



Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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 and Management
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, 2025, 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, 2025, 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-TCDRS, the schedule of contributions-TCDRS, and budgetary comparison schedule 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.

Montemayor Britton Bendec Carey PC

17 February 2026
Austin, Texas

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

This is the discussion and analysis of the Bastrop County Emergency Services District Number 2 for the year ending September 30, 2025.

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 \$10,507,976.
- Change in net position from current operations was an increase of \$1,380,224.
- Cash on hand was \$4,265,534 at fiscal year end.

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, 2025

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 \$1,380,224. 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>9/30/25</u>	<u>9/30/24</u>
<u>Assets:</u>		
Current Assets	\$4,996,653	\$4,881,132
Capital and Other Assets, net	<u>9,110,143</u>	<u>7,295,222</u>
Total Assets	<u>14,106,796</u>	<u>12,176,354</u>
<u>Deferred Outflows of Resources</u>	<u>233,572</u>	<u>216,820</u>
<u>Liabilities:</u>		
Current Liabilities	383,948	246,708
Long-term Liabilities	<u>3,400,284</u>	<u>2,964,369</u>
Total Liabilities	<u>3,784,232</u>	<u>3,211,077</u>
<u>Deferred Inflows of Resources</u>	<u>48,160</u>	<u>54,345</u>
<u>Net Position:</u>		
Net Investment in Capital Assets	5,758,607	4,488,746
Unrestricted	4,749,369	4,119,555
Restricted for capital	<u>0</u>	<u>519,451</u>
Total Net Position	<u>\$10,507,976</u>	<u>\$9,127,752</u>

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Table 2
Change in Net Position

	<u>9/30/25</u>	<u>9/30/24</u>
<u>Revenues:</u>		
Property taxes	\$3,241,570	\$2,672,622
Sales taxes	2,112,071	1,753,286
Interest	216,351	217,217
Other	<u>40,738</u>	<u>114,476</u>
Total Revenues	<u>5,610,730</u>	<u>4,757,601</u>
<u>Expenses:</u>		
Salaries and related benefits	2,413,074	1,989,547
Supplies and materials	307,638	324,772
Maintenance and repairs	225,426	193,995
Insurance	114,873	109,800
Tax collector/appraisal fees	107,521	89,606
Professional services	92,986	152,591
Dues, subscriptions and publications	52,924	19,972
Travel and training	51,281	30,181
Utilities	37,390	27,106
Communications	27,392	16,016
Community risk reduction	26,403	17,905
Other	28,595	48,376
Depreciation	538,634	501,569
Interest	<u>206,369</u>	<u>61,563</u>
Total Expenses	<u>4,230,506</u>	<u>3,582,999</u>
Change in Net Position	1,380,224	1,174,602
Beginning Net Position	<u>9,127,752</u>	<u>7,953,150</u>
Ending Net Position	<u>\$10,507,976</u>	<u>\$9,127,752</u>

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Capital Asset and Debt Administration

Capital Assets:

At the end of the fiscal year September 30, 2025, capital assets for governmental activities are as follows:

	<u>Balance</u> <u>9/30/24</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/25</u>
Capital assets not being depreciated:				
Land	\$302,274	\$0	\$0	\$302,274
Construction in progress	<u>1,174,798</u>	<u>970,052</u>	<u>(1,174,798)</u>	<u>970,052</u>
	<u>1,477,072</u>	<u>970,052</u>	<u>(1,174,798)</u>	<u>1,272,326</u>
Capital assets being depreciated:				
Vehicles	3,606,150	945,947	0	4,552,097
Buildings and structures	4,413,064	1,422,881	0	5,835,945
Equipment	<u>998,016</u>	<u>100,862</u>	<u>(4,200)</u>	<u>1,094,678</u>
	<u>9,017,230</u>	<u>2,469,690</u>	<u>(4,200)</u>	<u>11,482,720</u>
Less accumulated depreciation for:				
Vehicles	(1,750,265)	(305,926)	0	(2,056,191)
Buildings and structures	(869,906)	(140,041)	0	(1,009,947)
Equipment	<u>(578,909)</u>	<u>(92,667)</u>	<u>4,200</u>	<u>(667,376)</u>
	<u>(3,199,080)</u>	<u>(538,634)</u>	<u>4,200</u>	<u>(3,733,514)</u>
Capital assets being depreciated, net	<u>5,818,150</u>	<u>1,931,056</u>	<u>0</u>	<u>7,749,206</u>
Total capital assets, net	<u>\$7,295,222</u>	<u>\$2,901,108</u>	<u>(\$1,174,798)</u>	<u>\$9,021,532</u>

More detailed information about the District’s Capital Assets is presented in Note 5 of the financial statements.

Debt:

The District has the following debt agreements outstanding for the purchase of fire apparatus and buildings:

- Classic Bank - outstanding balance of \$397,960 with an interest rate of 2.5%, maturing September 2029.
- Capital One- outstanding balance of \$1,199,353 with an interest rate of 5.57%, maturing January 2034.
- Government Capital Credit - outstanding balance of \$935,612 with an interest rate of 5.35%, maturing January 2034.
- First National Bank of Bastrop - outstanding balance of \$730,000 with an interest rate of 4.75%, maturing November 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, 2025

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, 2025, the District’s total fund balance was \$4,500,617, of which \$235,700 was committed for capital purchases and \$131,613 was nonspendable.

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 \$1,356,550 and proceeds from debt increased by \$826,995.

The District’s 2025 budget resulted in actual expenditures greater than the final budget amounts by \$315,570, while revenues were more than the budgeted amounts by \$1,010,467, and proceeds from debt were less than budgeted by \$96,995, for an overall favorable variance to budget of \$597,902. Revenue was over budget primarily due to increased sales and property taxes as well as interest income. Expenditures were over budget mainly by capital outlay of \$798,638 over budget, offset somewhat by expenses less than budget for salaries and related of \$291,503, travel and training of \$35,719, supplies and materials of \$105,362 and other of \$28,754.

Economic Factors and Next Year’s Budgets and Rates

The District hired a second full time administration assistant in October 2024 bringing the total number of full-time employees to 26; (18) full-time firefighters, (3) full-time Battalion Chiefs, (2) admin, (2), community risk reduction officers & (1) fire chief.

The district has six firefighters and one Battalion Chief per 48-hour shift covering 24/7/365. The District has three firefighters at station 4 located at 1432 N State Highway 95 and three at station 2 located at 120 Corporate Drive. The District also has 12 volunteer firefighters.

The District finished the remodel of Fire Station #2 moving in April 2024 allowing for 24/7 staffing,

The District has placed in service three new apparatus to include an engine, tender and brush truck.

The District purchased a 2024 Ferrara pumper for \$730,000 in November 2024.

The District was awarded three grants in 2025, a \$4,300,000 wildfire defense grant from the United States Forest Service, a \$265,000 large brush truck grant from the Texas Forest Service and a \$25,000 fire equipment grant from the Texas Forest Service.

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, 2025

	General Fund	Adjustments (Note 10)	Statement of Net Position
ASSETS			
Cash	\$ 4,265,534		\$ 4,265,534
Sales taxes receivable	363,302		363,302
Ad Valorem property taxes receivable	226,763		226,763
Other accounts receivable	9,441		9,441
Prepaid expenses	131,613		131,613
Net pension asset	-	88,611	88,611
Capital assets:			
Land and construction in progress	-	1,272,326	1,272,326
Other capital assets, net of depreciation	-	7,749,206	7,749,206
	-		9,021,532
	<u>4,996,653</u>		<u>14,106,796</u>
DEFERRED OUTFLOWS OF RESOURCES			
Differences between actual and expected experience	-	45,059	45,059
Difference actual and projected plan earnings	-	1,261	1,261
Changes in assumptions	-	22,698	22,698
Contributions subsequent to measurement date	-	164,554	164,554
	-		<u>233,572</u>
	<u>\$ 4,996,653</u>		
LIABILITIES			
Accounts payable	\$ 96,023		96,023
Accrued interest payable	-	114,675	114,675
Accrued payroll and benefits	173,250		173,250
Long-term liabilities:			
Due within 1 year: loans payable	-	344,458	344,458
Due in more than 1 year:			
Loans payable	-	2,918,467	2,918,467
Accrued leave	-	137,359	137,359
	<u>269,273</u>		<u>3,784,232</u>
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience and changes in assumptions	-	48,160	48,160
Unavailable revenue - Ad Valorem taxes	226,763	(226,763)	-
	<u>226,763</u>		<u>48,160</u>
FUND BALANCES/NET POSITION			
FUND BALANCES			
Fund balance - nonspendable	131,613	(131,613)	
Fund balance -committed for capital	235,700	(235,700)	
Fund balance - unassigned	4,133,304	(4,133,304)	
	<u>4,500,617</u>	<u>(4,500,617)</u>	
	<u>\$ 4,996,653</u>	<u>(4,996,653)</u>	
NET POSITION			
Net investment in capital assets		5,758,607	5,758,607
Unrestricted		4,749,369	4,749,369
			<u>\$ 10,507,976</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, 2025

	General Fund	Adjustments (Note 10)	Statement of Activities
EXPENDITURES/EXPENSES:			
Salaries and related benefits	\$ 2,497,875	\$ (84,801)	\$ 2,413,074
Supplies and materials	307,638		307,638
Maintenance and repairs	225,426		225,426
Insurance	114,873		114,873
Tax collector/appraisal fees	107,521		107,521
Professional services	92,986		92,986
Dues, subscriptions and publications	52,924		52,924
Travel and training	51,281		51,281
Utilities	37,390		37,390
Communications	27,392		27,392
Community risk reduction	26,403		26,403
Other	28,595		28,595
Depreciation		538,634	538,634
Capital outlay	2,264,944	(2,264,944)	-
Debt service			
Interest expense	138,975	67,394	206,369
Principal payments	273,551	(273,551)	-
	<u>6,247,774</u>		<u>4,230,506</u>
 GENERAL REVENUES:			
Property taxes	3,216,961	24,609	3,241,570
Sales taxes	2,112,071		2,112,071
Interest	216,351		216,351
Other	40,738		40,738
	<u>5,586,121</u>		<u>5,610,730</u>
 REVENUE OVER EXPENDITURES/EXPENSES	<u>(661,653)</u>		<u>1,380,224</u>
 OTHER FINANCING SOURCES:			
Proceeds from debt	730,000	(730,000)	-
	<u>730,000</u>		<u>-</u>
 Net change in fund balance/net position	68,347		1,380,224
Beginning fund balance/net position	4,432,270		9,127,752
Ending fund balance/net position	<u>\$ 4,500,617</u>		<u>\$ 10,507,976</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 70th 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 year end, the carrying amount of the District's cash deposits was \$4,265,534 and the bank balance was \$4,254,922. 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, 2024 levy was \$0.10 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	\$266,007	\$0	\$568,281
Construction in progress	<u>1,174,798</u>	<u>704,045</u>	<u>(1,174,798)</u>	<u>704,045</u>
	<u>1,477,072</u>	<u>970,052</u>	<u>(1,174,798)</u>	<u>1,272,326</u>
<u>Capital assets being depreciated:</u>				
Vehicles	3,606,150	945,947	0	4,552,097
Buildings and structures	4,413,064	1,422,881	0	5,835,945
Equipment	<u>998,016</u>	<u>100,862</u>	<u>(4,200)</u>	<u>1,094,678</u>
	<u>9,017,230</u>	<u>2,469,690</u>	<u>(4,200)</u>	<u>11,482,720</u>
	<u>10,494,302</u>	<u>3,439,742</u>	<u>(1,178,998)</u>	<u>12,755,046</u>
<u>Accumulated depreciation:</u>				
Vehicles	(1,750,265)	(305,926)	0	(2,056,191)
Buildings and structures	(869,906)	(140,041)	0	(1,009,947)
Equipment	<u>(578,909)</u>	<u>(92,667)</u>	<u>4,200</u>	<u>(667,376)</u>
	<u>(3,199,080)</u>	<u>(538,634)</u>	<u>4,200</u>	<u>(3,733,514)</u>
Total capital assets	<u>\$7,295,222</u>	<u>\$2,901,108</u>	<u>(\$1,174,798)</u>	<u>\$9,021,532</u>

NOTE 6: LONG-TERM LIABILITIES

<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%	\$491,476	\$0	\$93,516	\$397,960
Station 2	1,000,000	2034	5.35%	1,015,000	0	79,388	935,612
Fire apparatus	1,300,000	2034	5.57%	1,300,000	0	100,647	1,199,353
Fire apparatus	<u>730,000</u>	2034	4.75%	<u>730,000</u>	<u>0</u>	<u>0</u>	<u>730,000</u>
	<u>\$3,956,006</u>			<u>\$3,536,476</u>	<u>\$0</u>	<u>\$273,551</u>	<u>\$3,262,925</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>
2026	\$344,458	\$161,785	\$506,243
2027	360,035	146,209	506,244
2028	376,373	133,831	510,204
2029	393,436	112,735	506,171
2030	305,684	94,756	400,440
2031-2035	<u>1,482,939</u>	<u>210,918</u>	<u>1,693,857</u>
	<u>\$3,262,925</u>	<u>\$860,234</u>	<u>\$4,123,159</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Total</u>
Accrued leave *	<u>\$62,086</u>	<u>\$75,273</u>	<u>\$0</u>	<u>\$137,359</u>
Net pension liability/ (asset)	<u>\$48,526</u>	<u>\$252,812</u>	<u>(\$389,949)</u>	<u>(\$88,611)</u>

* The change in accrued leave is presented on a net basis.

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 taxes, property taxes, interest and other revenues were more than budgeted. Capital outlay was more than anticipated, which was offset partially by lower than anticipated salaries and related benefits, travel and training, supplies and materials, maintenance and repairs, and other expenses. The variances in all other expenses were not significant. Additionally, proceeds from debt were less than budgeted.

NOTE 8: 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 9: 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.

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

NOTE 10: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Fund balance - general fund	\$4,500,617
Increase net position for capital assets not reported in the fund financial statements	9,021,532
Increase net position for net pension asset not reported in the fund financial statements	88,611
Taxes receivables deferred in the fund financial statements and not in the government-wide financial statements	226,763
Long-term liabilities not reported in the fund financial statements	(3,400,284)
Accrued interest expense on long-term debt not reported in the fund financial statements	(114,675)
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>185,412</u>
Net position - governmental activities	<u>\$10,507,976</u>
Net change in fund balance - general fund	\$68,347
Proceeds from debt not recognized as other financing source income not reported in the government-wide financial statements	(730,000)
Change in taxes receivable deferred in the fund financial statements	24,609
Depreciation expense not recognized in the fund financial statements	(538,634)
Long-term debt principal payments recognized as expenditures in the fund financial statements	273,551
Change in accrued leave not reported in the fund financial statements	(75,273)
Change in accrued interest not reported in the fund financial statements	(67,394)
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.	160,074
Capital outlays recognized as expenditures in the fund financial statements	<u>2,264,944</u>
Change in net position - governmental activities	<u>\$1,380,224</u>

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

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. Plan provisions for the District were as follows:

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	10.95%
Service retirement eligibility (expressed as age/years of service)	60/8, any/30, rule of 75

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, 2024 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	16
Active employees	26

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 11.22% for calendar 2024 and 10.95% for calendar 2025. The District's contributions to TCDRS for the year ended September 30, 2025 were \$203,742, 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

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION PLAN

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 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	13.00%	5.35%
Private Equity	25.00%	8.15%
Global Equities	4.00%	5.15%
International Equities-Developed	6.00%	4.75%
International Equities-Emerging	0.00%	4.75%
Investment-Grade Bonds	3.00%	2.55%
Strategic Credit	9.00%	3.70%
Direct Lending	16.00%	6.85%
Distressed Debt	4.00%	6.80%
REIT Equities	2.00%	3.95%
Commodities	2.00%	1.00%
Master Limited Partnerships	2.00%	4.95%
Private Real Estate Partnerships	6.00%	5.75%
Hedge Funds	6.00%	3.60%
Cash Equivalents	2.00%	1.10%

Net Pension Liability/(Asset)

The District's net pension asset of \$88,611 for TCDRS at September 30, 2025 was measured as of December 31, 2024. The total pension liability used to calculate the net pension asset 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:

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION PLAN

	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>\$159,287</u>	<u>(\$88,611)</u>	<u>(\$277,548)</u>

Pension Actuarial Assumptions

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

Actuarial valuation date:	12/31/2024
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, 2024 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, 2025, the District recognized pension expense of \$45,755. At September 30, 2025, 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	\$47,757	\$45,059
Changes in assumptions	\$403	\$22,698
Net difference between projected and actual earnings	\$0	\$1,261
Contributions subsequent to the measurement date	N/A	\$164,554

The \$164,554 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 2026 fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION PLAN

For the actuarial year ending December 31:

2025	\$239
2026	7,700
2027	(4,982)
2028	(2,736)
2029	(260)
Thereafter	<u>20,897</u>
	<u>\$20,858</u>

<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, 2023	<u>\$727,097</u>	<u>\$678,571</u>	<u>\$48,526</u>
Changes for the year:			
Service cost	175,371	0	175,371
Interest on total pension liability	68,196	0	68,196
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	8,669	0	8,669
Effect of assumption changes or inputs	0	0	0
Refunds of contributions	(10,485)	(10,485)	0
Benefit payments	0	0	0
Administrative expenses	0	(576)	576
Member contributions	0	114,767	(114,767)
Net investment income	0	75,273	(75,273)
Employer contributions	0	183,850	(183,850)
Other	<u>0</u>	<u>16,059</u>	<u>(16,059)</u>
Balance at December 31, 2024	<u>\$968,848</u>	<u>\$1,057,459</u>	<u>(\$88,611)</u>

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2024, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB 101) and subsequent amendments. This statement replaces GASB Statement No. 16. The adoption of GASB 101 has required a change in accounting principle for the recognition and measurement of liabilities for compensated absences, which includes sick leave, vacation, and other types of paid leave. In adopting the new standard, the District elected to use a transition method under which compensated absences were measured as of the date of adoption, 1 October 2024, in lieu of applying the standard retrospectively. Adoption of the standard did not have a significant effect on the financial statements.

BASTROP COUNTY EMERGENCY SERVICES DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
General revenues				
Property taxes	\$ 3,075,654	\$ 3,075,654	\$ 3,216,961	\$ 141,307
Sales taxes	1,500,000	1,500,000	2,112,071	612,071
Interest	-	-	216,351	216,351
Other	-	-	40,738	40,738
	<u>4,575,654</u>	<u>4,575,654</u>	<u>5,586,121</u>	<u>1,010,467</u>
Expenditures				
Current:				
Salaries and related benefits	2,724,378	2,789,378	2,497,875	291,503
Supplies and materials	413,000	413,000	307,638	105,362
Maintenance and repairs	171,136	239,136	225,426	13,710
Insurance	126,000	126,000	114,873	11,127
Tax collector/appraisal fees	92,850	108,502	107,521	981
Professional services	85,000	91,000	92,986	(1,986)
Dues, subscriptions and publications	43,000	43,000	52,924	(9,924)
Travel and training	87,000	87,000	51,281	35,719
Utilities	35,000	38,000	37,390	610
Communications	30,600	30,600	27,392	3,208
Community risk reduction	30,407	30,407	26,403	4,004
Other	226,757	57,349	28,595	28,754
Capital outlay	98,000	1,466,306	2,264,944	(798,638)
Debt service	412,526	412,526	412,526	-
	<u>4,575,654</u>	<u>5,932,204</u>	<u>6,247,774</u>	<u>(315,570)</u>
Revenues (under)/over expenditures	<u>-</u>	<u>(1,356,550)</u>	<u>(661,653)</u>	<u>694,897</u>
Other financing sources				
Proceeds from debt	-	826,995	730,000	(96,995)
Net change in fund balance	-	(529,555)	68,347	597,902
Beginning fund balance	4,432,270	4,432,270	4,432,270	-
Ending fund balance	<u>\$ 4,432,270</u>	<u>\$ 3,902,715</u>	<u>\$ 4,500,617</u>	<u>\$ 597,902</u>

BASTROP COUNTY EMERGENCY SERVICES DISTRICT #2
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - TCDRS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actuarial Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 175,371	\$ 124,484	\$ 85,046	\$ 80,357	\$ 48,943	\$ 26,749	\$ 25,705	\$ 14,836	\$ 18,323	\$ 7,023
Interest on total liability	68,196	48,910	31,118	25,205	16,683	9,093	6,451	3,505	1,766	740
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	8,669	(36,113)	26,406	(26,988)	12,968	2,437	(583)	7,733	(3,028)	1,125
Benefit payments/refunds of employee contributions	<u>(10,485)</u>	<u>(12,429)</u>	<u>-</u>	<u>(20,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,828)</u>	<u>-</u>
Net change in total pension liability	241,751	201,928	200,771	63,191	104,187	71,506	31,573	25,503	14,233	8,146
Total pension liability - beginning	<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>
Total pension liability - ending (a)	<u>\$ 968,848</u>	<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>
Plan fiduciary net position										
Contributions - employer	\$ 183,850	\$ 102,173	\$ 79,461	\$ 46,852	\$ 37,719	\$ 16,595	\$ 11,015	\$ 9,764	\$ 9,965	\$ 7,060
Contributions - employee	114,767	64,452	49,923	37,312	29,603	18,349	15,774	13,303	10,452	7,451
Net investment income	75,273	52,550	(31,439)	56,894	14,768	14,861	(895)	5,514	1,194	(132)
Benefit payments/refunds of employee contributions	(10,485)	(12,429)	-	(20,201)	-	-	-	-	(2,828)	-
Administrative expenses	(576)	(354)	(272)	(188)	(165)	(108)	(73)	(43)	(13)	(6)
Other	<u>16,059</u>	<u>7,905</u>	<u>18,507</u>	<u>1,874</u>	<u>2,006</u>	<u>1,216</u>	<u>805</u>	<u>309</u>	<u>823</u>	<u>(1)</u>
Net change in plan fiduciary net position	378,888	214,297	116,180	122,543	83,931	50,913	26,626	28,847	19,593	14,372
Plan fiduciary net position - beginning	<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>
Plan fiduciary net position - ending (b)	<u>1,057,459</u>	<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>
Net pension liability (a) - (b)	<u>\$ (88,611)</u>	<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>
Plan fiduciary net position as a % of the total pension liability	109.15%	93.33%	88.40%	107.30%	86.35%	90.19%	106.07%	118.80%	123.90%	110.11%
Covered employee payroll	\$ 1,639,527	\$ 1,074,192	\$ 832,043	\$ 621,861	\$ 493,386	\$ 305,816	\$ 262,894	\$ 221,717	\$ 169,203	\$ 124,179
Net pension liability as % of covered-employee payroll	-5.40%	4.52%	7.32%	-3.81%	7.23%	5.04%	-1.98%	-4.57%	-4.02%	-1.16%

BASTROP COUNTY EMERGENCY SERVICES DISTRICT #2
SCHEDULE OF CONTRIBUTIONS - TCDRS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>2025</u>	<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>
Actuarially determined contribution**	\$ 203,742	\$ 156,607	\$ 79,461	\$ 46,515	\$ 37,719	\$ 12,508	\$ 11,015	\$ 9,578	\$ 9,678	\$ 7,053
Contributions in relation to the actuarially determined contribution	<u>203,742</u>	<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>
Contribution deficiency (excess)	-	-	-	(337)	-	(4,087)	-	(186)	(287)	(7)
Covered-employee payroll	\$ 1,867,534	\$ 1,460,004	\$ 832,043	\$ 621,861	\$ 493,386	\$ 305,816	\$ 262,894	\$ 221,717	\$ 169,203	\$ 124,179
Contributions as a percentage of covered-employee payroll	10.91%	10.73%	9.55%	7.53%	7.64%	5.43%	4.19%	4.40%	5.89%	5.69%

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, 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
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.0 years (based on contribution rate calculated in 12/31/24 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% (net of administrative and 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. 2023: Employer contributions reflect that the current service matching rate was increased to 250% for future benefits. 2024: Employer contributions reflect that the member contributions rate was increased to 7% .