

Travis County Emergency  
Services District No. Twelve  
Financial Statements  
September 30, 2023

Travis County Emergency Services District No. Twelve  
For the year ending September 30, 2023

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Travis County Emergency Services District No. 12

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Travis County Emergency Services District No. 12 as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Travis County Emergency Services District No. 12, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Travis County Emergency Services District No. 12, 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 Travis County Emergency Services District No. 12's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Travis County Emergency Services District No. 12's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of employer contributions on pages 3-8 and 32-35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Medack & Oltmann, LLP*

Medack & Oltmann, LLP  
Giddings, Texas  
February 26, 2024



## Travis County Emergency Services District No.12 Administration Office

11200 Gregg Lane • PO Box 846  
Manor, Texas 78653  
O: 512-272-4502 • F: 512-428-5114

Travis County Emergency Services District No. 12's district is approximately 95 square miles, serving citizens within its boundaries. It provides services to this area from three fire stations strategically located within the District. The stations are staffed with Full Time Career Firefighters/EMTs, 24 hours a day, seven days a week.

This section of the Travis County ESD No. 12 annual financial report presents our discussion and analysis of the Department's overall financial performance during the twelve-month period ended September 30, 2023. Please read this overview in conjunction with the Department's financial statements, which follow this section.

### Financial Highlights

- Net Position at the close of the most recent period was \$15,812,813.
- General Fund balance increased by \$1,670,341, with the ending fund balance of \$7,363,297.
- Financial performance continued to improve for the ESD in FY23 as expenditures continue to be closely monitored as well as management and personnel activities were stable.
- In FY23, overall financial performance of the ESD remained a high priority of the Board and Management in continuing to improve its financial position and manage the explosive growth in the district.

### Using This Annual Report:

This annual report consists of a series of 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. The District presents the governmental funds in the first three columns, followed by a total column for the governmental funds. The next 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. For governmental activities, this last column tells how these services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

### Reporting the Department as a Whole

One of the questions that can be asked about the Department's finances is, "Is the Department better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities present information about the Department as a whole and its activities in a way that helps answer this question. These statements (as reported in the last column of each of the statements) include all of the Department'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 Department's net position and changes in them. The difference between assets and liabilities, net position, are one way to measure the Department's financial health. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. However, other non-financial factors such as changes in the Department's property tax base and the condition of the Department's equipment and facilities must also be considered in an assessment of the overall financial health of the Department.

The statement of activities presents information showing how the Department'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.

Both of the government-wide financial statements distinguish functions of the Department that are principally supported by grants and government revenues. The government activities of the Department include Fire Suppression, Rescue Activities, Emergency Medical Services, Code Enforcement, and Public Education. The Department currently has no business-type activities.

### **Reporting the District's Governmental 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 Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 that information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

**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.

### **Reporting the Department's Most Significant Funds.**

The columns reporting the fund activity (as explained in more detail in the first section of this report) provide detailed information about the most significant funds, not the Department as a whole. Some funds are required to be established by State law and by bond covenants, however, the Department establishes many other funds to help in 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.

Most of the Department's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called Modified Accrual accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Department's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in the adjustments column of the financial statements and in Note 12 to the financial statements.

### The District as a Whole

Governmental activities increased the Department's net position by \$2,937,773. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the Department's governmental activities:

**Table 1  
Governmental Activities  
Net Position**

<b>Assets</b>	<u><b>9/30/2022</b></u>	<u><b>9/30/2023</b></u>
Current Assets	13,484,294	15,401,290
Capital Assets	<u>9,857,423</u>	<u>10,028,296</u>
<b>Total Assets</b>	<b>\$ 23,341,717</b>	<b>\$ 25,429,586</b>
 <b>Deferred Outflows of Resources</b>	 <b>\$ 453,527</b>	 <b>\$ 755,222</b>
 <b>Liabilities</b>		
Current Liabilities	1,423,905	1,439,350
Long-Term Liabilities	<u>9,324,196</u>	<u>8,926,836</u>
<b>Total Liabilities</b>	<b>\$ 10,748,101</b>	<b>\$ 10,366,186</b>
 <b>Deferred Inflows of Resources</b>	 <b>\$ 172,103</b>	 <b>\$ 5,809</b>
 <b>Net Position</b>		
Net Investment in Capital Assets	7,081,492	8,347,428
Restricted	-	-
Unrestricted	<u>5,793,548</u>	<u>7,465,385</u>
<b>Total Net Position</b>	<b>\$ 12,875,040</b>	<b>\$ 15,812,813</b>

**Table 2**  
**Changes in Net Position**

	<u>9/30/2022</u>	<u>9/30/2023</u>
<b>Revenues</b>		
Ad Valorem Taxes	3,411,266	4,862,414
Penalties & Interest on Taxes	31,248	26,408
Sales Tax	3,860,600	4,266,899
Interest	88,909	687,735
Inspections	400,548	359,158
Gain (Loss) on sale of asset	-	-
SAFER Grant	350,963	81,685
Other	100,916	30,455
<b>Total Revenues</b>	<b>\$ 8,244,450</b>	<b>\$ 10,314,754</b>
<b>Expenses</b>		
Apparatus, Equipment, PPE	310,326	349,496
Operational	68,963	72,914
Communication	214,447	265,711
Insurance	88,768	93,850
Training & Prevention	28,289	113,157
Information Technology	60,305	90,861
Miscellaneous	46,837	73,276
Station	95,179	129,534
Administration	97,827	59,897
Personnel	4,172,287	5,177,160
Depreciation Expense	478,123	631,068
Debt Issue Costs	81,250	-
Debt Service:		
Interest	181,314	320,057
<b>Total Expenses</b>	<b>\$ 5,923,915</b>	<b>\$ 7,376,981</b>
<b>Change in Net Position</b>	<b>\$ 2,320,535</b>	<b>\$ 2,937,773</b>
Net Position - Beginning of Year	\$ 10,554,505	\$ 12,875,040
Net Position - Ending of Year	\$ 12,875,040	\$ 15,812,813

**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, 2023, the District's total combined fund balance was \$14,864,895 which reflects a net combined fund balance increase of \$1,806,068.



47.1% of all Department funds come from Ad Valorem taxes, and 41.4% comes from sales tax revenues. The remaining minor revenues come from sources such as building and fire inspections, SAFER grant, and interest on deposited funds

**Budgetary Highlights**

The District’s actual general fund expenditures of \$8,457,427 were less than the final budget amount of \$15,123,035 by \$6,665,608 and actual general fund revenues of \$9,926,221 exceeded final budget of \$8,718,525 by \$1,207,696.

The Department's annual budget includes estimated revenues and expenditures. The annual budget allows the Board of Commissioners a high degree of control over Department expenditures. The budget is prepared over a several-month period in which the capital and personnel recommendations of the Officers are blended with estimates of “fixed” operating expenses such as utilities to form a recommendation to the Board of Commissioners for their beginning “first draft” of the budget.

Estimates of taxable value for the forthcoming year are provided by the Travis County Tax Appraiser’s office. That estimate, combined with an estimate of historical tax collection rates for the Department is used with the proposed tax rate to estimate the revenue required to support the Department’s operations.

**Capital Asset and Debt Administration**

**Capital Assets:**

At the end of the fiscal year September 30, 2023, capital assets are as follows:

**Table 3  
Capital Assets at Year-end**

	<u>9/30/2023</u>	<u>9/30/2022</u>
Land	\$ 1,922,952	\$ 1,922,952
Vehicles	4,403,949	3,736,234
Furniture & Equipment	892,271	996,165
Building	3,025,627	3,011,816
Construction in Progress	<u>2,327,035</u>	<u>2,229,221</u>
	12,571,834	11,896,388
Less: Accumulated Depreciation	<u>\$(2,543,538)</u>	<u>\$ (2,038,964)</u>
Total Capital Assets, net	<u><u>\$10,028,296</u></u>	<u><u>\$ 9,857,424</u></u>

**Debt:**

At year-end, the District had \$9,182,466 in outstanding debt compared to \$10,141,802 last year. Further detailed information can be found in the notes to the financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

Strategic plans for the District include:

The staffing at the District will consist of 48 dedicated full-time shift employees, including a full-time Fire Chief, a full-time Assistant Fire Chief, 3 Battalion Chiefs, 1 Field Medical Officer, 3 Fire Prevention Officers, 1 part-time Prevention Officer, and 1 full-time Public Information Officer, along with a full-time administrative staff.

- Significant developments have taken place, including the acquisition of a Quint and land for a new fire station. Additionally, the District has identified the imperative need for future stations situated strategically within the District.
- Collaborative efforts with stakeholders remain pivotal as the District aims to plan and develop resources to address the ongoing growth within its jurisdiction.
- Central to the District's objectives is the continuous enhancement of departmental standards, Standard Operating Procedures (SOPs), and equipment, aimed at enhancing firefighter efficiency and effectiveness.

The District has achieved notable success in identifying and maximizing sales tax revenues. Rigorous measures have been implemented to ensure that budgets are not overly reliant on sales taxes for operational funding.

With the District experiencing explosive growth, there has been a corresponding increase in demands on the department's capabilities and resources. The District remains responsive to these evolving needs, maintaining strong partnerships with neighboring emergency services districts. Furthermore, significant emphasis is placed on expanding personnel and infrastructure to support the burgeoning growth within the jurisdiction.

### **Requests for Information**

This financial report is designed to provide a general overview of the Department'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:

Ron Fowler, Commissioner  
Travis County ESD No. 12  
P.O. Box 846  
Austin, TX 78653  
512-272-4502

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 12  
 GOVERNMENTAL FUNDS BALANCE SHEET AND  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2023

	General Fund	Capital Projects Fund	Total Funds	Adjustments (Note 11)	Statement of Net Position
<b>ASSETS</b>					
Cash	\$ 130,582	\$ -	\$ 130,582	\$ -	\$ 130,582
Investments - First Public	6,733,145	7,501,598	14,234,743	-	14,234,743
Receivables - Property Taxes	174,751	-	174,751	-	174,751
Receivables - Sales Taxes	861,214	-	861,214	-	861,214
Capital Assets (net of accumulated depreciation)	-	-	-	10,028,296	10,028,296
	<b>TOTAL ASSETS</b>	<b>\$ 7,501,598</b>	<b>\$ 15,401,290</b>	<b>\$ 10,028,296</b>	<b>\$ 25,429,586</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows Related to Pension				755,222	\$ 755,222
				<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>755,222</b>
<b>LIABILITIES</b>					
Payroll Liabilities Payable	\$ 199,348	\$ -	\$ 199,348	\$ -	\$ 199,348
Accounts Payable	162,296	-	162,296	-	162,296
Accrued Interest Payable	-	-	-	154,103	154,103
Long-term liabilities:					
Due within one year	-	-	-	923,603	923,603
Due after one year	-	-	-	8,926,836	8,926,836
	<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>361,644</b>	<b>10,004,542</b>	<b>10,366,186</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	\$ 174,751	\$ -	\$ 174,751	\$ (174,751)	\$ -
Deferred Inflows Related to Pension	-	-	-	5,809	5,809
	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>174,751</b>	<b>(168,942)</b>	<b>5,809</b>
<b>FUND BALANCES/NET POSITION</b>					
Fund balances:					
Nonspendable	-	-	-	-	
Restricted	-	-	-	-	
Committed	-	7,501,598	7,501,598	(7,501,598)	
Assigned	20,000	-	20,000	(20,000)	
Unassigned	7,343,297	-	7,343,297	(7,343,297)	
	<b>TOTAL FUND BALANCES</b>	<b>7,501,598</b>	<b>14,864,895</b>	<b>(14,864,895)</b>	
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 7,899,692</b>	<b>\$ 7,501,598</b>	<b>\$ 15,401,290</b>		
Net Position:					
Net Investment in Capital Assets				8,347,428	8,347,428
Restricted				-	-
Unrestricted				7,465,385	7,465,385
				<b>TOTAL NET POSITION</b>	<b>\$ 15,812,813</b>

See Accompanying Notes to the Financial Statements

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 12  
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
AND STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Capital Projects Fund	Total Funds	Adjustments (Note 11)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Apparatus	\$ 238,053	\$ -	\$ 238,053	\$ -	\$ 238,053
SCBA Equipment	20,265	-	20,265	-	20,265
PPE	64,119	-	64,119	-	64,119
Uniforms	27,059	-	27,059	-	27,059
Communications	265,711	-	265,711	-	265,711
Operational	72,914	-	72,914	-	72,914
Insurance	93,850	-	93,850	-	93,850
Training & Prevention	55,523	-	55,523	-	55,523
Stations	129,534	-	129,534	-	129,534
Information Technology	90,861	-	90,861	-	90,861
Dues and Subscriptions	3,038	-	3,038	-	3,038
Prevention & Inspection	57,634	-	57,634	-	57,634
Administrative Expenditures:					
Annual Financial Audit	11,000	-	11,000	-	11,000
Legal Fees	16,457	-	16,457	-	16,457
Appraisal District/Assessor Fees	21,232	-	21,232	-	21,232
Sales Tax Assurance	11,208	-	11,208	-	11,208
Miscellaneous Administrative Expenditures	70,238	-	70,238	-	70,238
Personnel Costs	5,118,906	-	5,118,906	58,254	5,177,160
Capital Outlay	801,940	-	801,940	(801,940)	-
Depreciation Expense	-	-	-	631,068	631,068
Debt Service:					
Principal	959,327	-	959,327	(959,327)	-
Interest	328,558	-	328,558	(8,501)	320,057
Total expenditures/expenses	<u>\$ 8,457,427</u>	<u>\$ -</u>	<u>\$ 8,457,427</u>	<u>\$ (1,080,446)</u>	<u>\$ 7,376,981</u>
<b>PROGRAM REVENUES</b>					
SAFER Grant	\$ 81,685	\$ -	\$ 81,685	\$ -	\$ 81,685
Total program revenues	<u>\$ 81,685</u>	<u>\$ -</u>	<u>\$ 81,685</u>	<u>\$ -</u>	<u>\$ 81,685</u>
<b>GENERAL REVENUES</b>					
Ad valorem taxes	\$ 4,811,155	\$ -	\$ 4,811,155	\$ 51,259	\$ 4,862,414
Penalties & Interest on Taxes	26,408	-	26,408	-	26,408
Sales Tax	4,266,899	-	4,266,899	-	4,266,899
Interest	350,461	337,274	687,735	-	687,735
Inspections	359,158	-	359,158	-	359,158
Billing Insurance	27,922	-	27,922	-	27,922
Miscellaneous Income	2,533	-	2,533	-	2,533
Total general revenues	<u>9,844,536</u>	<u>337,274</u>	<u>10,181,810</u>	<u>51,259</u>	<u>10,233,069</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>\$ 1,468,794</u>	<u>\$ 337,274</u>	<u>\$ 1,806,068</u>	<u>\$ (1,806,068)</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Financing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer in/(out)	201,547	(201,547)	-	-	-
Total Other Financing Sources(Uses)	<u>\$ 201,547</u>	<u>\$ (201,547)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balances	1,670,341	135,727	1,806,068	(1,806,068)	-
Change in Net Position				2,937,773	2,937,773
Fund Balance/Net Position					
Beginning of the year	<u>5,692,956</u>	<u>7,365,871</u>	<u>13,058,827</u>	<u>(183,787)</u>	<u>12,875,040</u>
End of the year	<u>\$ 7,363,297</u>	<u>\$ 7,501,598</u>	<u>\$ 14,864,895</u>	<u>\$ 947,918</u>	<u>\$ 15,812,813</u>

See Accompanying Notes to the Financial Statements

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Travis County Emergency Services District No. 12 (the "District") was created by order of the Travis County Commissioners Court following a conversion election, which was held on May 18, 1996. The District operates under Section 48-e, Article III of the Texas Constitution and Chapter 775 of the Texas Health and Safety Code. The District is operated by five Commissioners who are appointed by the Travis County Commissioners Court. The District provides emergency services to residents of the District.

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

BASIS OF PRESENTATION

*Basic Financial Statements*

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

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporated long-term assets and receivables as well as long-term debt and obligations. The District does not have any business-type or fiduciary activities.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The District does not currently employ indirect cost allocation systems.

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

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

*Fund Accounting*

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

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

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

*General Fund*

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

*Capital Projects Fund*

This fund is used to account for funds received and expended for the construction of a new fire station.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

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

The government-wide financial statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

BUDGETS

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

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

CASH AND CASH EQUIVALENTS

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

AD VALOREM PROPERTY TAXES

Delinquent taxes are prorated based on rates adopted for the year of the levy. Allowances for uncollectibles within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. There were no allowance for uncollectible property taxes as of September 30, 2023.

CAPITAL ASSETS

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

*Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. The capitalization policy, i.e., the dollar value above which asset acquisitions are added to the capital accounts, is \$5,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value.

Leased assets are recorded at the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The cost of all leased assets is amortized over the shorter of the lease term or the useful life of the underlying asset.



TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The range of estimated useful lives by type of asset is as follows:

New fire vehicles	20 years
Used Vehicles	10 years
Equipment	5 years
Buildings and Improvements	30 years

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

*Fund Financial Statements*

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

LEASES

The District complies with GASB Statement No. 87, *Leases*, which requires the recognition of certain lease assets and liabilities. It also establishes a single model for lease accounting based on the principle that leases are financing of the right to use an asset.

For those leases where the District is the lessee, the District recognized a lease liability and a lease asset at the commencement of the lease term excluding leases below the capitalization threshold of \$5,000 per unit, short-term leases, and leases that transferred ownership of the underlying asset. The lease liability was measured at the present value of payments expected to be made during the lease term less any lease incentives. The lease asset was measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The cost of all leased assets is amortized over the shorter of the lease term or the useful life of the underlying asset.

For those leases where the underlying lease asset transferred ownership, the District followed the provision applicable to capital assets and to long-term debt or payables, depending on the financing as directed by GASB 87.

The District uses estimates and judgments to determine the lease term and the discount rate it uses to discount the expected lease payments and lease receipts to present value. The District uses the interest rate identified in the contract as the discount rate, unless one is not specified, in which case the District uses its estimated incremental borrowing rate as the discount rate. The lease term includes the noncancelable period of the lease and extensions the District is reasonably certain to exercise. The District continually monitors changes in circumstances that are expected to significantly affect the amount of a lease liability or receivable that may require a remeasurement of its leases.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

EQUITY CLASSIFICATIONS

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other government; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

*Fund Statements*

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

COMPENSATED ABSENCES

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

PENSIONS

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases its insurance from regular commercial companies. As of September 30, 2023, no claims or losses have been incurred that were not covered by insurance. There is no liability due to any claim or suit having ever been filed.

USE OF ESTIMATES

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

FAIR VALUE MEASUREMENTS

The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

There are three general valuation techniques that may be used to measure fair value:

- Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of GASB 96 did not have a material impact on the District's financial statements, the adoption did not result in a restatement of previously reported fund balance for the year ended September 30, 2023.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

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

NOTE 2: CASH

Deposits for the District are being held by Independent Bank. As of year-end, the District's deposits were fully secured with FDIC coverage (Category 1). At September 30, 2023, the carrying amount of the District's deposits was \$130,582 and the bank balance was \$227,733.

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

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3: INVESTMENTS

The Public Funds Investment Act authorizes the District to invest funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District had an investment of \$14,234,743 in an external local governmental investment pool, Lone Star Investment Pool (First Public), at September 30, 2023. The investments in First Public had a weighted average maturity of one day and a Standard and Poor's rating of AAAM.

First Public is an external investment pool offered to local governments. Although First Public is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. First Public is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate First Public.

First Public also has an advisory board to advise on First Public's investment policy; this board is made up equally of participants and nonparticipants who do not have a business relationship with First Public.

Federated Investors manages daily operations of First Public under a contract with the Comptroller and is the investment manager for the pool. First Public uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in First Public is the same as the value of the First Public shares. First Public investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

Credit Risk- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At September 30, 2023, investments were included in a local governmental investment pool with a rating from Standard and Poor's in compliance with the District's investment policy.

Concentration of Credit Risk- Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At September 30, 2023, all of the District's investments were with First Public.

Interest Rate Risk- The District considers the holdings in the local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change.

Investment	Fair Value	Effective Duration (in years)	Credit Risk
Lone Star Investment Pool	\$14,234,743	0.0	AAA

The District's investment in First Public represents 100% of its investment portfolio.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balance 9/30/2022	Additions	Retirements	Balance 9/30/2023
<b><u>Non-Depreciable Assets</u></b>				
Land	\$ 1,922,952	\$ -	\$ -	\$ 1,922,952
Construction in Progress	2,229,221	222,660	(124,846)	2,327,035
Total Non-Depreciable Assets	4,152,173	222,660	(124,846)	4,249,987
<b><u>Depreciable Assets</u></b>				
Vehicles	\$3,736,234	\$ 667,715	\$ -	\$ 4,403,949
Buildings & Improvements	3,011,816	13,811	-	3,025,627
Furniture & Equipment	996,165	22,600	(126,494)	892,271
Total Depreciable Assets	7,744,215	704,126	(126,494)	8,321,847
Total Assets	11,896,388	926,786	(251,340)	12,571,834
<b><u>Less: Accumulated Depreciation</u></b>				
Vehicles	(957,991)	(390,242)	-	(1,348,233)
Buildings & Improvements	(638,472)	(131,316)	-	(769,788)
Furniture & Equipment	(442,501)	(109,510)	126,494	(425,517)
Total Accumulated Depreciation	(2,038,964)	(631,068)	126,494	(2,543,538)
Total Depreciable Capital Assets, Net	5,705,251	73,058	-	5,778,309
Total Capital Assets, Net	\$9,857,424	\$ 295,718	\$ (124,846)	\$ 10,028,296

Depreciation charged for the year ending September 30, 2023 was \$631,068.

NOTE 5: LONG-TERM DEBT

Transactions for the year ended September 30, 2023, are summarized as follows:

	Balance 9/30/2022	Additions	Reductions	Balance 9/30/2023	Due within one year
<b><u>Governmental Activities</u></b>					
Financed Purchases	\$10,141,802	\$ -	\$ 959,336	\$9,182,466	\$ 923,603
Total Financed Purchases	\$10,141,802	\$ -	\$ 959,336	\$9,182,466	\$ 923,603
Pension Liability	43,925	506,585	-	550,510	-
Compensated Leave Payable	97,805	19,658	-	117,463	-
Total Governmental Activities	\$10,283,532	\$526,243	\$ 959,336	\$9,850,439	\$ 923,603

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5: LONG-TERM DEBT – continued

Amount: \$195,845  
Maturity date: June 10, 2024  
Interest rate: 1.53% annum  
Payment terms: Three (3) annual payments of \$64,293, including principal and interest, will be made beginning on June 10, 2022, and ending June 10, 2024. The loan is collateralized by the vehicle. The outstanding balance at September 30, 2023, was \$66,275.

Amount: \$6,581,250  
Maturity date: April 28, 2042  
Interest rate: 3.55% annum  
Payment terms: Annual payments of \$465,161, including principal and interest, will be made beginning on April 28, 2023, and ending April 28, 2042. The loan is collateralized by ad valorem tax revenue and for the construction of a new fire station. The outstanding balance at September 30, 2023, was \$6,349,723.

Amount: \$1,765,138  
Maturity date: April 6, 2029  
Interest rate: 3.05% annum  
Payment terms: Annual payments of \$283,850, including principal and interest, will be made beginning on April 6, 2023, and ending April 6, 2029. The loan is collateralized by ad valorem tax revenue and for the construction of a fire apparatus. The outstanding balance at September 30, 2023, was \$1,535,125.

Amount: \$1,434,785  
Maturity date: November 6, 2027  
Interest rate: 2.34% annum  
Payment terms: Annual payments of \$224,598, including principal and interest, will be made beginning on November 6, 2021 and ending November 6, 2027. The loan is collateralized by the fire engines. The outstanding balance at September 30, 2023, was \$1,048,267.

Amount: \$975,600  
Maturity date: July 27, 2024  
Interest rate: 2.63% annum  
Payment terms: Annual payments of \$154,425, including principal and interest, will be made beginning on July 27, 2018 and ending July 27, 2024. The loan is collateralized by two fire engines. The outstanding balance at September 30, 2023, was \$149,865.

Amount: \$150,000  
Maturity date: October 23, 2022  
Interest rate: 2.42% annum  
Payment terms: Monthly payments are made beginning on May 23, 2020 and ending October 23, 2022. The loan is collateralized by the squad car. This debt paid off as of September 30, 2023.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5: LONG-TERM DEBT – continued

Amount: \$145,000  
 Maturity date: July 27, 2024  
 Interest rate: 2.48% annum  
 Payment terms: Monthly payments are made beginning May 23, 2020 and ending October 23, 2024. The loan is collateralized by the protective equipment and breathing apparatus. The outstanding balance at September 30, 2023, was \$33,210.

Amount: \$165,000  
 Maturity date: April 23, 2023  
 Interest rate: 2.17% annum  
 Payment terms: Monthly payments are made beginning October 23, 2020 and ending April 23, 2023. The loan is collateralized by the three Ford F250s. This debt paid off as of September 30, 2023.

The annual aggregate maturities for years subsequent to September 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total Requirement
2024	\$ 923,603	\$ 302,217	\$ 1,225,820
2025	699,856	276,349	976,205
2026	718,319	255,290	973,609
2027	740,026	233,583	973,609
2028	762,405	211,204	973,609
2029-2033	1,807,597	802,069	2,609,666
2034-2038	1,824,111	5,016,696	6,840,807
2039-2043	1,706,549	154,097	1,860,646
	\$ 9,182,466	\$ 7,251,505	\$ 16,433,971

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

NOTE 6: PROPERTY TAXES

The District has contracted with the Travis County Tax Assessor Collector to bill and collect its property tax. The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. The assessed value of the roll as of January 1, 2022, upon which the 2022 levy was based, was \$4,895,117,248 as certified by the Travis Central Appraisal District.

Taxes are due by January 31 following the October 1 levy date. On February 1 of each year, a tax lien attaches to the property. The total 2022 levy was \$4,895,117 and the tax rate was \$ 0.10 per \$100 assessed valuation. Tax collections for the year ended September 30, 2023, were 96.5% of the 2022 tax levy.



TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 7: COMMITMENTS

The District has an interlocal agreement with the City of Austin to provide dispatch services. The fee is based on the number of calls dispatched as of September 30, 2023. During the fiscal year, the District paid \$153,759 and this amount is included in these financial statements.

NOTE 8: ANNEXATION OF DISTRICT LAND BY THE CITY OF AUSTIN

For the fiscal year ending September 30, 2023, there were no annexations.

NOTE 9: PENSION PLAN

*Plan Description.* Travis County Emergency Services District 12 participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.

a. A brief description of benefit terms:

- 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
- 2) The plan provides retirement, disability and survivor benefits.
- 3) TCDRS is a savings-based plan. For the district's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 250%) and is then converted to an annuity.
- 4) There are no automatic COLAs. Each year, the district may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
- 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.

b. The district's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Travis County Emergency Services District 12 contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the district and are currently 7%. Contributions to the pension plan from the district for 2022 are shown in the Schedule of Employer Contributions.

c. The most recent comprehensive annual financial report for TCDRS can be found at [www.tcdrs.org](http://www.tcdrs.org).

Employee membership data related to the Plan, as of the valuation date of December 31, 2022, was as follows:

Members	Dec. 31, 2021	Dec. 31, 2022
Number of inactive employees entitled to but not yet receiving benefits	19	24
Number of active employees	43	48
Average monthly salary:	\$5,638	\$5,972
Average age:	37.20	37.24
Average length of service in years:	6.95	6.78
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipient:	0	0
Average monthly benefit:	\$0	\$0

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9: PENSION PLAN – continued

**Net Pension Liability**

The District’s net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. *Actuarial Assumptions.* The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee. (See Table 1 for Merit Salary Increases.)
Investment Rate of Return	7.50%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Travis County Emergency Services District #12 are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility. <i>(For all eligible members ages 75 and later, retirement is assumed to occur immediately)</i>
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9: PENSION PLAN – continued

**Long-Term Expected Rate of Return**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2022 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return <sup>(2)</sup>
US Equities	Dow Jones US Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	Morningstar LSTA Leveraged Loan RD USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index +33% Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day US Treasury	2.00%	0.20%

<sup>(1)</sup> Target asset allocation adopted at the March 2023 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.3% per Cliffwater's 2023 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9: PENSION PLAN – continued

**Net Pension Liability / (Asset)**

<b>Net Pension Liability / (Asset)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total pension liability	2,839,740	\$1,911,478
Fiduciary net position	2,289,230	1,867,553
Net pension liability/(asset)	550,510	43,925
Fiduciary net position as a % of total pension liability	80.61%	97.70%
Pensionable covered payroll <sup>(1)</sup>	\$3,194,858	\$2,966,524
Net pension liability as a % of covered payroll	17.23%	1.48%

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

**Discount Rate**

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

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

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

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9: PENSION PLAN – continued

**Changes in Net Pension Liability / (Asset)**

Changes in Net Pension Liability/(Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances as of December 31, 2021	\$1,911,478	\$1,867,553	\$43,925
<i>Changes for the year:</i>			
Service cost	404,556		404,556
Interest on total pension liability <sup>(1)</sup>	175,061		175,061
Effect of plan changes <sup>(2)</sup>	284,735		284,735
Effect of economic/demographic gains or losses	89,589		89,589
Effect of assumptions changes or inputs	0		0
Refund of contributions	(25,678)	(25,678)	0
Benefit payments	0	0	0
Administrative expenses		(1,342)	1,342
Member contributions		223,640	(223,640)
Net investment income		(152,375)	152,375
Employer contributions		305,051	(305,051)
Other <sup>(3)</sup>	0	72,381	(72,381)
Balances as of December 31, 2022	\$2,839,740	\$2,289,230	\$550,510

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

(2) Reflects plan changes adopted effective in 2023.

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

**Sensitivity Analysis**

The following presents the net pension liability of the district, calculated using the discount rate of 7.60%, as well as what the ESD net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$3,469,701	\$2,839,740	\$2,342,335
Fiduciary Net Position	2,289,230	2,289,230	2,289,230
Net pension liability/(asset)	\$1,180,471	\$550,510	\$53,105

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9: PENSION PLAN – continued

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

**Deferred Inflows/Outflows of Resources**

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$3,821	\$172,511
Changes of assumption	1,988	81,878
Net difference between projected and actual earnings	0	127,349
Contributions made subsequent to measurement date	<u>N/A</u>	<u>373,484</u>
Totals	<u>\$5,809</u>	<u>\$755,222</u>

The \$373,484 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The remaining amounts currently reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended September 30:	
2024	\$56,187
2025	62,080
2026	63,098
2027	103,471
2028	40,330
Thereafter <sup>(1)</sup>	50,763

<sup>(1)</sup> Total remaining balance to be recognized in future years. Note that additional future deferred inflows and outflows of resources may impact these numbers.

**Payable to the Pension Plan**

At September 30, 2023, the District reported \$92,349 as payable for the employer and employee contributions to the pension plan required for the year ended September 30, 2023.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 10: FUND BALANCE

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

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

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

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

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

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

The detail of the fund balance is included in the Governmental Fund Balance Sheet on page 11.

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

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

As of September 30, 2023, the District has not adopted a minimum fund balance policy.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

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

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

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

Cost of capital assets	\$12,571,834
Accumulated Depreciation	<u>(2,543,538)</u>
Total	\$10,028,296

Deferred inflows and outflows related to pension liability are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred outflows related to pension liability	\$755,222
Deferred inflows related to pension liability	\$5,809

Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the funds.

Accrued interest payable	\$154,103
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Long-term liabilities applicable to the district's governmental activities are not due and payable in the Current period and accordingly are not reported as fund liabilities. All liabilities – both current and Long-term—are reported in the statement of net position.

Due within one year	\$923,603
Due after one year	\$8,926,836

Taxes receivable are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Deferred revenue	\$(174,751)
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Differences between the Governmental Fund Operating Statement and the Statement of Activities:

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

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

Adjustment for Compensated Leave	\$19,658
Adjustment for Pension Asset/Liability	506,585
Change in Deferred Inflow/Outflows related to Pension	<u>(467,989)</u>
Total adjustment	\$58,254



TRAVIS COUNTY EMERGENCY SERVICES DISTRICT TWELVE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND  
 GOVERNMENT-WIDE STATEMENTS – continued

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

Capital Outlay	\$(801,940)
Depreciation Expense	631,068

Repayment of notes payable is reported as an expenditure in governmental funds. For the district, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Payment of Debt Principal	\$(959,327)
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Interest expense is recognized as expenditures in the governmental funds. The statement of activities includes only the interest expense for the current period.

Change in Accrued Interest Payable	\$(8,501)
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Because some property taxes will not be collected for several months after the district’s fiscal year end, they are not considered as “available” revenues in the governmental funds.

Adjustment for property taxes collected after year-end	\$51,259
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NOTE 12: SAFER GRANT

The District was awarded a FEMA-Staffing for Adequate Fire and Emergency Response (SAFER) grant in November 2019 totaling \$1,608,168. Funding will be over a 3-year period beginning in FY 2018-2019, under the grant terms the District will be required to match 25% of actual cost for the first 2 years and 65% in the final year. As of September 30, 2023, the District received the last payment in the amount of \$81,685.

NOTE 13: TRANSFERS

The District will transfer, primarily from the General Fund to other funds for those funds to meet their payment obligations. For the year ended, the Capital Projects Fund transferred out to the General Fund \$201,547.

NOTE 14: DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through the date of the auditor’s report, the date the financial statements were available to be issued.

Required Supplementary Information

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 12  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE FAVORABLE/ (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Ad valorem taxes	\$ 4,800,000	\$ 4,800,000	\$ 4,811,155	11,155
Penalties & Interest on Taxes	-	-	26,408	26,408
Sales Tax	3,000,000	3,200,000	4,266,899	1,066,899
Interest	3,000	360,000	350,461	(9,539)
Inspections	200,000	200,000	359,158	159,158
Miscellaneous Income	-	-	2,533	2,533
Billing Insurance	25,000	25,000	27,922	2,922
SAFER Grant	-	133,525	81,685	(51,840)
<b>TOTAL REVENUES</b>	<u>\$ 8,028,000</u>	<u>\$ 8,718,525</u>	<u>\$ 9,926,221</u>	<u>1,207,696</u>
<b>EXPENDITURES:</b>				
Apparatus	\$ 231,250	\$ 273,750	\$ 238,053	35,697
SCBA Equipment	19,500	23,750	20,265	3,485
PPE	82,500	82,500	64,119	18,381
Uniforms	35,200	35,200	27,059	8,141
Communications	266,625	288,625	265,711	22,914
Operational	99,100	99,100	72,914	26,186
Insurance	599,800	599,800	93,850	505,950
Training	66,500	68,500	55,523	12,977
Stations	116,400	158,400	129,534	28,866
Information Technology	124,250	124,800	90,861	33,939
Dues and Subscriptions	9,230	9,230	3,038	6,192
Prevention and Inspection	53,300	53,300	57,634	(4,334)
Administrative expenditures:				
Annual Financial Audit	11,000	11,000	11,000	-
Legal Fees	40,000	40,000	16,457	23,543
Sales Tax Assurance	6,000	6,000	11,208	(5,208)
Appraisal District/Assessor Fees	19,100	19,612	21,232	(1,620)
Miscellaneous Administrative Expenditures	82,400	97,118	70,238	26,880
Contract Labor	20,000	-	-	-
Personnel Costs	4,495,726	4,799,005	5,118,906	(319,901)
Capital Outlay	-	7,045,436	801,940	6,243,496
Debt Issue Costs	-	-	-	-
Debt Service Expenditures				
Principal	1,079,263	959,344	959,327	17
Interest	328,586	328,565	328,558	7
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,785,730</u>	<u>\$ 15,123,035</u>	<u>\$ 8,457,427</u>	<u>6,665,608</u>
<b>OTHER SOURCES/(USES)</b>				
Transfer In/(Out)	-	-	201,547	201,547
Total Other Sources/(Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,547</u>	<u>201,547</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES and OTHER SOURCES/(USES)</b>				
	<u>\$ 242,270</u>	<u>\$ (6,404,510)</u>	<u>\$ 1,670,341</u>	<u>8,074,851</u>
<b>FUND BALANCE:</b>				
Beginning of year			5,692,956	
End of year			<u>\$ 7,363,297</u>	

See Accompanying Notes to the Financial Statements

Travis County Emergency Services District No. 12  
Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>										
Service cost	\$ 404,556	\$ 373,311	\$ 228,202	\$ 203,210	\$ 141,441	\$ 113,223	\$ 100,030	\$ 18,311	N/A	N/A
Interest on total pension liability	175,061	130,717	79,123	56,173	33,443	18,876	5,945	654	N/A	N/A
Effect of plan changes	284,735	-	154,230	-	39,735	-	10,799	(1,888)	N/A	N/A
Effect of assumption changes or inputs	-	2,762	119,827	-	-	(3,980)	-	52	N/A	N/A
Effect of economic/demographic (gains) or losses	89,589	67,319	30,714	7,574	8,813	27,901	(12,732)	1,926	N/A	N/A
Benefit payments/refunds of contributions	(25,678)	(18,230)	(10,040)	(7,264)	(1,995)	(6,704)	-	-	N/A	N/A
Net change in total pension liability	928,263	555,879	602,056	259,693	221,437	149,316	104,042	19,055	N/A	N/A
Total pension liability, beginning	1,911,478	1,355,599	753,543	493,850	272,413	123,097	19,055	-	N/A	N/A
Total pension liability, ending (a)	\$ 2,839,741	\$ 1,911,478	\$ 1,355,599	\$ 753,543	\$ 493,850	\$ 272,413	\$ 123,097	\$ 19,055	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	305,051	233,786	148,488	93,266	84,550	53,563	52,268	10,687	N/A	N/A
Member contributions	223,640	207,657	161,197	122,202	99,981	81,232	46,566	11,617	N/A	N/A
Investment income net of investment expenses	(152,375)	297,966	78,021	75,204	(3,079)	20,274	1,687	(189)	N/A	N/A
Benefit payments/refunds or contributions	(25,678)	(18,230)	(10,040)	(7,264)	(1,995)	(6,704)	-	-	N/A	N/A
Administrative expenses	(1,342)	(1,010)	(831)	(571)	(369)	(183)	(18)	(8)	N/A	N/A
Other	72,381	12,303	8,941	7,233	5,466	1,715	2,176	(1)	N/A	N/A
Net change in fiduciary net position	421,677	732,472	385,776	290,070	184,554	149,897	102,679	22,106	N/A	N/A
Fiduciary net position, beginning	1,867,554	1,135,082	749,306	459,236	274,682	124,785	22,106	-	N/A	N/A
Fiduciary net position, ending (b)	\$ 2,289,231	\$ 1,867,554	\$ 1,135,082	\$ 749,306	\$ 459,236	\$ 274,682	\$ 124,785	\$ 22,106	N/A	N/A
Net pension liability/(asset), ending = (a) - (b)	\$ 550,510	\$ 43,924	\$ 220,517	\$ 4,237	\$ 34,614	\$ (2,269)	\$ (1,688)	\$ (3,051)	N/A	N/A
Fiduciary net position as a % of total pension liability	80.61%	97.70%	83.73%	99.44%	92.99%	100.83%	101.37%	116.01%	N/A	N/A
Pensionable covered payroll	\$ 3,194,858	\$ 2,966,524	\$ 2,302,809	\$ 1,745,739	\$ 1,428,306	\$ 1,160,458	\$ 931,324	\$ 929,338	N/A	N/A
Net pension liability as a % of covered payroll	17.23%	1.48%	9.58%	0.24%	2.42%	-0.20%	-0.18%	-0.33%	N/A	N/A

Travis County Emergency Services District No. 12  
Schedule of Employer Contributions

<b>Year Ending September 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014					
2015					
2016	10,687	50,059	(39,372)	958,452	5.2%
2017	42,841	51,066	(8,225)	1,222,488	4.2%
2018	53,265	80,366	(27,101)	1,480,188	5.4%
2019	64,845	86,695	(21,850)	1,854,705	4.7%
2020	93,222	93,266	(44)	1,745,739	5.3%
2021	125,964	148,488	(22,524)	2,302,809	6.4%
2022	233,786	233,786	-	2,966,524	7.9%
2023	305,051	305,051	-	3,194,858	9.5%

Travis County Emergency Services District No. 12  
Notes to the Schedule of Employer Contributions  
For the year ending September 30, 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	17.2 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of Return	7.50%, net of 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 for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, morality and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was decreased to 125%. Also new Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provision were reflected in the Schedule. 2019: Employer contributions reflect that the current service matching rate was increased to 150% for future benefits. 2020: No changes in plan provision were reflected in the Schedule. 2021: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. 2022: No changes in plan provisions were reflected in the Schedule.

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