

Travis County Emergency  
Services District No. 7  
Audit of Financial Statements  
September 30, 2024

Travis County Emergency Services District No. 7

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# MEDACK & OLTMANN, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

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

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Travis County Emergency Services District No. 7 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Travis County Emergency Services District No. 7, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Travis County Emergency Services District No. 7, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Travis County Emergency Services District No. 7's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Travis County Emergency Services District No. 7's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 21 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  
March 10, 2025

## ***Travis County Emergency Services District No. 7***

*20624 FM 1431, Suite 5*

*P.O. Box 4539*

*Lago Vista, Texas 78645*

*Office: (512) 267-3586 Fax: (512) 267-2105*

As the Board of Commissioners of Travis County Emergency Services District No. 7 (the District), we present the following narrative overview and analysis of the financial activities of the District for the year ended September 30, 2024.

### **Financial Highlights**

Significant current year transactions include the following:

- General Fund revenues from property taxes accounted for 96.4% of total revenues. The General Fund had revenues exceeding expenditures (including financing proceeds) by \$801,180.
- The District's Net Position increased by \$1,126,513, resulting in a balance of (\$1,861,620) at September 30, 2024.
- The District entered into a loan agreements during the fiscal year with Kansas State Bank and Stryker Flex Financial in the amount of \$496,945.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the District as a whole and present a long-term view of the District's finances. Fund financial statements show how the emergency services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify any material deviations from the financial plan, and (4) identify changes in the District's financial position.

The District's basic financial statements now include adjustments to the statement of net assets and the statement of activities. The economic focus of these statements is similar to a private-sector business.

### **Government-Wide Financial Statements**

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The statement of activities shows all changes in net position as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

## Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. Due to the size of the District, the fund financial statements are presented on the face of the statement with adjustments to the respective government-wide statement.

**Governmental Funds:** The District's services are reported in the 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 the accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds provide a detail short-term view of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's emergency services program.

**Notes to the financial statements:** The note disclosures provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements.

### **The District as a Whole**

The District's total net position changed from September 30, 2023, increasing from \$(2,988,133) to \$(1,861,620). Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

**Table 1 – Net Position**

	September 30, 2024	September 30, 2023
Cash	\$ 106,460	\$ 481,930
Investments	1,278,621	304,337
Escrow	202,366	-
Taxes Receivable	196,365	154,094
Total Assets	<u>\$ 1,783,812</u>	<u>\$ 940,361</u>
Current Obligations	\$ 427,531	\$ 786,032
Long-term Obligations	3,217,901	3,142,462
Total Liabilities	<u>\$ 3,645,432</u>	<u>\$ 3,928,494</u>
Net Position		
Unrestricted	<u>\$ (1,861,620)</u>	<u>\$ (2,988,133)</u>
Total net position	<u>\$ (1,861,620)</u>	<u>\$ (2,988,133)</u>

**Table 2 – Change in Net Position**

	September 30 2024	September 30 2023
Revenues		
Property Taxes	\$ 5,516,085	\$ 4,570,159
Interest	148,664	152,746
Contributions	7,855	5,000
Total Revenues	<u>\$ 5,672,604</u>	<u>\$ 4,727,905</u>
Expenses		
Administration	\$ 4,333,484	\$ 3,861,720
Debt Service	212,607	45,107
Total Expenses	<u>\$ 4,546,091</u>	<u>\$ 3,906,827</u>
Other Financing Sources (Uses)	-	(3,434,831)
Increase (decrease) in net position	\$ 1,126,513	\$ (2,613,753)
Beginning net position	<u>\$ (2,988,133)</u>	<u>\$ (374,380)</u>
Ending net position	<u>\$ (1,861,620)</u>	<u>\$ (2,988,133)</u>

**The District's Funds**

Fund balance of the General Fund was \$1,587,447 at September 30, 2024.

**Budget**

The District's actual expenditures of \$5,326,098 were more than the final budget amount of \$5,036,929 by \$289,169 and actual revenues of \$5,630,333 were equal to the final budget amount of \$5,630,333.

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 District is used with the proposed tax rate to estimate the revenue required to support the District's operations.

The District presents the variances of the general operating budget compared to the actual numbers for the year ended September 30, 2024. This report is presented on page 21.

**Debt Administration**

At September 30, 2024, the District had four loans that totaled \$3,586,783. See Note 3 for information on the District's obligations and maturity dates.

The District and Travis County Emergency Services District No. 1 entered into several joint and severally liable debt agreements with Government Capital Corporation, see Note 3 for information regarding these transactions.

## **Economic Factors**

Travis County Emergency Services District 7 (TCESD7) serves the cities of Lago Vista, Jonestown, the Village of Point Venture, and a vast portion of unincorporated Travis County. Spanning over 178 square miles, the district encompasses most of Lake Travis, a region known for its natural beauty and recreational attractions. While TCESD7 is home to approximately 40,000 permanent residents, its population surges by as much as 5 to 10K additional visitors on weekends and holidays, as tourists flock to the area for golfing, hiking, and water activities. This rapid and continual growth presents unique challenges for emergency response and resource allocation.

Despite these challenges, TCESD7 remains committed to operational excellence by meeting or exceeding national standards for personnel, training, equipment, and response times. The district follows stringent benchmarks to ensure rapid emergency response:

- Turnout Time: 60 seconds for EMS responses; 80 seconds for fire responses.
- First Engine Arrival: Within 240 seconds (4 minutes) for 90% of incidents, with a minimum crew of four personnel.
- Second Company Arrival: Within 360 seconds (6 minutes) for 90% of incidents, also with a minimum crew of four personnel.

Given the district's expansive coverage area, achieving these response time standards requires strategic station placement, optimized resource deployment, and continuous operational improvements. Every minute matters—particularly in life-threatening emergencies such as cardiac arrest, where immediate medical intervention can mean the difference between life and death. For patients experiencing sudden cardiac arrest, each passing minute without treatment significantly reduces survival odds. TCESD7 remains steadfast in its mission to provide rapid, high-quality emergency care to safeguard the lives of both residents and visitors alike.

## **Request for Information**

This financial report is designed to provide a general overview of the District's finances for 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:

Travis County Emergency Services District No. 7  
Board of Commissioners  
20624 FM 1431, Suite 5  
Lago Vista, Texas 78645



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

	General Fund	Adjustments (Note 7)	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 106,460	\$ -	\$ 106,460
Investments	1,278,621	-	1,278,621
Escrow Funds	202,366	-	202,366
Taxes Receivable	196,365	-	196,365
TOTAL ASSETS	<u>\$ 1,783,812</u>	<u>\$ -</u>	<u>\$ 1,783,812</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Interest Payable	-	58,649	58,649
Long-term liabilities:			
Due within one year	-	368,882	368,882
Due after one year	-	3,217,901	3,217,901
TOTAL LIABILITIES	\$ -	\$ 3,645,432	\$ 3,645,432
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 196,365	\$ (196,365)	\$ -
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Unassigned	\$ 1,587,447	\$ (1,587,447)	\$ -
Total	<u>1,587,447</u>	<u>(1,587,447)</u>	<u>-</u>
TOTAL FUND BALANCES	<u>\$ 1,587,447</u>	<u>\$ (1,587,447)</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,783,812</u>		
Net position:			
Unrestricted		\$ (1,861,620)	\$ (1,861,620)
Total net position		<u>\$ (1,861,620)</u>	<u>\$ (1,861,620)</u>

See Accompanying Notes to the Financial Statements

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
AND STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Adjustments (Note 7)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Administration Expenditures:			
Interlocal Agreement	\$ 3,950,000	\$ -	\$ 3,950,000
Contributions	294,579	-	\$ 294,579
Tax Collection Fees	52,598	-	52,598
Appraisal Fees	28,077	-	28,077
Professional Fees	7,640	-	7,640
Miscellaneous	86	-	86
Legal Notices	504	-	504
Debt Service:			
Principal	820,258	(820,258)	-
Interest	172,356	40,251	212,607
Total expenditures/expenses	<u>\$ 5,326,098</u>	<u>\$ (780,007)</u>	<u>\$ 4,546,091</u>
<b>GENERAL REVENUES</b>			
Ad Valorem Taxes	\$ 5,427,471	\$ 42,271	\$ 5,469,742
Penalties & Interest on Taxes	46,343	-	46,343
Interest	148,664	-	148,664
Contributions	7,855	-	7,855
Total general revenues	<u>\$ 5,630,333</u>	<u>\$ 42,271</u>	<u>\$ 5,672,604</u>
Revenues over (under) expenditures	\$ 304,235	\$ (304,235)	\$ -
<b>OTHER FINANCING SOURCES</b>			
Loan Proceeds	\$ 496,945	\$ (496,945)	\$ -
Total Other Financing Sources (Uses)	496,945	(496,945)	-
Change in Fund Balance	\$ 801,180	\$ (801,180)	
Change in Net Position		\$ 1,126,513	\$ 1,126,513
Fund Balance/Net Position			
Beginning of the year	<u>\$ 786,267</u>	<u>\$ (3,774,400)</u>	<u>\$ (2,988,133)</u>
End of the year	<u>\$ 1,587,447</u>	<u>\$ (3,449,067)</u>	<u>\$ (1,861,620)</u>

See Accompanying Notes to the Financial Statements

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

On November 8, 2016, the voters of the District approved the formation of an emergency services district to provide medical services and no other emergency services within its boundaries pursuant to Chapter 775 of the Texas Health & Safety Code.

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*

Basic Financial Statements and Management Discussion and Analysis for State and Local Governments 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, the District has only one major fund all fund, the General Fund. As a part of this Statement, there is a reporting requirement regarding the local government's infrastructure (road, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The reporting model focus is on either the District as a whole or major individual funds (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 NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

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 net cost by function is normally covered by general revenues (intergovernmental revenues, interest income, etc). Historically, the previous model did not summarize or present net cost by function or activity. The District does not currently employ indirect cost allocation systems.

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

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

*Fund Accounting*

Fund financial statement 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 District reports the following major governmental fund-

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

**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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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. 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.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

CASH AND CASH EQUIVALENTS

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

AD VALOREM PROPERTY TAXES

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

CAPITAL ASSETS

The District does not own any capital assets.

LEASES

The District does not have any leases.

EMPLOYMENT COSTS

The District does not have any employees.

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 – 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 – 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.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

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, 2024, no claims or losses have been incurred that were not covered by insurance. There is no liability due to any claim or suit having ever been filed.

USE OF ESTIMATES

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

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 NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

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

NOTE 2: CASH AND INVESTMENTS

*Cash*

Deposits did not exceed FDIC coverage at the end of the fiscal year (Category 1). At September 30, 2024, the carrying amount of the District's deposits was \$106,460 and the bank balance was \$114,988.

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.   |

*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.

TexPool

The District had an investment of \$1,278,621 (fair value) in an external local governmental investment pool, Texas Local Governmental Investment Pool ("TexPool"), at September 30, 2024. The investments in TexPool had a weighted average maturity of one day and a Standard and Poor's rating of AAAm.

TexPool is an external investment pool offered to local governments. Although TexPool 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. TexPool 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 TexPool.

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



TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 2: CASH AND INVESTMENTS – continued

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

In accordance with GASB Statement No. 79, the local government investment pool does not have any limitation and restriction on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

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, 2024, 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, 2024, all of the District's investments were with TexPool.

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
TexPool	\$1,278,621	0.0	AAAm

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

NOTE 3: DEBT

The District entered into a promissory note agreement with Government Capital Corporation on August 21, 2019, for \$213,712 at 3.85%, maturing August 28, 2024 with annual payments of \$47,803. The note is secured by an interest in ad valorem tax revenues and all other income receipts received or to be received by the District. As of September 30, 2024, this debt was fully paid off.

The District entered into a maintenance tax and revenue anticipation note agreement with Government Capital Corporation on August 24, 2022, for \$435,386 at 4.35%, maturing August 15, 2024. The note is secured by 2024 ad valorem maintenance taxes and any lawfully available funds of the District. As of September 30, 2024, this debt was fully paid off.

The District entered into a promissory note agreement with Government Capital Corporation on November 2, 2022, for \$1,061,677 at 4.75%, maturing November 2, 2032 with semi-annual payments of \$67,302. The note is secured by an interest in ad valorem tax revenues and all other income receipts received or to be received by the District.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 3: DEBT – continued

The District entered into a promissory note agreement with Government Capital Corporation on May 10, 2023, for \$2,409,002 at 4.185%, maturing May 10, 2033 with annual payments of \$299,750. The note is secured by an interest in ad valorem tax revenues and all other income receipts received or to be received by the District.

The District entered into a promissory note agreement with Stryker Flex Financial on February 2, 2024 for \$234,193 at 5.99%, maturing February 1, 2027 with annual payments of \$54,157. The agreement is secured by the equipment purchased by Travis County ESD No. 1.

The District entered into a promissory note agreement with Kansas State Bank on July 1, 2024 for \$257,000 at 7.04%, maturing July 1, 2031 with annual payments of \$47,754. The note is security by an the brush truck purchased by Travis County ESD No. 1.

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

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Government Capital #8729	46,118	-	46,118	-	-
Government Capital #10032	435,386	-	435,386	-	-
Government Capital #10116	1,019,590	-	87,077	932,513	91,388
Government Capital #10299	2,409,002	-	198,933	2,210,069	207,258
Stryker Sales	-	239,945	52,744	187,201	40,575
Kansas State Bank	-	257,000	-	257,000	29,661
Total	\$3,910,096	\$ 496,945	\$ 820,258	\$3,586,783	\$ 368,882

The annual aggregate maturities for years subsequent to September 30, 2024, are as follows:

September 30	Principal	Interest	Total
2025	368,882	169,502	538,384
2026	387,074	151,413	538,486
2027	406,213	132,380	538,593
2028	432,107	112,350	544,457
2029	393,396	91,270	484,666
2030-2035	1,599,111	169,310	1,768,421
Total	\$3,586,783	\$826,224	\$4,413,007

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 3: DEBT – continued

The District and Travis County Emergency Services District No. 1 entered into several joint and severally liable debt agreements with Government Capital Corporation:

- Note #7821 for \$ 9,170,668 at 4.03%, with payments of \$717,756 until maturity on March 15, 2037. The note may be prepaid in full upon sixty days' notice in writing to the lender beginning March 15, 2027. The note is secured by an interest in ad valorem tax revenues and all other income or receipts received or to be received and any other property designated by the note agreements – land and fire stations. The entire debt has been recorded by Travis County ESD 1. However, the District intends to pay Travis County ESD 1 its share of the debt (\$4,585,334, with payments of \$358,878) until maturity in March 2037 by its collection of tax revenue.
- Note #7815 for \$ 549,331 at 3.28%, with payments of \$75,415 until maturity on March 15, 2027. The note may be prepaid in full upon sixty days' notice in writing to the lender beginning March 15, 2023. The note is secured by an interest in ad valorem tax revenues and all other income or receipts received or to be received and any other property designated by the note agreements – ambulance and equipment. The entire debt has been recorded by Travis County ESD 1. However, the District intends to pay Travis County ESD 1 its share of the debt (\$274,666, with payments of \$37,708) until maturity in March 2027 by its collection of tax revenue.
- Note #8561 for \$700,000 at 4.48%, with payments of \$ 57,242 until maturity on March 15, 2037. The note may be prepaid in full upon sixty days' notice in writing to the lender beginning September 15, 2027. The note is secured by an interest in ad valorem tax revenues and all other income or receipts received or to be received and any other property designated by the note agreements – buildings and training tower classrooms. The entire debt has been recorded by Travis County ESD 1. However, the District intends to pay Travis County ESD 1 its share of the debt (\$515,185, with payments of \$28,621) until maturity in March 2037 by its collection of tax revenue.
- Note #8052 for \$1,525,000 at 3.43%, with payments of \$ 193,326 until maturity on January 11, 2028. The note may be prepaid in full upon sixty days' notice in writing to the lender beginning August 15, 2023. The note is secured by an interest in ad valorem tax revenues and all other income or receipts received or to be received and any other property designated by the note agreements – fire engine and equipment. The entire debt has been recorded by Travis County ESD 1. However, the District intends to pay Travis County ESD 1 its share of the debt (\$918,294, with payments of \$96,663) until maturity in January 2028 by its collection of tax revenue.

For the fiscal year ending 2024 those payments were included as part of the \$3,950,000 payment made under the Interlocal Agreement with Travis County ESD 1.

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 4: 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, 2023, upon which the 2023 levy was based, was \$5,796,387,501 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 2023 levy was \$4,544,367 and the tax rate was \$0.0784 per \$100 assessed valuation.

NOTE 5: 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 constraints imposed by external providers or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action 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.

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

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

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

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 6: COMMITMENTS

The District entered an interlocal service agreement with Travis County Emergency Services District No.1 (ESD 1) to provide emergency medical services on behalf of the District within the District's boundaries for fiscal years 2018-2037. For the year ended September 30, 2024, the District paid \$3,950,000. Future payment terms by the District to ESD1 are as follows:

2025	4,150,000
2026	4,350,000
2027	4,350,000
2028	4,350,000
2029	4,350,000
2030 – 2034	21,750,000
2035 – 2037	8,700,000
Total	\$53,000,000

NOTE 7: 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.

Accrued interest payable is not due and payable in the current period, and, therefore, is not reported in the funds. \$58,649

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	\$368,882
Due after one year	\$3,217,901

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

Deferred revenue	\$(196,365)
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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.

Repayment of notes payable is reported as expenditures in governmental funds. For the district as a whole, 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 Principal	\$(820,258)
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TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO 7  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

NOTE 7: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND  
AND GOVERNMENT-WIDE STATEMENTS – continued

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	\$40,251
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Because some property taxes will not be collected for several months after the district's year end, they are not considered as "available" revenues in the governmental funds.

Adjustment for property taxes collected after year-end	\$42,271
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The issuance of long-term debt provides current financial resources to governmental funds; however, this has no effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Financing Proceeds	\$(496,945)
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NOTE 8: DATE OF MANAGEMENT'S REVIEW

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

## REQUIRED SUPPLEMENTAL INFORMATION

TRAVIS COUNTY EMERGENCY SERVICES DISTRICT NO. 7  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL- GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2024

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL AMOUNTS	FAVORABLE/ (UNFAVORABLE)
REVENUES:				
Ad Valorem Taxes	\$ 5,297,855	\$ 5,427,471	\$ 5,427,471	-
Penalties & Interest on Taxes	10,000	46,343	46,343	-
Interest	25,000	148,664	148,664	-
Contributions	1,000	7,855	7,855	-
TOTAL REVENUES	\$ 5,333,855	\$ 5,630,333	\$ 5,630,333	-
EXPENDITURES:				
Administration Expenditures:				
Interlocal Agreement	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	-
Contributions	-	-	294,579	(294,579)
Tax Collection Fees	52,000	52,598	52,598	-
Appraisal Fees	22,000	28,077	28,077	-
Professional Fees	7,750	7,640	7,640	-
Miscellaneous	2,250	2,750	86	2,664
Public Relations	500	500	-	500
Legal Notices	1,500	1,500	504	996
Supplies	250	250	-	250
Insurance	1,000	1,000	-	1,000
Debt Service:				
Principal	435,345	808,090	820,258	(12,168)
Interest	147,510	184,524	172,356	12,168
Debt Issuance Costs	-	-	-	-
TOTAL EXPENDITURES	\$ 4,620,105	\$ 5,036,929	\$ 5,326,098	(289,169)
OTHER FINANCING SOURCES/(USES)				
Loan Proceeds	\$ -	\$ -	\$ 496,945	496,945
Total Other Financing Sources/(Uses)	\$ -	\$ -	\$ 496,945	\$ 496,945
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 713,750	\$ 593,404	\$ 801,180	\$ 786,114
Net change in fund balance	\$ 713,750	\$ 593,404	\$ 801,180	207,776
Beginning of year			\$ 786,267	
End of year			\$ 1,587,447	