

**NORTH BLANCO COUNTY
EMERGENCY SERVICES
DISTRICT NO. 1**

Financial Statements

**For the Year Ended
September 30, 2025**

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
TABLE OF CONTENTS
September 30, 2025

	<u>Page</u>
Management’s Discussion and Analysis	2
Independent Auditors’ Report.....	7
Statement of Net Position.....	9
Statement of Activities	10
Balance Sheet - Governmental Fund.....	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.....	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to the Statement of Activities	13
Notes to the Financial Statements	14
Required Supplementary Information	
Budgetary Comparison Schedule	27
Schedule of Changes in Net Pension Liability and Related Ratios.....	28
Schedule of Employer Contributions	29

**MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION**

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2025

As management of North Blanco County Emergency Services District No. 1 (the District), we are pleased to offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended September 30, 2025. We encourage readers to consider it in conjunction with the additional information presented in the accompanying basic financial statements and the notes to the financial statements.

Financial Statements

- The net position of the District increased by \$565,997 as a result of the current year's operations. Net position at year end consisted of invested in capital assets, net of related debt, of \$3,601,687 and unrestricted net position of \$3,393,247 for total net position of \$6,994,934.
- Total revenues from all sources were \$3,015,871, which represents an increase of \$323,484 over the prior year. This is due primarily to an increase in property tax revenue collection and interest income.
- Total costs of all programs were \$2,449,874 which represents an increase of \$646,735. This is due primarily to increases in human resource expenditures, capital outlay costs, and depreciation.
- As of September 30, 2025, the District's governmental fund reported an ending fund balance of \$3,431,850, an increase of \$247,386.

Using this Annual Report

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the District as a whole.
2. Fund financial statements provide detailed information for the District's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. The other information includes this management's discussion and analysis as well as the budgetary comparison schedule.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities of the District. The difference between assets and liabilities is reported as net position. 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.

The *Statement of Activities* presents information on how the District's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Both the Statement of Net Position and the Statement of Activities present information for the following:

Governmental activities—This includes all of the District's emergency protection services which will be primarily supported with property and sales tax revenues.

**NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2025**

The government-wide financial statements begin on page 9. The following is a summary of net position as of September 30, 2025:

**Table 1
Net Assets**

	Governmental Activities	
	9/30/2025	9/30/2024
Current assets and other assets	\$ 3,596,143	\$ 3,220,167
Capital assets, net	3,601,687	3,314,007
Total assets	7,197,830	6,534,174
Deferred outflow of resources	181,297	127,232
Current liabilities	164,292	35,703
Net pension liability	219,901	196,766
Total liabilities	384,193	232,469
Deferred inflow of resources	-	-
Net position:		
Invested in capital assets, net of related debt	3,601,687	3,314,007
Unrestricted	3,393,247	3,114,930
Total net position	\$ 6,994,934	\$ 6,428,937

**NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2025**

The following table is a summary of changes in net position:

**Table 2
Changes in Net Assets**

	Governmental Activities	
	<u>9/30/2025</u>	<u>9/30/2024</u>
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ -
Operating grants and contributions	151,518	80,611
Capital grants and contributions	-	-
General revenues:		
Property taxes	1,824,822	1,615,824
Sales taxes	909,172	911,619
Interest income	130,359	89,333
Gain (Loss) on disposition of assets	-	(5,000)
Total revenues	3,015,871	2,692,387
Expenses:		
General government	72,388	64,642
Public safety	2,377,486	1,738,497
Total expenses	2,449,874	1,803,139
Change in net position	565,997	889,248
Net position - October 1	6,428,937	5,539,689
Net position - September 30	\$ 6,994,934	\$ 6,428,937

**NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2025**

Fund Financial Statements

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 fund financial statements provide detailed information about the District's significant funds - not the District as a whole. The District's funds fall into one category - governmental fund.

The focus of the District's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The *governmental fund statements* provide a detailed short-term view of the government operations and the basic services it provided and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the District's short-term financing requirements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to the government-wide financial statements.

The District adopts an annual budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget. The governmental fund financial statements begin on page 11, and the budgetary comparison schedule is on page 27.

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 notes to the financial statements can be found on pages 14 through 25 of this report.

General Fund Budgetary Highlights

The District amended the budget during the fiscal year to increase contract payments, capital outlay, and EMS payroll costs.

Actual expenditures on a budgetary basis were ten percent higher than budgeted expenditures due mainly to increased capital outlay and payroll expenditures. The District's overall actual revenues were four percent higher than budgeted due mainly to unanticipated contribution and interest income.

Capital Assets

The District's investment in capital assets for its governmental activities as of September 30, 2025, amounts to \$3,601,687 (net of accumulated depreciation). This investment in capital assets includes radios, machinery, equipment, and vehicles.

**Capital Assets
Government Activities
(net of depreciation)**

	9/30/2025	9/30/2024
Building and improvements	\$ 1,396,146	\$ 1,469,409
Machinery and equipment	330,338	264,249
Vehicles and equipment	1,540,994	1,246,140
Land	334,209	334,209
Total	\$ 3,601,687	\$ 3,314,007

**NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
September 30, 2025**

This year's major additions included the following:

This year's major additions included:	
Johnson City Volunteer Fire Department	
Three Radios	\$ 18,354
Three SCBAs	27,579
Vehicle	199,870
Round Mountain Volunteer Fire Department:	
Four SCBAs	41,150
Vehicle	258,923
North Blanco Emergency Medical Services:	
Ventilators	66,000
Vehicle	77,357
	\$ 689,233

There were no disposition of assets in the current fiscal year.

Additional information on the District's capital assets can be found in Note 4 on page 19 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's tax revenues are expected to continue to grow with the steady population growth, increased property values, and sales tax collections. These additional funds will be used to fund emergency fire services and emergency medical services.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives from the citizens of North Blanco County Emergency Services District No. 1. If you have any questions about this report or need further information, contact North Blanco County Emergency Services District No. 1, P.O. Box 494, Johnson City, TX 78636.

INDEPENDENT AUDITORS' REPORT

To The Commissioners
North Blanco County Emergency Services District No. 1

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of North Blanco County Emergency Services District No. 1, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise North Blanco County Emergency Services District No. 1'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 North Blanco County Emergency Services District No. 1, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Blanco County Emergency Services District No. 1, 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 North Blanco County Emergency Services District No. 1'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 North Blanco County Emergency Services District No. 1'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 North Blanco County Emergency Services District No. 1'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, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the notes to the required supplementary information 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.

Oliver, Rainey & Wojtek, LLP

Oliver, Rainey & Wojtek, LLP
February 23, 2026

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF NET POSITION
As of September 30, 2025

	Primary Government	
	Governmental	
	Activities	Total
Assets		
Deposits and investments	\$ 3,463,254	\$ 3,463,254
Taxes receivable	124,994	124,994
Miscellaneous receivable	7,895	7,895
Capital assets, net	3,601,687	3,601,687
Total Assets	7,197,830	7,197,830
Deferred Outflow of Resources		
Changes in assumptions - pensions	2,995	2,995
Difference between projected and actual earnings - pensions	1,028	1,028
Difference between projected and actual experience - pensions	93,780	93,780
Contributions subsequent to the measurement date	83,494	83,494
Total Deferred Outflow of Resources	181,297	181,297
Liabilities		
Accounts payable	164,292	164,292
Net pension liability	219,901	219,901
Total Liabilities	384,193	384,193
Net Position		
Invested in capital assets, net of related debt	3,601,687	3,601,687
Unrestricted assets	3,393,247	3,393,247
Total Net Position	\$ 6,994,934	\$ 6,994,934

The accompanying notes are an integral part of the financial statements.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Activities</u>	<u>Total</u>
Primary government:						
Governmental activities:						
General government	\$ 72,388	\$ -	\$ 52,721	\$ -	\$ (19,667)	\$ (19,667)
Public safety - Johnson City VFD	303,903	-	-	-	(303,903)	(303,903)
Public safety - Round Mountain VFD	234,366	-	-	-	(234,366)	(234,366)
Public safety - North Blanco EMS	1,839,217	-	98,797	-	(1,740,420)	(1,740,420)
Total net (expense) revenue for governmental activities and the primary government	<u>\$2,449,874</u>	<u>\$ -</u>	<u>\$ 151,518</u>	<u>\$ -</u>	<u>(2,298,356)</u>	<u>(2,298,356)</u>
General Revenues:						
Taxes						
					1,824,822	1,824,822
					909,172	909,172
					130,357	130,357
					<u>2,864,351</u>	<u>2,864,351</u>
					565,995	565,995
					<u>6,428,939</u>	<u>6,428,939</u>
					<u>\$ 6,994,934</u>	<u>\$ 6,994,934</u>

The accompanying notes are an integral part of the financial statements.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
BALANCE SHEET – GOVERNMENTAL FUND
As of September 30, 2025

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Deposits and investments	\$ 3,463,254	\$ 3,463,254
Taxes receivable	196,840	196,840
Miscellaneous receivable	7,895	7,895
Total Assets	<u>3,667,989</u>	<u>3,667,989</u>
Liabilities		
Accounts payable	<u>164,292</u>	<u>164,292</u>
Total Liabilities	<u>164,292</u>	<u>164,292</u>
Deferred Inflows of Resources		
Unavailable property taxes	<u>71,846</u>	<u>71,846</u>
Total Deferred Inflows of Resources	<u>71,846</u>	<u>71,846</u>
Fund Balance		
Unassigned	<u>3,431,851</u>	<u>3,431,851</u>
Total Fund Balance	<u>3,431,851</u>	<u>3,431,851</u>
Total Liabilities and Fund Balance	<u>3,667,989</u>	
Amounts reported for government activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (See Note 4)		3,601,687
Deferred outflows and inflows are not financial resources and, therefore are not reported in the funds.		181,297
Net pension liability is not due and payable in the current year and, therefore is not reported in the funds.		<u>(219,901)</u>
Net Position of Governmental Activities		<u>\$ 6,994,934</u>

The accompanying notes are an integral part of the financial statements.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
For the Year Ended September 30, 2025

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues		
Payroll reimbursement	\$ 98,797	\$ 98,797
Contributions	52,721	52,721
Interest income	130,357	130,357
Property taxes	1,824,822	1,824,822
Sales taxes	909,172	909,172
	<u>3,015,869</u>	<u>3,015,869</u>
Total Revenues	<u>3,015,869</u>	<u>3,015,869</u>
Expenditures		
Capital outlay	694,706	694,706
EMS payroll expenses	1,721,263	1,721,263
Insurance	2,358	2,358
Johnson City VFD payments	155,992	155,992
Office and administration	7,686	7,686
Professional fees	59,171	59,171
Radio fees	24,519	24,519
Round Mountain VFD payments	99,800	99,800
Travel and training	2,987	2,987
	<u>2,768,482</u>	<u>2,768,482</u>
Total Expenditures	<u>2,768,482</u>	<u>2,768,482</u>
Excess (Deficiencies) of Revenues Over (Under)		
Expenditures and Other (Uses)	247,387	247,387
Fund Balance, Beginning of Year	<u>3,184,464</u>	<u>3,184,464</u>
Fund Balance, End of Year	<u>\$ 3,431,851</u>	<u>\$ 3,431,851</u>

The accompanying notes are an integral part of the financial statements.

**NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025**

Net Change in Fund Balance - Governmental Funds	\$ 247,387
<p>Amount reported for governmental activities in the Statement of Activities are different because:</p>	
<p>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 as depreciation expense. This amount is the net effect of these differences in the treatment of capital assets and related items. (See Note 4)</p>	
	287,680
<p>Pension expenditures reported in the funds use current financial resources, however, pension expenses in the statement of activities will be expensed as incurred.</p>	
	<u>30,928</u>
Change in Net Position of Governmental Activities	<u>\$ 565,995</u>

The accompanying notes are an integral part of the financial statements.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

North Blanco County Emergency Services District No. 1 (the District) was originally formed by election held in May of 1989. The District operates under Article III, Section 48-e of the Texas Constitution and Chapter 775 of the Texas Health and Safety Code and is run by a Board of Commissioners appointed by the Blanco County Commissioners Court. The District's major activities include providing emergency services to the residents of and visitors to the District.

As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of the District (the primary government) and its component units. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in U.S. generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant indication of this ability is financial interdependency. Other indications 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. The other 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 District is able to exercise oversight responsibilities. The District had no component units for the year ended September 30, 2025.

Government-Wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the District's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and equipment, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position

The Statement of Net Position is designed to display the financial position of the primary government (governmental activities) and its discretely presented component units, if any. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements

In the fund financial statements, financial transactions of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are provided for the governmental fund.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 1 – Summary of Significant Accounting Policies – Continued

General Fund

The General Fund is the principal fund of the District which accounts for all financial transactions not accounted for in other funds. The District had no other funds for the year ended September 30, 2025.

Fund Balance Classification

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the District's Board.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The District adopted a minimum fund balance policy. The policy requires the unassigned fund balance to be at least approximately one year's operating budget.

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the current reporting model, governments will provide budgetary comparison information in their annual reports. The District is required to present the original budget with the comparison of the final budget and actual results. The budget is adopted by the Board prior to the beginning of the fiscal year. Amendments are made during the year on approval by the Board. The District adopted the current year budget on a line-item basis.

Basis of Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 1 – Summary of Significant Accounting Policies – Continued

Government-Wide and Fund Accounting

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. As of September 30, 2025, the District had no business-type activities.

In the government-wide Statement of Net Position, the governmental activity columns are to be presented on a consolidated basis by column, and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety), 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, and contributions. The program revenues must be directly associated with the function (public safety). The District does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Amounts reported as 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

In the fund financial statements, financial transactions of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements with the governmental column of the government-wide presentation.

The focus of the reporting model is on the District as a whole and the fund financial statements, including the major individual funds of the governmental categories, and the component units (if any). Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statement of net position and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included in the statement of net position.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 1 – Summary of Significant Accounting Policies – Continued

All revenue and expenditure recognition for governmental funds are accounted for using the modified accrual basis of accounting. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The District’s revenues are recognized when they become measurable and available as current assets. Available means collectible within the current year or as soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal year. Penalties and interest, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Estimates

The preparation of financial statements in conformity with U.S. 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 expenditures during the reporting year. Actual results could differ from those estimates.

Deposits and Investments

The District’s investment guidelines are defined by a written investment policy that is approved by the District’s Board. In accordance with this policy, the funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill and caution.

Capital Assets

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements of the District. Depreciation is recorded on general fixed assets on a government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation is computed using the straight-line method.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. Estimated useful lives for depreciable assets are as follows:

Building and Improvements	7 to 30 years
Machinery and Equipment	5 to 7 years
Vehicles and Equipment	5 to 10 years

Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County & District Retirement System (TCDRS) and additions to/deductions from TCERS Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments held by TCERS are reported at fair value.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 1 – Summary of Significant Accounting Policies – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has the following items that qualify for reporting in these categories.

- Pension contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five-year period.
- Difference in projected and actual experience and changes in assumptions for pension assets - These differences are deferred and amortized over the average service life for all active, inactive, and retired members.

Note 2 – Property Taxes

The District's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real property located in the District. The tax levy for October, 2024 was \$1,847,251.

The tax assessment of October 1, 2024, sets the tax levy at \$0.10 per \$100 of assessed valuation.

Delinquent property taxes estimated to be collectible within the next fiscal year are recognized as revenues. Other delinquent property taxes receivable at year end that are deemed to be ultimately collectible are recorded as deferred revenues.

Note 3 – Deposits and Investments

As of September 30, 2025, cash deposits were with a depository bank in interest bearing accounts, and these balances approximated fair value. As of the balance sheet date, the District's deposits totaled \$3,463,254 and the bank balance was \$3,463,444.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that, in the event of the failure of the depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's policy requires all deposits to be fully secured in accordance with Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian. At September 30, 2025, all District cash balances were secured.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 4 – Changes in Capital Assets

Changes in general fixed assets during the year ended September 30, 2025, were as follows:

	October 1, 2024	Increase	Decrease	September 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ 334,209	\$ -	\$ -	\$ 334,209
Other Capital Assets				
Building and improvements	1,710,159	-	-	1,710,159
Machinery and equipment	464,192	158,555	-	622,747
Vehicle and equipment	2,635,824	536,150	-	3,171,974
Total Capital Assets	4,810,175	694,705	-	5,504,880
Less accumulated depreciation	(1,830,377)	(407,025)	-	(2,237,402)
Other Capital Assets, Net	2,979,798	287,680	-	3,267,478
Total Capital Assets, Net of Depreciation	<u>\$ 3,314,007</u>	<u>\$ 287,680</u>	<u>\$ -</u>	<u>\$ 3,601,687</u>

Current year depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 182
Public safety - Johnson City VFD	142,573
Public safety - Round Mountain VFD	138,201
Public safety - North Blanco EMS	126,069
Total depreciation expense - Governmental Activities	<u>\$ 407,025</u>

Note 5 – Contracts

The District has contracted with the Johnson City and Round Mountain Volunteer Fire Departments for fire-fighting services and with the North Blanco County EMS for emergency medical services.

Note 6 – Pension Plan

The District provides retirement, disability, and death benefits for all of its full-time and part-time non-temporary employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer, public employee retirement system consisting of over 890 active participating counties and districts throughout Texas. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or at www.tcdrs.org.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 6 – Pension Plan - Continued

Benefits Provided

The plan provisions are adopted by the governing body of the District, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 20 years of service regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s accumulated 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 employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, or death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the District’s Board within certain guidelines.

Employees covered by benefit terms: At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employee Accounts:	2024	2023
Receiving benefits	0	0
Entitled to but not yet receiving benefit	22	16
	22	16
Active employees	18	20

Contributions

The District has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

	Contribution Rates	
	2024	2023
Member	7%	7%
Employers	9.81%	9.78%
Fiscal year Employer Contributions	\$ 107,207	\$ 74,280
Fiscal year Members Contributions	\$ 76,651	\$ 53,884

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 6 – Pension Plan - Continued

Actuarial Assumptions

The total pension liability in December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay)
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation
Salary Increases	Same as funding valuation
Investment Rate of return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for North Balance Emergency Services District No. 1 are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Mortality	Same as funding valuation
Retirement Age	Same as funding valuation
Turnover	Same as funding valuation
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)	Same as funding valuation. For employers, who have elected this option, a 0.75% increase is applied to the TPL related to the member deposit portion of the estimated monthly benefit for future retirees.

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017 - 2020. Assumptions were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2021 and first used in December 31, 2021, actuarial valuation.

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 6 – Pension Plan - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirement under our funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 6 – Pension Plan - Continued

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on 10-year time horizon; the most recent analysis was performed in January 2024.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leverage Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.80%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	8.15%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-day U.S. Treasury	2.00%	1.10%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At September 30, 2025 the District reported a net pension liability of \$219,901 measured at December 31, 2024. For the year ended September 30, 2025, the District recognized pension expense of \$76,276.

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 6 – Pension Plan - Continued

Changes in the net pension liability for the measurement year ended December 31, 2024, are as follows:

<u>Changes in Net Pension Liability/(Asset)</u>	<u>Total Pension Liability</u> (a)	<u>Fiduciary Net Position</u> (b)	<u>Net Pension Liability/(Asset)</u> (a) - (b)
Balance as of December 31, 2023	\$ 429,813	\$ 233,047	\$ 196,766
Changes for the year			
Service cost	113,728	-	113,728
Interest on total pension liability	41,294	-	41,294
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	47,565	-	47,565
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(407)	(407)	-
Benefit payments	-	-	-
Administrative expenses	-	(224)	224
Member contributions	-	60,676	(60,676)
Net investment income	-	26,815	(26,815)
Employer contributions	-	84,166	(84,166)
Other	-	8,019	(8,019)
Balance as of December 31, 2024	<u>\$ 631,993</u>	<u>\$ 412,092</u>	<u>\$ 219,901</u>

Sensitivity Analysis

The following presents the net pension (asset) liability of the District, calculated using the discount rate of 7.60%, as well as what the North Blanco Emergency Services District No. 1 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.

	<u>1% Decrease 6.60%</u>	<u>Current Discount Rate 7.60%</u>	<u>1% Increase 8.60%</u>
Total pension liability	\$ 772,402	\$ 631,993	\$ 518,932
Fiduciary net position	412,091	412,092	412,091
Net position liability/(asset)	<u>\$ 360,311</u>	<u>\$ 219,901</u>	<u>\$ 106,841</u>

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
September 30, 2025

Note 6 – Pension Plan - Continued

As of December 31, 2024, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between projected and actual experience	\$ 3,810	\$ 97,590
Changes of assumptions	317	3,312
Net difference between projected and actual earnings	-	1,028
Contributions made subsequent to measurement date	N/A	83,494

The \$83,494 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2025.

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31	
2025	\$ 13,031
2026	15,119
2027	11,818
2028	13,125
2029	13,802
Thereafter	30,908

Note 7 – Subsequent Events

The District did not have any subsequent events through February 23, 2026, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the fiscal year ended September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
For the Year Ended September 30, 2025

	Budget		Actual Amounts Budgetary Basis	Variance with Final Final Budget
	Original	Final		Positive (Negative)
Revenues				
Payroll reimbursement	\$ 79,449	\$ 111,194	\$ 98,797	\$ (12,397)
Contributions	-	-	52,721	52,721
Interest income	80,000	80,000	130,357	50,357
Property taxes	1,876,776	1,817,210	1,824,822	7,612
Sales taxes	887,000	887,000	909,172	22,172
Total Revenues	<u>2,923,225</u>	<u>2,895,404</u>	<u>3,015,869</u>	<u>120,465</u>
Expenditures				
Capital outlay	-	632,000	694,706	(62,706)
EMS payroll expenses	1,257,463	1,514,871	1,721,263	(206,392)
Insurance	4,500	4,500	2,358	2,142
Johnson City VFD payments	-	176,000	155,992	20,008
Office and administration	2,725	2,725	7,686	(4,961)
Professional fees	70,000	70,000	59,171	10,829
Radio fees	21,000	21,000	24,519	(3,519)
Round Mountain VFD payments	-	99,800	99,800	-
Travel and training	3,000	3,000	2,987	13
Total Expenditures	<u>1,358,688</u>	<u>2,523,896</u>	<u>2,768,482</u>	<u>(244,586)</u>
Excess (Deficiencies) of Revenues Over (Under) Expenditures and Other (Uses)	<u>\$ 1,564,537</u>	<u>\$ 371,508</u>	247,387	<u>\$ (124,121)</u>
Fund Balance, Beginning of Year			<u>3,184,464</u>	
Fund Balance, End of Year			<u>\$ 3,431,851</u>	

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
For the Year Ended September 30, 2025

	Year Ended December 31									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability										
Service cost	\$ 113,728	\$ 73,500	\$ 30,953	\$ 32,936	\$ 26,184	\$ 18,367	\$ 1,355	n/a	n/a	n/a
Interest on total pension liability	41,294	25,673	9,374	7,493	4,394	1,598	110	n/a	n/a	n/a
Effect of plan changes	-	-	139,086	-	-	-	-	n/a	n/a	n/a
Effect of assumption changes or inputs	-	-	-	(741)	6,627	-	-	n/a	n/a	n/a
Effect of economic/demographic (gains) or losses	47,565	66,357	(1,296)	(6,670)	656	6,745	(110)	n/a	n/a	n/a
Benefit payments/(refunds) of contributions	(407)	-	(12,224)	(554)	-	-	-	n/a	n/a	n/a
Net change in total pension liability	202,180	165,530	165,893	32,464	37,861	26,710	1,355	n/a	n/a	n/a
Total pension liability, beginning	429,813	264,283	98,390	65,926	28,065	1,355	-	n/a	n/a	n/a
Total pension liability, ending (a)	<u>\$ 631,993</u>	<u>\$ 429,813</u>	<u>\$ 264,283</u>	<u>\$ 98,390</u>	<u>\$ 65,926</u>	<u>\$ 28,065</u>	<u>\$ 1,355</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Fiduciary Net Position										
Employer contributions	\$ 84,166	\$ 54,317	\$ 14,828	\$ 9,785	\$ 9,554	\$ 8,678	\$ 596	n/a	n/a	n/a
Member contributions	60,676	41,011	19,133	17,792	17,515	16,070	1,104	n/a	n/a	n/a
Investment income, net of investment expense	26,815	14,021	(7,834)	15,922	2,908	265	19	n/a	n/a	n/a
Benefit payments/(refunds) of contributions	(407)	-	(12,224)	(554)	-	-	-	n/a	n/a	n/a
Administrative expenses	(224)	(122)	(70)	(55)	(43)	(21)	(1)	n/a	n/a	n/a
Other	8,019	4,820	3,146	782	804	851	50	n/a	n/a	n/a
Net change in fiduciary net position	179,045	114,047	16,979	43,672	30,738	25,843	1,768	n/a	n/a	n/a
Fiduciary net position, beginning	233,047	119,000	102,021	58,349	27,611	1,768	-	n/a	n/a	n/a
Fiduciary net position, ending (b)	<u>\$ 412,092</u>	<u>\$ 233,047</u>	<u>\$ 119,000</u>	<u>\$ 102,021</u>	<u>\$ 58,349</u>	<u>\$ 27,611</u>	<u>\$ 1,768</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 219,901</u>	<u>\$ 196,766</u>	<u>\$ 145,283</u>	<u>\$ (3,631)</u>	<u>\$ 7,577</u>	<u>\$ 454</u>	<u>\$ (413)</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Fiduciary net position as a % of total pension liability	65.21%	54.22%	45.03%	103.69%	88.51%	98.38%	130.48%	n/a	n/a	n/a
Pensionable covered payroll	\$ 866,796	\$ 585,860	\$ 478,332	\$ 444,791	\$ 437,883	\$ 401,746	\$ 27,599	n/a	n/a	n/a
Net pension liability as a % of covered payroll	25.37%	33.59%	30.37%	-0.82%	1.73%	0.11%	-1.50%	n/a	n/a	n/a

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Year Ended September 30, 2025

<u>Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	596	596	-	27,599	2.2%
2019	8,678	8,678	-	401,746	2.2%
2020	9,546	9,554	(8)	437,883	2.2%
2121	9,785	9,785	-	444,791	2.2%
2022	14,828	14,828	-	478,332	3.1%
2023	54,075	54,317	(242)	585,860	9.3%
2024	84,166	84,166	-	866,796	9.7%

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

NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1
SCHEDULE OF EMPLOYER CONTRIBUTIONS - Continued
For the Year Ended September 30, 2025

Notes to Schedule of Employer Contributions

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

Method and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.0 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females. Both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumption were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: Not applicable, prior to TCDRS participation 2016: Not applicable, prior to TCDRS participation 2017: Not applicable, prior to TCDRS participation 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was increased to 200% for future benefits. 2024: No changes in plan provisions were reflected in the Schedule.