$424	\$24,345
Net difference between projected and actual earnings	\$0	\$14,025
Contributions subsequent to the measurement date	N/A	\$137,782

The \$137,782 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the District's 2025 fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

For the year ended September 30:

2025	\$1,736
2026	1,847
2027	9,308
2028	(3,374)
2029	(1,127)
Thereafter	<u>16,303</u>
	<u>\$24,693</u>

# BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11: PENSION PLAN

<u>Changes in Net Pension Liability/(Asset)</u>	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (a)-(b)</u>
Balance at December 31, 2022	<u>\$525,169</u>	<u>\$464,274</u>	<u>\$60,895</u>
Changes for the year:			
Service cost	124,484	0	124,484
Interest on total pension liability	48,910	0	48,910
Effect of plan changes	77,076	0	77,076
Effect of economic/demographic gains or losses	(36,113)	0	(36,113)
Effect of assumption changes or inputs	0	0	0
Refunds of contributions	(12,429)	(12,429)	0
Benefit payments	0	0	0
Administrative expenses	0	(354)	354
Member contributions	0	64,452	(64,452)
Net investment income	0	52,550	(52,550)
Employer contributions	0	102,173	(102,173)
Other	<u>0</u>	<u>7,905</u>	<u>(7,905)</u>
Balance at December 31, 2023	<u>\$727,097</u>	<u>\$678,571</u>	<u>\$48,526</u>

### NOTE 12: COMMITMENTS

During the year end, the District entered into a contract commitment for \$542,675 related to a station remodel. At year-end, approximately \$107,000 was remaining on the contract.

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
General revenues				
Property taxes	\$ 2,796,973	\$ 2,796,973	\$ 2,659,878	\$ (137,095)
Sales taxes	1,000,000	1,000,000	1,753,286	753,286
Interest	-	-	217,217	217,217
Other	-	-	44,360	44,360
	<u>3,796,973</u>	<u>3,796,973</u>	<u>4,674,741</u>	<u>877,768</u>
Expenditures				
Current:				
Salaries and related benefits	2,167,917	2,277,051	1,994,942	282,109
Supplies and materials	281,640	406,640	324,772	81,868
Maintenance and repairs	267,500	177,500	193,995	(16,495)
Professional services	79,729	115,979	152,591	(36,612)
Insurance	108,107	116,107	109,800	6,307
Tax collector/appraisal fees	93,092	93,092	89,606	3,486
Travel and training	87,000	87,000	30,181	56,819
Utilities	35,000	35,000	27,106	7,894
Dues, subscriptions and publications	20,000	20,000	19,972	28
Community risk reduction	10,000	20,000	17,905	2,095
Communications	17,140	17,140	16,016	1,124
Other	78,151	36,750	48,376	(11,626)
Capital outlay	425,000	2,044,146	1,795,549	248,597
Debt service	105,804	105,804	105,805	(1)
	<u>3,776,080</u>	<u>5,552,209</u>	<u>4,926,616</u>	<u>625,593</u>
Revenues (under)/over expenditures	<u>20,893</u>	<u>(1,755,236)</u>	<u>(251,875)</u>	<u>1,503,361</u>
Other financing sources				
Sale of assets	-	-	109,980	109,980
Proceeds from debt	-	1,436,995	2,315,000	878,005
	<u>-</u>	<u>1,436,995</u>	<u>2,424,980</u>	<u>987,985</u>
Net change in fund balance	20,893	(318,241)	2,173,105	2,491,346
Beginning fund balance	<u>2,259,165</u>	<u>2,259,165</u>	<u>2,259,165</u>	<u>-</u>
Ending fund balance	<u>\$ 2,280,058</u>	<u>\$ 1,940,924</u>	<u>\$ 4,432,270</u>	<u>\$ 2,491,346</u>

See Independent Auditor's Report

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT #2**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - TCDRS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Actuarial Year Ended December 31,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>										
Service cost	\$ 124,484	\$ 85,046	\$ 80,357	\$ 48,943	\$ 26,749	\$ 25,705	\$ 14,836	\$ 18,323	\$ 7,023	\$ 5,822
Interest on total liability	48,910	31,118	25,205	16,683	9,093	6,451	3,505	1,766	740	231
Effect of plan changes	77,076	58,201	-	-	33,227	-	-	-	(791)	-
Effect of assumption changes or inputs	-	-	4,818	25,593	-	-	(571)	-	49	-
Effect of economic/demographic (gains) or losses	(36,113)	26,406	(26,988)	12,968	2,437	(583)	7,733	(3,028)	1,125	6
Benefit payments/refunds of employee contributions	(12,429)	-	(20,201)	-	-	-	-	(2,828)	-	-
<b>Net change in total pension liability</b>	<u>201,928</u>	<u>200,771</u>	<u>63,191</u>	<u>104,187</u>	<u>71,506</u>	<u>31,573</u>	<u>25,503</u>	<u>14,233</u>	<u>8,146</u>	<u>6,059</u>
<b>Total pension liability - beginning</b>	<u>525,169</u>	<u>324,398</u>	<u>261,207</u>	<u>157,020</u>	<u>85,514</u>	<u>53,941</u>	<u>28,438</u>	<u>14,205</u>	<u>6,059</u>	<u>-</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 727,097</u>	<u>\$ 525,169</u>	<u>\$ 324,398</u>	<u>\$ 261,207</u>	<u>\$ 157,020</u>	<u>\$ 85,514</u>	<u>\$ 53,941</u>	<u>\$ 28,438</u>	<u>\$ 14,205</u>	<u>\$ 6,059</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 102,173	\$ 79,461	\$ 46,852	\$ 37,719	\$ 16,595	\$ 11,015	\$ 9,764	\$ 9,965	\$ 7,060	\$ 615
Contributions - employee	64,452	49,923	37,312	29,603	18,349	15,774	13,303	10,452	7,451	650
Net investment income	52,550	(31,439)	56,894	14,768	14,861	(895)	5,514	1,194	(132)	5
Benefit payments/refunds of employee contributions	(12,429)	-	(20,201)	-	-	-	-	(2,828)	-	-
Administrative expenses	(354)	(272)	(188)	(165)	(108)	(73)	(43)	(13)	(6)	(1)
Other	7,905	18,507	1,874	2,006	1,216	805	309	823	(1)	-
<b>Net change in plan fiduciary net position</b>	<u>214,297</u>	<u>116,180</u>	<u>122,543</u>	<u>83,931</u>	<u>50,913</u>	<u>26,626</u>	<u>28,847</u>	<u>19,593</u>	<u>14,372</u>	<u>1,269</u>
<b>Plan fiduciary net position - beginning</b>	<u>464,274</u>	<u>348,094</u>	<u>225,551</u>	<u>141,620</u>	<u>90,707</u>	<u>64,081</u>	<u>35,234</u>	<u>15,641</u>	<u>1,269</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>678,571</u>	<u>464,274</u>	<u>348,094</u>	<u>225,551</u>	<u>141,620</u>	<u>90,707</u>	<u>64,081</u>	<u>35,234</u>	<u>15,641</u>	<u>1,269</u>
<b>Net pension liability (a) - (b)</b>	<u>\$ 48,526</u>	<u>\$ 60,895</u>	<u>\$ (23,696)</u>	<u>\$ 35,656</u>	<u>\$ 15,400</u>	<u>\$ (5,193)</u>	<u>\$ (10,140)</u>	<u>\$ (6,796)</u>	<u>\$ (1,436)</u>	<u>\$ 4,790</u>
Plan fiduciary net position as a % of the total pension liability	93.33%	88.40%	107.30%	86.35%	90.19%	106.07%	118.80%	123.90%	110.11%	20.94%
Covered employee payroll	\$ 1,074,192	\$ 832,043	\$ 621,861	\$ 493,386	\$ 305,816	\$ 262,894	\$ 221,717	\$ 169,203	\$ 124,179	\$ 65,000
Net pension liability as % of covered-employee payroll	4.52%	7.32%	-3.81%	7.23%	5.04%	-1.98%	-4.57%	-4.02%	-1.16%	7.37%

See Independent Auditor's Report.

**BASTROP COUNTY EMERGENCY SERVICES DISTRICT #2**  
**SCHEDULE OF CONTRIBUTIONS - TCDRS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution**	\$ 156,607	\$ 79,461	\$ 46,515	\$ 37,719	\$ 12,508	\$ 11,015	\$ 9,578	\$ 9,678	\$ 7,053	\$ 615
Contributions in relation to the actuarially determined contribution	<u>156,607</u>	<u>79,461</u>	<u>46,852</u>	<u>37,719</u>	<u>16,595</u>	<u>11,015</u>	<u>9,764</u>	<u>9,965</u>	<u>7,060</u>	<u>615</u>
Contribution deficiency (excess)	-	-	(337)	-	(4,087)	-	(186)	(287)	(7)	-
Covered-employee payroll	1,460,004	832,043	621,861	493,386	305,816	262,894	221,717	169,203	124,179	10,833
Contributions as a percentage of covered-employee payroll	10.73%	9.55%	7.53%	7.64%	5.43%	4.19%	4.40%	5.89%	5.69%	5.68%

**NOTE:**

\*\*TCDRS calculates actuarially determined contributions on a calendar year basis. GASB 68 indicates the employer should report employer contributions on a fiscal year basis.

Valuation Date: December 31, 2023

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
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	13.7 years (based on contribution rate calculated in 12/31/22 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	7.5% (7.6% net of 1% 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	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	2015: Employer contributions reflect that the current service matching rate was increased to 150% for future benefits. 2016: Employer contributions reflect that the member contribution rate was increased to 5%. 2017: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was increased to 175% for future benefits. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. 2019: No changes in plan provisions were reflected in the schedule. 2020: Employer contributions reflect that the current service matching rate was increased to 250% for future benefits and the prior service matching rate was increased to 100%. 2021: No changes in plan provisions were reflected in the schedule. 2022: No changes in plan provisions were reflected in the schedule.