



**BEXAR COUNTY
EMERGENCY SERVICES DISTRICT NO. 7**

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2023**



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023

DISTRICT OFFICIALS

PRESIDENT

WILLIAM DAVIDSON

DIRECTORS

GARY SCHOTT
LONNIE STOCKTON
RICK JOHNSON

TREASURER

CINDY COLSTON

ATTORNEY

KILLEN, GRIFFIN & FARRIMOND, PLLC.



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

District Commissioners
Bexar County Emergency Services District No. 7

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bexar County Emergency Services District No. 7, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District's primary government 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 of Bexar County Emergency Service District No. 7, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year 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 (GAAS). 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 Bexar County Emergency Services District #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

The Bexar County Emergency Services District No. 7's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes 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 Bexar 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 GAAS 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 GAAS, 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 Bexar 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 Bexar County Emergency Services District No. 7's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of changes – net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 inquires 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bexar County Emergency Services District No. 7's, financial statements. The comparative financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund comparative financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

May 28, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Bexar County Emergency Services District No. 7’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended September 30, 2023. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s total net position was \$9.3 million at September 30, 2023.
- During the year, the District’s expenses were \$800 thousand less than the \$10.5 million generated in taxes, EMS charges and other revenues for governmental activities.
- The total cost of the District’s programs increased by approximately \$934 thousand from last year. The increase was primarily a result of increased personnel costs.
- The general fund reported a fund balance this year of \$7.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the District’s Annual Financial Report

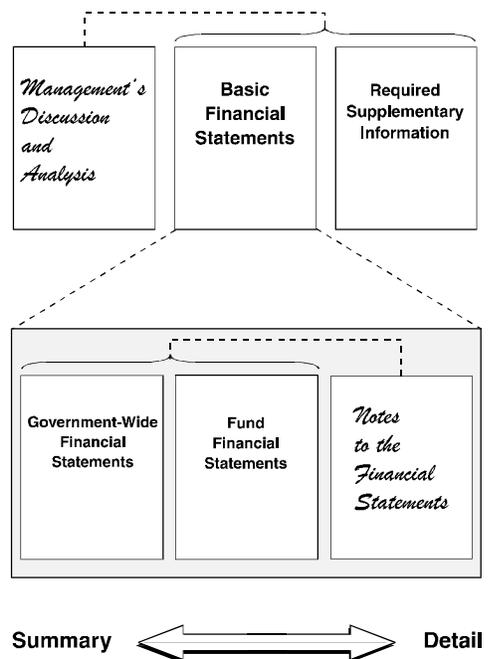


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements		
<i>Type of Statements</i>	Fund Statement	
	Government-wide	Governmental Funds
<i>Scope</i>	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures & changes in fund balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net position and how they have changed. Net position—the difference between the District’s assets and liabilities—is one way to measure the District’s financial health or *position*.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District’s tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District’s basic services are included here, such as Emergency Services and general administration. Property taxes finance most of these activities.

Fund Financial Statements

The District has the following kinds of funds:

- *Governmental funds*—All of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District’s combined net position was \$9.3 million at September 30, 2023. (See Table A-1)

Table A-1
Bexar County Emergency Services District No. 7 Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023 - 2022
Cash and Cash Equivalents	\$ 2,851,452	\$ 717,250	297.6%
Property Taxes Receivable	42,156	46,022	-8.4%
Sales Taxes Receivable	615,870	602,397	2.2%
EMS Charges Receivable	145,974	308,666	-52.7%
Other Receivables	752,102	865,194	-13.1%
Prepaid Items	63,493	224,374	-71.7%
Restricted Cash - Capital Projects	3,245,956	6,787,053	-52.2%
Capital Assets	15,602,956	13,804,005	13.0%
TOTAL ASSETS	23,319,959	23,354,961	-0.1%
Deferred Outflows	1,721,546	1,332,879	29.2%
Accounts Payable and Accrued Liabilities	100,427	164,501	-39.0%
Payroll Liabilities	215,171	137,132	56.9%
Compensated Absences	371,839	343,509	8.2%
Accrued Interest Payable	214,755	225,883	-4.9%
Net Pension Liability	855,203	196,329	335.6%
Current Portion of Non Current Liabilities	868,394	819,742	5.9%
Non Current Liabilities	13,116,658	13,872,734	-5.5%
TOTAL LIABILITIES	15,742,447	15,759,830	-0.1%
Deferred Inflows	7,773	436,925	-98.2%
Investment in Property & Equipment	4,863,860	5,898,582	-17.5%
Unrestricted	4,427,425	2,592,503	70.8%
TOTAL NET POSITION	\$ 9,291,285	\$ 8,491,085	9.4%

Changes in Net position. The District’s total revenues were \$10.5 million. \$8.8 million of the District’s revenues come from taxes, with an additional \$1.1 million from EMS services. The total cost of all programs and services was \$9.7 million.

Governmental Activities

- The property tax rate was .097369 per \$100 valuation, construction of new homes allowed for the increased tax revenues of \$850 thousand.

Table A-2
Changes in District’s Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023 - 2022
Program Revenues			
Charges for Service	\$ 1,422,000	\$ 1,772,108	-19.8%
Operating Grants and Contributions	70,340	-	100.0%
General Revenues			
Property Taxes	5,179,343	4,329,141	19.6%
Sales Taxes	3,633,364	3,470,057	4.7%
Interest Income	6,782	1,245	444.7%
Miscellaneous	221,386	79,336	179.0%
Total Revenues	<u>10,533,215</u>	<u>9,651,887</u>	9.1%
General Administration	538,527	501,677	7.3%
Emergency Services	8,665,972	7,897,166	9.7%
Interest on Long Term Debt	<u>528,516</u>	<u>399,931</u>	32.2%
Total Expenses	<u>9,733,015</u>	<u>8,798,774</u>	10.6%
Change in Net Position	800,200	853,113	-6.2%
Net Position at Beginning of Year	<u>8,491,085</u>	<u>7,637,972</u>	
Net Position at End of Year	<u>\$ 9,291,285</u>	<u>\$ 8,491,085</u>	9.4%

Table A-3 presents the cost of each of the District’s largest functions, as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- The cost of all *governmental* activities this year was \$9.7 million and was financed 40% through property taxes, 34% through sales taxes charges, and 26% through EMS charges.

Table A-3
Net Cost of Selected District Functions

	Net Cost of Services		Total Percentage Change
	2023	2022	2023 - 2022
General Administration	\$ (538,527)	\$ (501,677)	7.3%
Emergency Services	(7,173,632)	(6,125,058)	17.1%
Interest on Long Term Debt	<u>(528,516)</u>	<u>(399,931)</u>	32.2%
	<u>\$ (8,240,675)</u>	<u>\$ (7,026,666)</u>	17.3%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$10.8 million, an increase of 10%. The increase in local revenues is a result of increased property and sales taxes, along with increased EMS charges.

General Fund Budgetary Highlights

The District revised its original budget several times to adjust for sales taxes, capital outlay and personnel costs. Actual expenditures were \$5.5 million less than budgeted amounts as emergency services were lower than expected. Revenues were \$57 thousand more than the final budgeted amounts, as charges for EMS service was higher than expected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the District has invested a total of \$15.6 million, net of depreciation, in a broad range of capital assets, including land, buildings, and vehicles.

Table A-4
Capital Assets

	Total Cost of Services		Total Percentage Change
	2023	2022	2023 - 2022
Land	\$ 639,412	\$ 639,412	0.0%
Fire Stations & Improvements	11,472,035	3,442,517	233.2%
Vehicles and Equipment	7,805,728	5,262,424	48.3%
Construction in Progress	44,834	7,905,422	-99.4%
Less: Accumulated Depreciation	(4,603,133)	(3,595,693)	28.0%
Right of Use Assets	244,080	149,923	62.8%
Totals	<u>\$ 15,602,956</u>	<u>\$ 13,804,005</u>	13.0%

Detailed information about the District's capital assets is presented in the notes to the financial statements.

Long Term Debt

At the end of the fiscal year 2023, the District had \$14 million in outstanding debt as shown on Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
Long-Term Debt

	Total Cost of Services		Total Percentage Change
	2023	2022	2023 - 2022
Equipment Notes Payable	\$ 656,408	\$ 989,961	-33.7%
Bandera Station No. 116 Relocation Loan #1	1,112,701	1,176,755	-5.4%
Bandera Station No. 116 Relocation Loan #2	658,227	718,097	-8.3%
Fire Station No. 115 Improvements Loan	6,441,796	6,605,293	-2.5%
2022 Fire Station Loan	4,889,830	5,062,500	-3.4%
Lease Liability	226,090	139,870	61.6%
	<u>\$ 13,985,052</u>	<u>\$ 14,692,476</u>	-4.8%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The property tax rate for the 2024 budget preparation decreased to \$0.099802 per \$100 valuation. The projected revenues for the 2024 budget preparation increased to \$17 million.
- General operating fund spending is expected to increase per the 2024 budget. Expenditures are anticipated to increase from the actual 2023 expenditures of \$11.5 million to \$18 million. This increase is primarily due to budgeted capital outlay, reserve expenditures and personnel costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide Bexar County Emergency Services District No. 7 citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Administrator by phone at (210) 688-0665.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2023

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (GASB). The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
 - Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,851,452
Receivables (net of allowances for uncollectibles)	
Property Taxes	42,156
Sales Taxes	615,870
EMS Charges	145,974
Other Receivables	752,102
Prepaid Items	63,493
<i>Total Current Assets</i>	4,471,047
 <i>Noncurrent Assets:</i>	
Restricted Cash - Capital Projects	3,245,956
<i>Capital Assets:</i>	
Land	639,412
Fire Stations & Improvements	11,472,035
Vehicles and Equipment	7,805,728
Construction in Progress	44,834
Less: Accumulated Depreciation	(4,603,133)
Right of Use Assets	244,080
<i>Total Capital Assets</i>	15,602,956
<i>Total Noncurrent Assets</i>	18,848,912
 TOTAL ASSETS	 23,319,959
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	1,721,546
TOTAL DEFERRED OUTFLOWS OF RESOURCES	 \$ 1,721,546

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
STATEMENT OF NET POSITION (CONT.)
SEPTEMBER 30, 2023

	Governmental Activities
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 100,427
Payroll Liabilities	215,171
Compensated Absences	371,839
Accrued Interest Payable	214,755
Short-Term Lease Liability	49,333
Debt Due within One Year	819,061
<i>Total Current Liabilities</i>	1,770,586
 <i>Noncurrent Liabilities:</i>	
Net Pension Liability	855,203
Long-Term Lease Liability	176,757
Debt Due in more than One Year	12,939,901
<i>Total Noncurrent Liabilities</i>	13,971,861
 TOTAL LIABILITIES	 15,742,447
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	7,773
TOTAL DEFERRED INFLOWS OF RESOURCES	7,773
 NET POSITION	
Net Investment in Capital Assets	4,863,860
Unrestricted	4,427,425
TOTAL NET POSITION	\$ 9,291,285

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2023

Functions and Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities:				
General Administration	538,527	\$ -	\$ -	\$ (538,527)
Emergency Services	8,665,972	1,422,000	70,340	(7,173,632)
Interest on Long Term Debt	528,516	-	-	(528,516)
Total Governmental Activities	9,733,015	1,422,000	70,340	(8,240,675)
Total Primary Government	\$ 9,733,015	\$ 1,422,000	\$ 70,340	(8,240,675)
General Revenues:				
Property Taxes				5,179,343
Sales Taxes				3,633,364
Interest Income				6,782
Miscellaneous				221,386
Total General Revenues				9,040,875
Change in Net Position				800,200
Net Position at Beginning of Year				8,491,085
Net Position at End of Year				\$ 9,291,285

The accompanying notes are an integral part of these statements.



BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,851,452	\$ -	\$ 2,851,452
Restricted Cash - Capital Projects	3,245,956	-	3,245,956
Property Taxes Receivable	42,156	-	42,156
Sales Taxes Receivable	615,870	-	615,870
EMS Charges Receivable, Net	145,974	-	145,974
Other Receivables	752,102	-	752,102
Prepaid Items	63,493	-	63,493
TOTAL ASSETS	\$ 7,717,003	\$ -	\$ 7,717,003
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 100,427	\$ -	\$ 100,427
Payroll Liabilities	215,171	-	215,171
<i>Total Liabilities</i>	315,598	-	315,598
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	42,156	-	42,156
Unavailable EMS Revenues	145,974	-	145,974
<i>Total Deferred Inflows of Resources</i>	188,130	-	188,130
<i>Fund Balance:</i>			
Nonspendable Prepaid Items	63,493	-	63,493
Restricted for Capital Projects	3,245,956	-	3,245,956
Unassigned	3,903,826	-	3,903,826
<i>Total Fund Balance</i>	7,213,275	-	7,213,275
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,717,003	\$ -	\$ 7,717,003

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 7,213,275
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Property taxes receivable assets are not available to pay current period expenditures and, therefore, are deferred in the funds statements.	42,156
EMS revenues in the Statement of Activities do not provide current financial resources are deferred in the fund statements.	145,974
Right of Use Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	244,080
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,358,876
Liability for compensated absences are not due and payable in the current period and, therefore, not reported in the funds.	(371,839)
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, not reported in the funds.	(13,758,962)
Lease liabilities are not due and payable in the current period and, therefore, not reported in the funds.	(226,090)
Net pension assets (and related deferred outflows and inflows of resources) do not provide current financial resources and are not reported in the funds.	
Net Pension Asset (Liability)	(855,203)
Pension Related Deferred Inflows	(7,773)
Pension Related Deferred Outflows	<u>1,721,546</u>
	858,570
Accrued Interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.	<u>(214,755)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 9,291,285</u></u>

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Property Taxes	\$ 5,183,208	\$ -	\$ 5,183,208
Sales Taxes	3,633,364	-	3,633,364
Charges for Service - EMS	1,134,366	-	1,134,366
Interest Income	6,784	-	6,784
Deployment Income	450,326	-	450,326
Grant Income	70,340	-	70,340
Miscellaneous Income	317,128	-	317,128
TOTAL REVENUES	10,795,516	-	10,795,516
EXPENDITURES			
Current:			
Emergency Services	7,739,701	-	7,739,701
Administrative	538,527	-	538,527
Capital Outlay	2,789,287	-	2,789,287
Debt Service:			
Principal	213,254	794,644	1,007,898
Interest Expenditure	14,767	523,877	538,644
TOTAL EXPENDITURES	11,295,536	1,318,521	12,614,057
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(500,020)	(1,318,521)	(1,818,541)
OTHER FINANCING SOURCES (USES)			
Proceeds from Lease Payable	137,181	-	137,181
Transfers In (Out)	(1,318,521)	1,318,521	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,181,340)	1,318,521	137,181
Net Change in Fund Balance	(1,681,360)	-	(1,681,360)
Fund Balance at Beginning of Year	8,894,635	-	8,894,635
Fund Balance at End of Year	\$ 7,213,275	\$ -	\$ 7,213,275

The accompanying notes are an integral part of these statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (1,681,360)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Addition of Right of Use Assets	137,181	
Capital Outlay	2,712,234	
Depreciation/Amortization	<u>(1,050,464)</u>	1,798,951

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes Not Available for Current Period	(3,867)	
EMS Revenues Not Available for Current Period	<u>(162,692)</u>	(166,559)

The issuance of long-term debt (e.g. notes payable and capital leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of Lease Liability	(137,181)	
Principal Repayments	<u>844,605</u>	707,424

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded the actuarially determined pension expense.

158,945

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued Interest	11,129	
Compensated Absences	<u>(28,330)</u>	<u>(17,201)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 800,200

The accompanying notes are an integral part of these statements.



NOTES TO BASIC FINANCIAL STATEMENTS

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bexar County Emergency Services District No. 7 is a political subdivision of the State of Texas and was created by the Bexar County Commissioners' Court after a Public Election on May 13, 2006. The District was created to provide emergency services and promote public safety, welfare, health and convenience of persons residing in the District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

A. THE FINANCIAL REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Blended component units, although legally separate entities are, in substance, part of the government's operations; thus, data from these units are to be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The District has one component unit, District 7 Fire and Rescue (a Nonprofit Fire Department). The relationship between the Department and the District is such that it meets the criteria, as set forth in GASB Statement Nos. 14, 39, 61 and 80 for inclusion as a blended component unit in the reporting entity.

District 7 Fire and Rescue (the "Department") is a local nonprofit fire department without powers of taxation, organized exclusively for the purpose of providing fire protection and emergency services to the area covered by the Bexar County Emergency Services District No. 7. Bexar County Emergency Services District No. 7 appoints its Board of Commissioners as the directors of the Department. Copies of the audit of District 7 Fire and Rescue for the year ended September 30, 2023 can be obtained from District management.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. Governmental activities are supported mainly by property taxes and EMS revenues.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONT.)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds. The General Fund and Debt Service Fund meet the criteria as *major governmental funds*.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Property taxes are recognized in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied prior to September 30, 2022, and became due October 1, 2022 have been assessed to finance the budget of the fiscal year beginning October 1, 2022. EMS revenues which are measurable and collected as of September 30, 2023 are recorded as revenues.

Expenditures generally are recorded when an expense is incurred; however, expenditures related to compensated absences and claims and judgments are recorded only when the liability has matured and payment is due.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONT.)

The government reports the following major governmental funds:

The General Fund is the general operating fund of the District and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes and investment of idle funds. Primary expenditures are for general administration and emergency services.

The Debt Service Fund is used to account for resources and expenditures relating to principal and interest payments on outstanding debt.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the District. The ESD has cash restrict for capital projects.

E. INVESTMENTS

State statutes authorize the District to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d); or, (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The District has all its monies in interest bearing checking accounts, savings accounts, money market accounts or certificates of deposit. Earnings from these investments are added to each account monthly or quarterly.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

E. INVESTMENTS (CONT.)

The District reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. ACCOUNTS RECEIVABLE

Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based on historical trends.

Property taxes are levied based on taxable value at January 1 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property taxes receivable for prior year's levy is shown net of the allowance for doubtful accounts.

Reimbursements for EMS services performed are recorded as receivables and revenues when they are earned in the government-wide statements.

G. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Allowances have been established by management based on best available information for a variety of receivables. Allowances for uncollectible EMS service charges have been recorded in the amount of \$340,607.

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. At September 30, 2023, prepaid expenses totaled \$63,493 for prepaid insurance.

I. CAPITAL ASSETS

Capital assets, which include land; buildings and improvements; and equipment and vehicles, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$500 or more for equipment, while computer equipment is defined as an asset with a cost of \$1,000 or more. Donated capital assets are recorded at estimated fair market value at the date of donation.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

I. CAPITAL ASSETS (CONT.)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Fire Stations (Buildings) & Improvements	15 to 25 years
Vehicles & Equipment	5 to 15 years

Land, construction in progress and assets in progress are not depreciated.

J. COMPENSATED ABSENCES

It is the District’s policy to permit employees to accumulate earned but unused paid time off, or “PTO” benefits. All PTO is accrued when incurred in the government-wide statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. At September 30, 2023, the District had compensated balances of \$371,839

K. UNAVAILABLE REVENUE/UNEARNED REVENUE

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues not expected to be available for the current period are reflected as unavailable revenue (a deferred inflow of resources).

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues, if any, received in advance of expenses/expenditures are reflected as unearned revenue.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

L. DEFERRED INFLOWS AND OUTFLOWS 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 assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has pension deferred outflows of resources.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The District also has pension related deferred inflows.

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as deferred inflows. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax are deferred and recognized as inflow of resource in the period the amount becomes available.

M. LONG TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities.

In the fund type financial statements, governmental fund types the face amount of debt issued is reported as other financing sources.

N. PENSIONS

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

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

O. FUND EQUITY

Fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted – Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed – Represents amounts that can only be used for a specific purpose because of a formal action by the District Commissioners. Committed amounts cannot be used for any other purpose unless the District Commissioners removes those constraints through the same formal action.

Assigned – Represents amounts which the District intends to use for a specific purpose but do not meet the criteria of restricted or committed. The District Commissioners are the only entities that may make assignments at this time.

Unassigned – Represents the residual balance that may be spent on any other purpose of the District.

The District has not adopted a policy determining the order of availability.

P. NET POSITION

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Q. INTERFUND TRANSACTIONS

Legally authorized transfers, if any, are treated as interfund transfers and are included in the results of operation of Governmental Funds.

R. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

S. RECLASSIFICATIONS

Certain reclassifications have been made to the prior periods presented to conform to the current presentation. These reclassifications had no effect on fund equity.

NOTE 2 – CASH AND CASH INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledge securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash and Cash Equivalents

At September 30, 2023, the carrying amount of the District's deposits in the bank were fully covered by a combination of federal deposit insurance and pledged securities from the District's depository.

2. Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH INVESTMENTS (CONT.)

2. Investments (CONT.)

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District had no investments at September 30, 2023.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end, and, if so, the reporting of certain related disclosures is required:

- a. Credit Risk - Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.
- b. Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.
- c. Concentration of Credit Risk - The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to a concentration of credit risk.
- d. Interest Rate Risk - This is the risk that the changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.
- e. Foreign Currency Risk - This is the risk that the exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 3 – AD VALOREM (PROPERTY) TAXES

The District has contracted with the Bexar County Tax Assessor-Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action.

For fiscal year 2023, the assessed tax rate for the District was \$0.097369 per \$100 on an assessed valuation of \$5,302,043,896. The total tax levy for fiscal year 2023 was \$5,162,962. As of September 30, 2023, the delinquent current taxes were \$22,240. An allowance for uncollectible property taxes has not been established as of September 30, 2023, as management considers all amounts to be collectible.

NOTE 4 – RECEIVABLES

Receivables as of September 30, 2023 for the District’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

<i>Receivables:</i>	<u>General</u>
Property Taxes	\$ 42,156
Sales Taxes	615,870
EMS Charges Receivable - Net	486,581
Deployment Receivables	<u>752,102</u>
Gross Receivables	1,896,709
Less: Allowance for Uncollectibles	<u>(340,607)</u>
Net Total Receivables	<u><u>\$ 1,556,102</u></u>

NOTE 5 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers and Disposals</u>	<u>Amortization</u>	<u>Ending Balance</u>
Land	\$ 639,412	\$ -	\$ -	\$ -	\$ 639,412
Fire Stations & Improvements	3,442,517	8,029,518	-	-	11,472,035
Vehicles and Equipment	5,262,424	2,543,304	-	-	7,805,728
Construction in Progress	7,905,422	245,983	(8,106,571)	-	44,834
Less: Accumulated Depreciation	(3,595,693)	(1,007,440)	-	-	(4,603,133)
Right of Use Assets	149,923	137,181	-	(43,024)	244,080
	<u>\$13,804,005</u>	<u>\$ 9,948,546</u>	<u>\$(8,106,571)</u>	<u>\$ (43,024)</u>	<u>\$15,602,956</u>

Land and Construction in Progress are not depreciated.

Depreciation for Emergency Services of \$1,007,440 was recognized.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM DEBT

A summary of the long-term debt outstanding as of September 30, 2023, is as follows:

Governmental Activities	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
Bandera Station No. 116 Relocation Loan #1	\$ 1,176,755	\$ -	\$ (64,054)	\$ 1,112,701	\$ 66,657
Bandera Station No. 116 Relocation Loan #2	718,097	-	(59,870)	658,227	62,254
Fire Station No. 115 Improvements Loan	6,605,293	-	(163,497)	6,441,796	167,828
2022 Fire Station Loan	5,062,500	-	(172,670)	4,889,830	179,318
Equipment Notes Payable	989,961	-	(333,553)	656,408	343,004
Compensated Absences	343,509	28,330	-	371,839	371,839
Net Pension Liability	196,329	658,874	-	855,203	-
Lease Liability	139,870	137,181	(50,961)	226,090	49,333
<i>Total</i>	<u>\$ 15,232,314</u>	<u>\$ 824,385</u>	<u>\$ (844,605)</u>	<u>\$ 15,212,094</u>	<u>\$ 1,240,233</u>

Notes Payable

The Bandera Fire Station No. 116 Relocation Loan #1 consists of an original financed on June 15, 2017 with a balance of \$1,500,000 over 20 years with an interest rate of 4.063%. The loan requires annual payments of \$111,866. The loan is secured by a pledge of ad valorem revenues and the underlying real property.

The Bandera Fire Station No. 116 Relocation Loan #2 consists of an original financed on January 31, 2018 with a balance of \$1,000,000 over 15 years with an interest rate of 3.928%. The loan requires annual payments of \$87,986. The loan is secured by a pledge of ad valorem revenues and the underlying real property.

The Fire Station No. 115 Improvements Loan consists of an original financed on February 1, 2021 with a balance of \$7,085,000. The loan requires 20 annual payments of \$500,670 with an interest rate of 3.499%. The loan is secured by a pledge of future ad valorem taxes.

The 2022 Fire Station Loan consisted of an original financed on May 6, 2022 with a balance of \$5,062,500. The loan requires 20 annual payments of \$376,567 with an interest rate of 3.85%. The loan is secured by a pledge of future ad valorem taxes.

In November 2016, the District signed a note payable for a pumper truck and a ladder truck. Delivery did not occur until 2018. The note payable has an original financed balance of \$1,611,153 over 10 years with an interest rate of 3.1%. The note payable calls for annual payments of \$186,330 beginning January 15, 2018 and ending January 15, 2027.

In March 2020, the District signed a note payable for medical equipment. The note payable has an original financed balance of \$342,011 over 4 years and an advance payment of \$86,002 made in 2020.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM DEBT (CONT.)

Future minimum note payments are to be made as follows:

Fiscal Year Ending	Principal	Interest	Total
<u>September 30</u>			
2024	\$ 819,061	\$ 499,512	\$ 1,318,573
2025	781,273	473,248	1,254,521
2026	808,568	446,053	1,254,621
2027	836,768	417,890	1,254,658
2028	679,641	388,725	1,068,366
2029-2033	3,708,729	1,545,227	5,253,956
2034-2038	3,832,962	843,870	4,676,832
2039-2042	2,291,960	179,667	2,471,627
	<u>\$ 13,758,962</u>	<u>\$ 4,794,192</u>	<u>\$ 18,553,154</u>

NOTE 7 -- LEASES

The District entered into a lease agreement for 2 vehicles in August 2022 and 1 in February 2023. The initial lease liability totaled \$291,623. At September 30, 2023, the lease liability is \$226,090. The District is required to make monthly principal and interest payments totaling approximately \$5,402. The leases have an interest rate of .439% and .826%. The net book value of the right to use leased vehicles is \$244,080. The future principal and interest lease payments as of September 30, 2023 are as follows.

Fiscal Year Ending	Principal	Interest	Total
<u>September 30</u>			
2024	\$ 49,333	\$ 15,500	\$ 64,833
2025	53,083	11,749	64,832
2026	57,149	7,684	64,833
2027	56,073	3,286	59,359
2028	10,452	217	10,669
	<u>\$ 226,090</u>	<u>\$ 38,436</u>	<u>\$ 264,525</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 8 -- EMPLOYEES RETIREMENT SYSTEMS

Texas County and District Retirement System

Plan Description

The District participates as one of over 873 plans in the nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the District, within the options available in the State statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 10 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the District within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute.

At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The District has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The District contributed using the actuarially determined rate of 12.40% for the months of the accounting year 2022, and 12.02% for the months of the accounting year in 2023.

The contribution rate payable by the employee members for 2022 and 2023 is the rate of 7% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 8 -- EMPLOYEES RETIREMENT SYSTEMS (CONT.)

Texas County and District Retirement System (Continued)

Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the District-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

	2021	2022
Active employees	50	53
Inactive Employees Entitled to but Not Yet Receiving Benefits	27	25
Inactive Employees or Beneficiaries Currently Receiving Benefits	1	1
	78	79

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3% to 8.41% per year
Investment Rate of Return*	7.60%

* Presented net of pension plan investment expense, including inflation

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 8 -- EMPLOYEES RETIREMENT SYSTEMS (CONT.)

Texas County and District Retirement System (Continued)

Actuarial Assumptions (Continued)

Actuarial Assumptions are reviewed annually. Updated mortality assumptions were adopted in 2017. All other actuarial assumptions that determine the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

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

Note that the valuation assumption for long-term expected return is reassessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2021. See Milliman’s TCDRS Investigation of Experience report for the period of January 1, 2017 – December 31, 2020 for more details.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Geometric)</u>
US Equities	11.50%	4.95%
Private Equity	25.00%	7.95%
Global Equities	2.50%	4.95%
International Equities - Developed	5.00%	4.95%
International Equities - Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Cash Equivalents	2.00%	0.20%
Hedge Funds	6.00%	2.90%
	<u>100.00%</u>	

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 8 -- EMPLOYEES RETIREMENT SYSTEMS (CONT.)

Texas County and District Retirement System (Continued)

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Discount Rate Sensitivity Analysis

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

	Discount Rate 6.6%	Discount Rate 7.6%	Discount Rate 8.6%
Net Pension Liability (Asset)	\$ 2,412,025	\$ 855,203	\$ (347,457)

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

For the year ended December 31, 2022, the District recognized pension expense of \$438,773. Also as of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 739,656	\$ 1,948
Changes in Actuarial Assumptions	278,889	5,825
Differences Between Projected and Actual Investment Earnings	234,518	-
Contributions Subsequent to the Measurement Date	468,483	-
	\$ 1,721,546	\$ 7,773

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2023

NOTE 8 -- EMPLOYEES RETIREMENT SYSTEMS (CONT.)

Texas County and District Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Cont.)

Deferred outflows of resources in the amount of \$468,483 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Future Years Pension Expense:

For the Plan Year ended December 31,

2023	\$	213,849
2024		223,585
2025		229,149
2026		312,156
2027		161,439
Thereafter		105,112
		<u>\$ 1,245,290</u>

Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2021	\$ 4,426,307	\$ 4,229,978	\$ 196,329
Changes for the year:			
Service Cost	631,859	-	631,859
Interest	383,208	-	383,208
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	315,328	-	315,328
Changes of Assumptions	-	-	-
Refund of Contributions	(29,223)	(29,223)	-
Contributions - Employer	-	558,409	(558,409)
Contributions - Employee	-	313,784	(313,784)
Net Investment Income	-	(319,575)	319,575
Benefit Payments	(3,282)	(3,282)	-
Administrative Expense	-	(2,853)	2,853
Other Changes	-	121,756	(121,756)
Net Changes	<u>1,297,890</u>	<u>639,016</u>	<u>658,874</u>
Balance at December 31, 2022	<u>\$ 5,724,197</u>	<u>\$ 4,868,994</u>	<u>\$ 855,203</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 8 -- EMPLOYEES RETIREMENT SYSTEMS (CONT.)

Texas County and District Retirement System (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issues TCDRS financial report. That report may be obtained at www.tcdrs.com.

NOTE 9 – GROUP TERM LIFE FUND

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); this insurance is for active employees who are making deposits into the TCDRS system or have made the last deposit within the past two years. The total contributed in fiscal year 2022 and fiscal year 2023 was \$3,576 and \$8,741 respectively.

NOTE 10 -- RELATED PARTIES

The Board of Bexar County Emergency Services District No. 7 is also the Board of District 7 Fire and Rescue.

NOTE 11 -- LITIGATION

The District is not aware of any pending or threatened litigation.

NOTE 12 – COMMITMENTS

The District entered into an engineering contract in fiscal year 2023 with Marksmen General Contracting pertaining to Station 116. The total contract price is \$120,870. As of September 30, 2023 the remaining contract balance was \$76,036.

NOTE 13 -- RISK MANAGEMENT

The Bexar County Emergency Services District No. 7, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover this risk the District contracts with the Volunteer Firemen's Insurance Services (VFIS) of Texas to provide insurance coverage for Property/Casualty and Workers Compensation. VFIS is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by VFIS. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2023, were \$126,628.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

NOTE 14 -- SERVICE PROVIDER

The District 7 Fire and Rescue currently allows the Emergency Services District No.7 to use its property and equipment. The District will continue to pay for the liability insurance on the assets.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability and Related Ratios
- Notes to Schedule of Changes – Net Pension Liability and Related Ratios

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 5,215,000	\$ 5,215,000	\$ 5,183,208	\$ (31,792)
Sales Tax	3,500,000	3,570,000	3,633,364	63,364
Charges for Service - EMS	400,000	550,000	1,134,366	584,366
Deployment Income	-	450,000	450,326	326
Grant Income	-	102,558	70,340	(32,218)
Interest Income	-	-	6,784	6,784
Miscellaneous Income	1,300,000	850,000	317,128	(532,872)
TOTAL REVENUES	<u>10,415,000</u>	<u>10,737,558</u>	<u>10,795,516</u>	<u>57,958</u>
EXPENDITURES				
Current:				
Emergency Services	10,835,500	10,031,567	7,739,701	2,291,866
Administrative	550,500	318,500	538,527	(220,027)
Capital Outlay	5,000,000	5,000,000	2,789,287	2,210,713
Debt Service:				
Principal	1,414,000	1,434,000	213,254	1,220,746
Interest Expenditure	-	-	14,767	(14,767)
TOTAL EXPENDITURES	<u>17,800,000</u>	<u>16,784,067</u>	<u>11,295,536</u>	<u>5,488,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,385,000)	(6,046,509)	(500,020)	5,546,489
OTHER FINANCING SOURCES (USES)				
Proceeds from Lease Payable	315,000	335,000	137,181	(197,819)
Transfers In (Out)	-	(1,318,521)	(1,318,521)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>315,000</u>	<u>(983,521)</u>	<u>(1,181,340)</u>	<u>(197,819)</u>
Net Change in Fund Balance	(7,070,000)	(7,030,030)	(1,681,360)	5,348,670
Fund Balance - Beginning	<u>8,894,635</u>	<u>8,894,635</u>	<u>8,894,635</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,824,635</u>	<u>\$ 1,864,605</u>	<u>\$ 7,213,275</u>	<u>\$ 5,348,670</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEPTEMBER 30, 2023

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The District maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District’s Board and as such is a good management control device. The following funds have legally adopted annual budgets: General Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. Actual expenditures did not exceed appropriations for the year ended September 30, 2023.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT CALENDAR YEARS

Total Pension Liability			
	2015	2016	2017
Service Cost	\$ 163,660	\$ 176,195	\$ 180,528
Interest (on the Total Pension Liability)	52,913	52,232	76,478
Changes of Benefit Terms	(29,136)	-	-
Difference between Expected and Actual Experience	(195,222)	(15,577)	95,492
Change of Assumptions	745	-	(17,471)
Benefit Payments, Including Refunds of Employee Contributions	(29,131)	(13,447)	(1,641)
Net Change in Total Pension Liability	(36,171)	199,403	333,386
Total Pension Liability - Beginning	601,216	565,045	764,448
Total Pension Liability - Ending	<u>\$ 565,045</u>	<u>\$ 764,448</u>	<u>\$ 1,097,834</u>
Plan Fiduciary Net Position			
	2015	2016	2017
Contributions - Employer	\$ 122,636	\$ 113,169	\$ 135,045
Contributions - Employee	79,709	79,615	106,453
Net Investment Income	(8,674)	39,046	113,121
Benefit Payments, Including Refunds of Employee Contributions	(29,131)	(13,447)	(1,641)
Administrative Expense	(319)	(425)	(734)
Other	(38)	14,910	3,208
Net Change in Plan Fiduciary Net Position	164,183	232,868	355,452
Plan Fiduciary Net Position - Beginning	351,502	515,685	748,553
Plan Fiduciary Net Position - Ending	<u>\$ 515,685</u>	<u>\$ 748,553</u>	<u>\$ 1,104,005</u>
Net Pension Liability (Asset) - Ending	\$ 49,360	\$ 15,895	\$ (6,171)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.26%	97.92%	100.56%
Covered Payroll	\$ 1,138,703	\$ 1,137,351	\$ 1,520,758
Net Pension Liability as a Percentage of Employee Payroll	4.33%	1.40%	-0.41%

Note: GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The District will build the schedule over the 10-year period beginning December 31, 2014 as data become available.

Total Pension Liability				
2018	2019	2020	2021	2022
\$ 272,067	\$ 335,074	\$ 357,611	\$ 603,459	\$ 631,859
110,188	155,711	195,476	288,098	383,208
-	-	19,177	-	-
138,171	20,943	265,840	245,483	315,328
-	-	327,786	103,632	-
(19,487)	(23,440)	(64,034)	(3,282)	(32,505)
500,939	488,288	1,101,856	1,237,390	1,297,890
1,097,834	1,598,773	2,087,061	3,188,917	4,426,307
<u>\$ 1,598,773</u>	<u>\$ 2,087,061</u>	<u>\$ 3,188,917</u>	<u>\$ 4,426,307</u>	<u>\$ 5,724,197</u>

Plan Fiduciary Net Position				
2018	2019	2020	2021	2022
\$ 210,420	\$ 232,725	\$ 311,901	\$ 276,620	\$ 313,784
162,397	190,438	244,288	416,441	558,409
(16,621)	237,744	217,953	699,323	(319,575)
(19,487)	(23,441)	(64,036)	(3,282)	(32,505)
(1,165)	(1,602)	(2,066)	(2,288)	(2,853)
10,638	13,979	14,771	20,322	121,756
346,182	649,843	722,811	1,407,136	639,016
1,104,005	1,450,188	2,100,031	2,822,842	4,229,978
<u>\$ 1,450,187</u>	<u>\$ 2,100,031</u>	<u>\$ 2,822,842</u>	<u>\$ 4,229,978</u>	<u>\$ 4,868,994</u>

\$ 148,586	\$ (12,970)	\$ 366,075	\$ 196,329	\$ 855,203
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90.71%	100.62%	88.52%	95.56%	85.06%
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\$ 2,319,960	\$ 2,720,538	\$ 3,489,834	\$ 3,951,713	\$ 4,482,627
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6.40%	-0.48%	10.49%	4.97%	19.08%
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BEXAR COUNTY EMERGENCY SERVICES DISTRICT #7
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 LAST NINE FISCAL YEARS

Schedule of Contributions:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 122,524	\$ 113,169	\$ 135,045	\$ 210,420
Contributions in Relation to the Actuarially Determined Contribution	<u>122,636</u>	<u>113,169</u>	<u>135,045</u>	<u>210,420</u>
Contribution Deficiency (Excess)	<u>\$ (112)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$ 1,138,703	 \$ 1,137,351	 \$ 1,520,758	 \$ 2,319,960
 Contributions as a Percentage of Employee Payroll	 10.76%	 9.95%	 8.88%	 9.07%

Schedule of Contributions:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution	\$ 230,702	\$ 419,437	\$ 531,511	\$ 597,718
Contributions in Relation to the Actuarially Determined Contribution	<u>232,725</u>	<u>419,437</u>	<u>531,511</u>	<u>597,718</u>
Contribution Deficiency (Excess)	<u>\$ (2,023)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$ 2,720,538	 \$ 4,218,305	 \$ 4,433,864	 \$ 4,939,744
 Contributions as a Percentage of Employee Payroll	 8.48%	 9.94%	 11.99%	 12.10%

Note: GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The District will build the schedule over the 10-year period beginning September 30, 2015 as data become available.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #7
 NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	18.7 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 Healthy Annuitant Mortality Table for males and 120% of the Pub-2010 Healthy Annuitant Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Changes In Assumptions and Methods Reflected in the Schedule	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected.
Changes In Plan Provisions Reflected in the Schedule	2015: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was increased to 250% for future benefits. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018-2022: No changes in plan provisions were reflected in the schedule.



SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Comparative Statements – Debt Service Fund

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 COMPARATIVE BALANCE SHEETS - GENERAL FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 2,851,452	\$ 717,250
Restricted Cash - Capital Projects	3,245,956	6,787,053
Property Taxes Receivable	42,156	46,022
Sales Taxes Receivable	615,870	602,397
EMS Charges Receivable, Net	145,974	308,666
Other Receivables	752,102	865,194
Prepaid Items	63,493	224,374
TOTAL ASSETS	7,717,003	\$ 9,550,956
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 100,427	\$ 164,501
Payroll Liabilities	215,171	137,132
<i>Total Liabilities</i>	315,598	301,633
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	42,156	46,022
Unavailable EMS Revenues	145,974	308,666
<i>Total Deferred Inflows of Resources</i>	188,130	354,688
 <i>Fund Balance:</i>		
Nonspendable Prepaid Items	63,493	224,374
Restricted for Capital Projects	3,245,956	6,787,053
Unassigned	3,903,826	1,883,208
<i>Total Fund Balance</i>	7,213,275	8,894,635
 TOTAL LIABILITIES, DEFERRED INFLOWS AND RESOURCES AND FUND BALANCE		
	\$ 7,717,003	\$ 9,550,956

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GENERAL FUND
 FOR YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
REVENUES		
Property Taxes	\$ 5,183,208	\$ 4,331,931
Sales Taxes	3,633,364	3,470,057
Charges for Service - EMS	1,134,366	1,726,254
Interest Income	6,784	1,245
Deployment Income	450,326	-
Grant Income	70,340	-
Miscellaneous Income	317,128	263,584
TOTAL REVENUES	10,795,516	9,793,071
EXPENDITURES		
<i>Current:</i>		
Emergency Services	7,739,701	7,532,734
Administrative	538,527	501,677
Capital Outlay	2,789,287	3,441,589
Debt Service:		
Principal	213,254	14,572
Issuance Cost	-	62,500
Interest Expenditure	14,767	1,301
TOTAL EXPENDITURES	11,295,536	11,554,373
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(500,020)	(1,761,302)
OTHER FINANCING SOURCES (USES)		
Proceeds from Lease Payable	137,181	154,442
Proceeds From Notes Payable	-	5,062,500
Transfers In (Out)	(1,318,521)	(949,745)
TOTAL OTHER FINANCING SOURCES (USES)	(1,181,340)	4,267,197
Net Change in Fund Balance	(1,681,360)	2,505,895
Fund Balance - October 1	8,894,635	6,388,740
Fund Balance - September 30	\$ 7,213,275	\$ 8,894,635

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 COMPARATIVE BALANCE SHEETS – DEBT SERVICE FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Property Taxes Receivable	\$ -	\$ -
TOTAL ASSETS	\$ -	\$ -
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	-	-
<i>Total Deferred Inflows of Resources</i>	-	-
 <i>Fund Balance:</i>		
Unassigned	-	-
<i>Total Fund Balance</i>	-	-
 TOTAL LIABILITIES, DEFERRED INFLOWS AND RESOURCES AND FUND BALANCE	\$ -	\$ -

BEXAR COUNTY EMERGENCY SERVICES DISTRICT NO. 7
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES – DEBT SERVICE FUND
 FOR YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>Final Budget</u>	<u>2023</u>	<u>2022</u>
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
 EXPENDITURES			
Debt Service:			
Principal	207,123	794,644	602,848
Interest Expense	<u>523,877</u>	<u>523,877</u>	<u>346,897</u>
TOTAL EXPENDITURES	<u>731,000</u>	<u>1,318,521</u>	<u>949,745</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(731,000)	(1,318,521)	(949,745)
 OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>731,000</u>	<u>1,318,521</u>	<u>949,745</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>731,000</u>	<u>1,318,521</u>	<u>949,745</u>
 Net Change in Fund Balance	-	-	-
 Fund Balance - October 1	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balance - September 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

