

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

Williamson County Emergency Services District No. 8
For the Year Ending September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Williamson County Emergency Services District No. 8

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Williamson County Emergency Services District No. 8 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Williamson County Emergency Services District No. 8, as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Williamson County Emergency Services District No. 8, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Williamson County Emergency Services District No. 8's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Williamson County Emergency Services District No. 8'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 3-10 and 25 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 7, 2025

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Georgetown, TX

Management's Discussion and Analysis

This is the discussion and analysis of the Williamson County ESD #8 for fiscal year ending September 30, 2024.

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

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

Financial Highlights

- *The Districts total net position for the fiscal year exceeded the liabilities of \$10,906 by \$1,736,418.*
- *Change in net position from current operations was \$(212,607) resulting in cash reserves of \$955,897 at the end of the fiscal year.*
- *The District continued the Fire Protection Services contract with the City of Georgetown at an annual cost of \$5,792,800.*

Using This Annual Report

This annual report consists of two financial statements. GASB Statement No. 34 provides that for governments engaged in a single government program, the fund financial statements and the government-wide statements may be combined. These combined statements appear on pages 11 and 12. The second column is an adjustments column, reconciling the amounts reported in the government funds to show how each would change when reported on the full-accrual basis of accounting. The last column of these combination statements shows the amounts that normally would appear in the government-wide statements.

Reporting the District as a Whole

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

These two columns report the District's net position and changes in them. The difference between assets and liabilities, net assets, are one way to measure the District's financial health. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other non-financial factors such as changes in the District's property tax base must also be considered in an assessment of the overall financial health of the District.

The Statement of Activities, also included on page 12, presents information showing how the District's net position changed during the most recent twelve-month period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Reporting the District's Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District may establish other funds 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. These funds are reported using and accounting method called Modified Accrual accounting which measures cash and all other financial assets that can be readily converted to cash.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spend-able resources, as well as on balances of spend-able 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. The District only reports using one fund that being the General Fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The District as a Whole

Governmental activities decreased the District's net position by \$212,607, approximately 10.9%. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the District's governmental activities:

Table 1
Government Activities
Net Position

	9/30/2024	9/30/2023
Assets		
Current Assets	\$ 1,145,678	\$ 1,359,722
Capital Assets	601,646	614,866
Total Assets	\$ 1,747,324	\$ 1,974,588
Liabilities		
Current Liabilities	\$ 10,906	\$ 25,563
Long-Term Liabilities	-	-
Total Liabilities	\$ 10,906	\$ 25,563
Net Position		
Investment in capital assets	\$ 601,646	\$ 614,866
Restricted	-	-
Unrestricted	1,134,772	1,334,159
Total Net Position	\$ 1,736,418	\$ 1,949,025

Table 2
Government Activities
Changes in Net Position

	9/30/2024	9/30/2023
General Revenues		
Ad Valorem Taxes	\$ 5,522,058	\$ 4,772,554
Penalties & Interest on Taxes	21,251	20,032
Interest	129,491	106,251
Other	147,049	49,826
Total General Revenues	\$ 5,819,849	\$ 4,948,663
Expenditures/Expenses		
Legal Notices	\$ 3,845	\$ 410
Tax Collector/Appraisal District Fees	38,416	28,228
Insurance & Bonds	4,157	4,204
Professional Services	39,905	35,153
Contracted Services	5,792,800	5,570,000
Training Prevention Staffing Study	2,268	1,880
Association Dues	1,100	1,100
Office Supplies	487	-
Website/Internet	2,772	2,650
Public Outreach	102,571	49,826
Election Expense	30,915	-
Amortization Expense	13,220	13,220
Total Expenditures/Expenses	\$ 6,032,456	\$ 5,706,671
Change in Net Postion	\$ (212,607)	\$ (758,008)
Net Position - Fund Balance Beginning of Year	\$ 1,949,025	\$ 2,707,033
Net Position - Fund Balance Ending of Year	\$ 1,736,418	\$ 1,949,025
Change in Net Postion		
Percent Increase or (decrease)	-10.91%	-28.00%

Capital Assets:

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

	2024	2023
Vehicles	342,528	342,528
Equipment	392	392
Accumulated Depreciation	(342,920)	(342,920)
Intangible - Right-of-Use Assets	654,526	654,526
Accumulated Amortization	(52,880)	(39,660)
Governmental activities capital assets, net	601,646	614,866

Amortization expense charged to the general fund was \$13,220.

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

Financial Analysis of the Government's Funds

As noted earlier the District uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the year ending September 30, 2024, the District's total fund balance was \$1,060,582 which reflects a net combined decrease of \$214,593.

Approximately 94.88% of the District's FY 2024 income is derived from Ad Valorem property taxes, while the remainder is primarily Money Market Interest income. Interest rates increased in the last year and the District received about 2.22% of its total income on its cash investments.

<u>Revenues</u>	<u>October 2023 to September 2024</u>	
Property Taxes	\$ 5,522,058	94.88%
Penalties & Interest	21,251	0.37%
Interest Income	129,491	2.22%
Miscellaneous	147,049	2.53%
Total	<u>\$ 5,819,849</u>	<u>100.00%</u>

Budgetary Highlights

The District's annual budget includes estimated revenues and expenditures for fiscal year that begins each October 1. The annual budget is a "line-item" document that helps guide the Board of Commissioners through the year with a high degree of financial control over District expenditures.

Estimates of taxable value for the year are provided by the Williamson County Tax Appraisal Office. That estimate, combined with an estimate of historical tax collection rates for the District is used to estimate Ad Valorem Revenues and Establish a Tax Rate for the District.

In the fiscal year ending September 30, 2024, the Net Taxable (Assessed) Valuation of the District was \$5,850,825,433 resulting in a total tax levy of \$5,504,047 based on a tax rate of \$0.10 per \$100 valuation.

The District's 2023/2024 Budget resulted in actual expenditures of \$6,019,236 vs the budget of \$6,070,005, or \$50,769 less than budgeted amount.

Total revenues were \$5,804,643 or \$39,457 less than the final budgeted amount. Ad Valorem tax revenue was \$5,506,852 or \$1,652, greater than the budgeted amounts. This resulted in an overall favorable variance of \$11,312.

Review of the financial operations of the District during the year yielded several Board directed changes to policy and operations. The district continues to be a low tax rate District with the lowest tax rate of current Districts in Williamson County. The contract with the City of Georgetown Fire Services Division is one of the primary reasons for that low cost and exceptional level of service delivery.

Currently Known Facts, Decisions and Economic Conditions

For the 2024 fiscal year, the tax rate for Williamson County Emergency Services District No. 8 was set at \$0.096817/\$100 of assessed property value, which was a 2.91% increase in the tax rate of the previous year. The average homestead taxable property valuation had an increase of 7.31%. For the same period, the contract price with the City of Georgetown for fire and emergency services increased by 2.05%. The contract price continues to be based on a cost model that was developed by ESCI consultants in 2019 which takes into consideration elements of the cost of service that were not included in the previous cost model which was based solely on the percentage of call volume in the ESD compared to the City. These considerations include factors such as area covered, property values, risk factors, population served, and call volume compared to the City. This model has proven to be a more equitable means of establishing the true cost of service for ESD8. The ESD8 Board of Commissioners strives to provide the highest level of service, and adopting a tax rate of \$0.096817/\$100 of assessed property value is a reflection of the increasing cost of that service. ESD8 currently has a tax rate that is similar to the majority of the ESD's in Williamson County that don't have sales tax revenue.

The ESD continues to occupy office space and holds all meetings in the meeting room at Fire Station 6. This meeting room is also available, and has been used, by several community groups over the past year. The long term "Right to Occupy" agreement with the City of Georgetown guarantees the ESD full use of the office space and meeting room at no cost. This agreement is beneficial for the ESD and the community it serves as well as the City.

Fire Station 6 continues to show improved response times in both the ESD's northwest sector and within the city, and Fire Station 7 has also improved the response times to calls in the ESD's southeast sector as well as the city. Fire Station 6 was built in ESD territory and Fire Station 7 was built on the edge of the city limits to increase coverage in the ESD as well as coverage inside the city. All new proposed fire stations will be built in ESD territory to meet the demands of growth.

Due to the rapid growth within the ESD, there has also been a rapid increase in the demand for services which has also led to an increase in the cost of service. The cost of service has exceeded the ESD's property tax revenue, which is currently the ESD's main source of revenue.

The ESD has been using our cash surplus to cover the overage, but the surplus is predicted to run dry within the next year.

Following an unsuccessful Sales and Use Tax election in November of 2023, the Board decided to hold another election in November 2024 for a proposed 2% sales tax to provide a secondary source of funding to meet the increasing cost demands. The city also supported holding another election and provided names for campaign consultants that have been successful for them in the past. It is in the City's best interest to help promote a successful election because a significant portion of the city's fire budget comes from the service contract with the ESD.

The campaign consultants focused on better public outreach and voter education, which resulted in a successful election. The cost of the election as well as the cost of consultant fees was initially paid for by the ESD but will be reimbursed to us by the city.

Now that the voters have approved the sales tax, we can continue to provide the same level of service that we have in previous years. The additional revenue will also be used to rebuild our contingency fund, support the city's plan for adding a new fire station every three years, and hire six additional firefighters every year. This will help us achieve our goal of reducing response times and providing better service.

The Board continues to have a committee that meets with the city's Emergency Services Commission, which is composed of two ESD board members, a city councilman, city manager, assistant city manager, and fire chief. The purpose of the meetings is to discuss funding of the service contract as well as the level of service the City will provide.

ESD8 continues to allocate funds for the installation of fire hydrants, where feasible, in areas of the district that have minimal or no coverage. All planned installations have been completed in the Jonah water district and funds are available for installations in the portion of the City of Georgetown water system that is located in the ESD. Additionally, the City of Georgetown has capped the cost of each hydrant installed on their system at \$5,000.

ESD8 continues to own one fire engine that has been leased to the city since it was purchased. This engine is now being used as a reserve unit and when it is eventually sold, the proceeds from the sale will come back to the ESD.

Financial management of funds and payment for services continue to be handled through a contracted CPA firm with oversight and approvals by the Treasurer and President. The board retains this CPA firm to perform their bookkeeping which results in improvements in account organization, reserve accounting, and management of disbursements. All of these improvements are made without sacrificing checks and balances. The ESD's financial policy includes financial guidelines and firm practices related to capital financing, debt service coverage, reserve balances, cash management, and investing of public funds in compliance with Governmental Accounting Standards Board accounting principles.

The ESD board regularly meets the third Wednesday of each month at 6:00 pm to provide a consistent date and time which facilitates attendance by Commissioners, Fire Department personnel, and visitors. Also, ESD8 holds special meetings and workshops, as needed, to meet needs that cannot be achieved during monthly sessions.

The Emergency Services District's administration is located in dedicated office space at Fire Station 6, which is located at 6700 Williams Drive, Georgetown, TX, 78633. This physical space provides security for our documents, contracts, and financial records.

Administratively, the ESD Policies and Procedures are current, comprehensive and comprehendible. ESD8 has a fire code that is in sync with that of the City of Georgetown. In an effort to help taxpayers stay informed about the ESD's activities, we continue to maintain and enhance our website as well as pursue other actions to increase public awareness.

Contacting the District's Financial Management

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

Williamson County ESD #8

Bobby Bunte - ESD 8 President
3500 D B Woods Rd.
Georgetown, TX 78628
Phone: 512-819-3104

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

	General Fund	Adjustments (Note 8)	Statement of Net Position
ASSETS			
Cash	\$ 955,897	\$ -	\$ 955,897
Property Taxes Receivable	74,190	-	74,190
Due from Other Governments	110,023	-	110,023
Prepaid Expenses	5,568	-	5,568
Capital Assets (net)	-	601,646	601,646
TOTAL ASSETS	<u>\$ 1,145,678</u>	<u>\$ 601,646</u>	<u>\$ 1,747,324</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Accounts Payable	\$ 10,906	\$ -	\$ 10,906
Accrued Interest Payable	-	-	-
Long Term Liabilities-Due within one year	-	-	-
Long Term Liabilities-Due after one year	-	-	-
TOTAL LIABILITIES	<u>\$ 10,906</u>	<u>\$ -</u>	<u>\$ 10,906</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ 74,190</u>	<u>\$ (74,190)</u>	<u>\$ -</u>
FUND BALANCES/NET POSITION			
Fund balances:			
Non-Spendable	\$ 5,568	\$ (5,568)	\$ -
Spendable			
Assigned	1,431,950	(1,431,950)	-
Unassigned	<u>(376,936)</u>	<u>376,936</u>	<u>-</u>
Total fund balances	<u>1,060,582</u>	<u>(1,060,582)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,145,678</u>	<u>\$ -</u>	<u>-</u>
Net Position:			
Net Investment in Capital Assets	\$ 601,646	\$ 601,646	\$ 601,646
Unrestricted	1,134,772	1,134,772	1,134,772
Restricted	-	-	-
Total Net Position	<u>\$ 1,736,418</u>	<u>\$ 1,736,418</u>	<u>\$ 1,736,418</u>

See Accompanying Notes to the Financial Statements

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

	General Fund	Adjustments (Note 8)	Statement of Activities
EXPENDITURES/EXPENSES			
Legal Notices	\$ 3,845	\$ -	\$ 3,845
Tax Collector/Appraisal District Fees	38,416	-	38,416
Insurance & Bonds	4,157	-	4,157
Professional Services	39,905	-	39,905
Contracted Services	5,792,800	-	5,792,800
Membership Dues	1,100	-	1,100
Training	2,268	-	2,268
Website/Internet	2,772	-	2,772
Office Supplies	487	-	487
Public Outreach	102,571	-	102,571
Election Expense	30,915	-	30,915
Amortization Expense	-	13,220	13,220
Total expenditures/expenses	\$ 6,019,236	\$ 13,220	\$ 6,032,456
GENERAL REVENUES			
Ad valorem taxes	5,506,852	15,206	5,522,058
Penalties and Interest	21,251	-	21,251
Interest income	129,491	-	129,491
Miscellaneous	147,049	-	147,049
Total general revenues	\$ 5,804,643	\$ 15,206	\$ 5,819,849
Excess (Deficiency) of revenues over expenditures	(214,593)	214,593	-
Change in net position	-	(212,607)	(212,607)
Fund Balance/Net Position			
Beginning of the year	<u>1,275,175</u>	<u>673,850</u>	<u>1,949,025</u>
End of the year	<u>\$ 1,060,582</u>	<u>\$ 675,836</u>	<u>\$ 1,736,418</u>

See Accompanying Notes to the Financial Statements

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Williamson County Emergency Services District No. Eight (the District) was created by Article III, Section 48-e of the Constitution of Texas as proposed by SJR, No. 27, Acts of the 70th Legislature, Regular Session 1987, and adopted by the voters at an election held May 7, 2005, to protect life and property from fire and to conserve natural and human resources.

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, all funds have been classified as major funds. As a part of this Statement, there is a reporting requirement regarding the local government's infrastructure (road, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 incorporates long-term assets and receivables as well as long-term debt and obligations. The District does not have any business-type or fiduciary activities.

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

The 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.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Public meetings are conducted at which all interested persons' comments concerning the budget are heard. After such meetings, the Board of Commissioners formally adopts the budget through passage of a motion in a public meeting.
3. The District amends the budget throughout the year approving such additional expenses. The 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.

The General Fund did have expenditures in excess of appropriations this deficit was offset with prior year fund balance.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

CASH AND CASH EQUIVALENTS

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

AD VALOREM PROPERTY TAXES

Delinquent taxes are prorated based on rated 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.

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.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Additional information on leases can be found in Note 5 and 6.

CAPITAL ASSETS

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

Government-wide Statements

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

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.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Buildings and Structures	40 years
Vehicles	7-20 years
Other Equipment	10-20 years

The District does not own any infrastructure assets.

Lease assets are amortized over the life of the associated contract.

Fund Financial Statements

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

EQUITY CLASSIFICATIONS

Government-wide Statements

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

- a. Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other government; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does 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.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

COMPENSATED ABSENCES

The District had no employees as of year-end.

RISK MANAGEMENT

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

USE OF ESTIMATES

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

NOTE 2: CASH

Deposits were with a contracted depository bank, Union State Bank. As of year-end, deposits exceeded FDIC coverage. Therefore, in accordance with the depository contract, Union State Bank has pledged additional collateral. This collateral consisted of U.S. Government and Local State Securities, having a market value of \$3,479,814 (Category 2). At September 30, 2024, the carrying amount of the District's deposits was \$955,897, and the bank balance was \$955,477.

**WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024**

NOTE 2: CASH (continued)

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.

	Carrying Value	Bank Balance
Category 1	\$250,000	\$250,000
Category 2	705,897	705,477
Category 3	-0-	-0-
	<hr/> \$955,897	<hr/> \$955,477

NOTE 3: PROPERTY TAXES

The District uses the Williamson 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. An enforceable lien is attached to the property as of January 1. The assessed value of the roll as of January 1, 2023, upon which the 2023 levy was based, was \$5,850,825,433 as certified by the Williamson County Central Appraisal District.

Taxes are due by January 31 following the October 1 levy date. The total 2023 levy was \$5,504,047 and the tax rate was \$0.10 per \$100 assessed valuation. Property taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

NOTE 4: COMMITMENTS

The District has entered into an agreement with the City of Georgetown Fire Department to provide fire protection and suppression, fire prevention, hazardous material control, emergency rescue and other assistance to the public as necessary. Payments are made quarterly and totaled \$5,792,800 for the year. This contract and the related fee are renegotiated annually.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 5: CAPITAL ASSETS

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

	<u>Balance 9/30/2023</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 9/30/2024</u>
Governmental Activities:				
Depreciable capital assets				
Vehicles	342,528	-	-	342,528
Equipment	392	-	-	392
Total depreciable capital assets	342,920	-	-	342,920
Less accumulated depreciation for:				
Vehicles	(342,528)	-	-	(342,528)
Equipment	(392)	-	-	(392)
Total accumulated depreciation	(342,920)	-	-	(342,920)
Total depreciable capital assets, net	-	-	-	-
Intangible Right-of-Use Assets				
Leased office space	654,526	-	-	654,526
Total capital assets being amortized	654,526	-	-	654,526
Less accumulated amortization for:				
Leased office space	(39,660)	(13,220)	-	(52,880)
Total accumulated amortization	(39,660)	(13,220)	-	(52,880)
Net intangible right-of-use assets	628,086	(13,220)	-	601,646
Governmental activities capital assets, net	628,086	(13,220)	-	601,646

Current year depreciation expense was \$-0- and amortization expense is \$13,220.

NOTE 6: LEASES

The District, as a lessee, has entered into a lease agreement with the City of Georgetown for the use of 890 square feet of office space in a facility for a period of approximately 50 years. This contract states that if this agreement is terminated prior to 2068 and an alternate location or method of amortization is not found, the City will pay the full remaining unamortized balance.

The total of the District's lease assets are recorded at a cost of \$654,526, less accumulated amortization of \$52,880.

NOTE 7: ANNEXATION OF DISTRICT LAND BY THE CITY OF GEORGETOWN

The City of Georgetown has the right to annex property within the District which could in the future result in a reduction of the total value of property within the District and a reduction in the total tax revenue to be collected. For the year ending September 30, 2024, the District has not been made aware of any annexations.

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 8: 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.

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.

The Board has allocated funds to a contingency reserve to be used for future operational budgetary shortfalls in the event a budgetary deficit arises. As of September 30, 2024, \$1,431,950 has been set aside and is reflected as part of Assigned Fund balance to meet the budgeted operating deficit for fiscal year 2024.

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

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 8: FUND BALANCE (continued)

Fund Balance:	
<u>Nonspendable</u>	
Prepaid Expenses	\$ 5,568
<u>Assigned</u>	
Contingency Reserve	<u>1,431,950</u>
Total Assigned	<u>1,431,950</u>
Unassigned	<u>(376,936)</u>
Total Fund Balance:	<u><u>\$ 1,060,582</u></u>

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

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

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

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

Cost of capital assets	\$997,446
Accumulated Depreciation	<u>(395,800)</u>
	<u><u>\$601,646</u></u>

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

Deferred revenue	(\$74,190)
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Differences between the Governmental Fund Operating Statement and the Statement of Net Activities:

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

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	\$(-0-)
Amortization Expense	13,220

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT NO. EIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

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

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

Adjustment for property taxes collected after year-end	\$15,206
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NOTE 10: 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 Supplemental Information

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

	<u>Budget</u>		Actual Amounts Budgetary Basis	Favorable/ (Unfavorable)
	Original	Final		
GENERAL REVENUES				
Ad Valorem Taxes	\$ 5,505,200	\$ 5,505,200	\$ 5,506,852	\$ 1,652
Penalties and Interest	15,000	21,000	21,251	251
Interest Income	68,000	128,000	129,491	1,491
Miscellaneous	30,000	189,900	147,049	(42,851)
Total Revenues	<u>\$ 5,618,200</u>	<u>\$ 5,844,100</u>	<u>\$ 5,804,643</u>	<u>\$ (39,457)</u>
EXPENDITURES/EXPENSES				
Legal Notices	\$ 1,200	\$ 1,200	\$ 3,845	\$ (2,645)
Tax Collector/Appraisal District Fees	31,600	38,450	38,416	34
Insurance & Bonds	4,300	4,300	4,157	143
Membership Dues	1,100	1,100	1,100	-
Fire Hydrant Grant Program	5,000	5,000	-	5,000
Professional Services	35,480	39,980	39,905	75
Contracted Services	5,792,800	5,792,800	5,792,800	-
Miscellaneous	100	100	-	100
Office Supplies	1,888	3,325	3,259	66
Public Outreach	15,000	150,000	102,571	47,429
Election Expense	15,000	31,000	30,915	85
Training & Travel	2,750	2,750	2,268	482
Total expenditures/expenses	<u>\$ 5,906,218</u>	<u>\$ 6,070,005</u>	<u>\$ 6,019,236</u>	<u>\$ 50,769</u>
Excess (Deficiency) of revenues over expenditures	\$ (288,018)	\$ (225,905)	\$ (214,593)	\$ 11,312
Fund Balance Beginning of the year			<u>\$ 1,275,175</u>	
End of the year			<u>\$ 1,060,582</u>	

See Accompanying Notes to the Financial Statements