

AUSTIN COUNTY EMERGENCY
COMMUNICATIONS DISTRICT
Financial Statements
with
Independent Auditor's Report
September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Austin County Emergency Communications District

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Austin County Emergency Communications District, (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund 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 (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 the District 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 the District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, and the schedule of contributions on pages 4 through 6 and pages 25 through 26, respectively, 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 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.

Seidel Schaefer

January 15, 2026
Brenham, Texas



Austin County Emergency Communications District
842 W. Main St.
P.O. Box 911
Bellville, TX 77418
979-865-1911

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Governmental Accounting Standards Board Statement 34 requires that management of the District present an analysis and discussion of the financial activities of the District.

Management will attempt to give a brief overview of the finances of the District.

Financial Highlights

In 2024, net position increased by \$42,085 resulting from total revenues of \$460,723 less expenses of \$418,638. In 2023, net position decreased by \$138,130 resulting from total revenues of \$287,308 less expenses of \$425,438.

As of September 30, 2024, the District's total assets were \$1,304,806 of which \$557,167 were capital assets. Its liabilities were \$710,620. As of September 30, 2023, the District's total assets were \$1,097,641 of which \$641,973 were capital assets. Its liabilities were \$537,238.

The District had net position as of September 30, 2024 of \$627,628 of which \$200,099 was the net investment in capital assets. The District had net position as of September 30, 2023, of \$585,543 of which \$128,314 was the net investment in capital assets.

Overview of the Financial Statements

The District's basic financial statements consist of government-wide financial statements, fund financial statements and the notes to the financial statements.

The government-wide financial statements, which are comprised of the Statement of Net Position and the Statement of Activities, include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using full accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The fund financial statements are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The fund financial statements have a short-term focus and help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities.

Condensed Financial Information

Governmental Activities

	2023	2024
Current and Other Assets	\$ 455,415	\$ 746,069
Net pension asset	253	1,570
Capital Assets		
Depreciable and right-to-use, net	641,973	557,167
<u>Total Assets</u>	1,097,641	1,304,806
Deferred outflows of resources	25,515	33,764
Other Liabilities	180,170	519,856
Long-term Liabilities	357,068	190,764
<u>Total Liabilities</u>	537,238	710,620
Deferred inflows of resources	375	322
Net Position:		
Invested in Capital Assets, net of related debt	128,314	200,099
Unrestricted	457,229	427,529
<u>Total Net Position</u>	\$ 585,543	\$ 627,628
	Year Ended September 30, 2023	Year Ended September 30, 2024
Revenues		
Program Revenues:		
Customer Land Lines Assessments	\$ 106,136	\$ 100,997
Customer Cellular Assessments	173,607	172,189
Interest Earned	5,349	3,899
Grant Revenue	-	182,743
Miscellaneous	2,216	895
<u>Total Revenue</u>	287,308	460,723
Expenses		
Operations	211,387	230,282
Rural Addressing	1,236	-
Administration and Support	174,965	160,104
Debt Service- Interest	37,850	28,252
<u>Total Expenses</u>	425,438	418,638
Change in Net Position	(138,130)	42,085
Beginning Net Position	723,673	585,543
Ending Net Position	\$ 585,543	\$ 627,628

FINANCIAL ANALYSIS

As indicated by the Statement of Net Position, as of September 30, 2024, total assets increased by \$207,165. Current and other assets in 2024 were \$746,069, an increase of \$290,654 from September 30, 2023, primarily due to an increase in cash due to receiving grant funds. Depreciable and right-to-use assets, net of amortization and depreciation, were \$557,167 in 2024, a decrease of \$84,806 from September 30, 2023 primarily due to the amortization of the hardware refresh equipment. Long-term liabilities in 2024 were \$190,764, a decrease of \$166,304 from September 30, 2023 primarily due to paydowns on the finance lease for the hardware refresh. Other liabilities were \$519,856 in 2024, an increase of \$339,686 from September 30, 2023 primarily due to unearned grant revenue.

As indicated by the Statement of Activities, revenues exceeded expenses by \$42,085 for the year ended September 30, 2024. Total revenues in 2024 were \$460,723, an increase of \$173,415 from September 30, 2023, primarily due to grant revenue received from the State Comptroller. Total expenses in 2024 were \$418,638, a decrease of \$6,800 from September 30, 2023. Operations expenses increased by \$18,895 from September 30, 2023 to 2024 primarily due to an increase in expenses related to telecommunications due to new customers and lines in 2024.

Revenue was greater than budget by \$169,828 due to grant revenue that was received. The expenditures exceeded budget by \$11,087. Equipment maintenance and repairs expenditures were less than budget by \$180,066 and debt service expenditures exceeded budget by \$184,743 due to the reclassification of the hardware refresh debt payments to debt service. Payroll expenditures were less than budget by \$37,159 due to the executive director position being vacant for half of the year.

CAPITAL ASSETS

The District owns capital assets in the form of office buildings, storage building, computer hardware and software, furniture and fixtures and automobiles. In 2024, capital assets had a value after depreciation of \$557,167. In September 30, 2023, capital assets had a value after depreciation of \$641,973. There were no significant additions in 2024.

DEBT

Two lease agreements accounted for as finance leases in the amount of \$357,068 were the debt obligation as of September 30, 2024. Lease agreements accounted for as finance leases in the amount of \$513,659 were the debt obligations as of September 30, 2023.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Funding for the District is a process that is prescribed in the Health and Safety Chapter 772.304.

Potential use of retained funds by the District is to update office equipment and PSAP's computer and software. An additional use of retained funds is for disaster recovery. This would allow the District to continue operations in the event of an unforeseen disaster.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Net Position and
Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 527,756	\$ -	\$ 527,756
Certificates of deposit	182,900	-	182,900
Accounts receivable	17,521	-	17,521
Accrued interest receivable	719	-	719
Prepaid expenses	-	17,173	17,173
Net pension asset	-	1,570	1,570
Capital assets:			
Depreciable and right-to-use, net	-	557,167	557,167
Total Assets	728,896	575,910	1,304,806
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	-	33,764	33,764
 LIABILITIES			
Accounts payable	12,408	-	12,408
Accrued expenses	1,926	-	1,926
Unearned revenue	339,218		339,218
Lease liability, due within one year	-	166,304	166,304
Lease liability, long-term portion	-	190,764	190,764
Total Liabilities	353,552	357,068	710,620
 DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	-	322	322
 FUND BALANCE/NET POSITION			
Fund balance:			
Unassigned	375,344	(375,344)	-
Total liabilities and fund balance	\$ 728,896		
Net position:			
Net investment in capital assets		200,099	200,099
Unrestricted		427,528	427,529
Total net position		\$ 627,628	\$ 627,628

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
 Reconciliation of the Balance Sheet to the Statement of Net Position
 Governmental Funds
 September 30, 2024

Fund Balances - total governmental funds		\$ 375,344
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>		
Governmental capital assets	\$ 1,351,679	
Less accumulated depreciation and amortization	<u>(794,512)</u>	557,167
<p>Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds.</p>		
		(357,068)
<p>Prepaid items benefit future periods and are included as an asset on the Statement of Net Position.</p>		
		17,173
<p>Net pension asset and deferred outflows are not receivable and deferred inflows are not payable in the current period and, therefore, are not reported in the governmental funds.</p>		
		35,012
 Net Position of Governmental Activities		 <u><u>\$ 627,628</u></u>

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Statement of Activities and
Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended September 30, 2024

	General Fund	Adjustments	Statement of Activities
Revenue:			
Customer land line assessments	\$ 100,997	\$ -	\$ 100,997
Customer cellular assessments	172,189	-	172,189
Interest earned	3,899	-	3,899
Miscellaneous	-	895	895
Grant Revenue	182,743	-	182,743
Total revenues	<u>459,828</u>	<u>895</u>	<u>460,723</u>
Expenditures:			
Current:			
Operations:			
ANI / ALI network and services	117,459	-	117,459
Equipment maintenance and repairs	29,434	1,919	31,353
Depreciation and amortization	-	81,470	81,470
Administration and support:			
Payroll	76,400	-	76,400
Retirement	8,813	(9,618)	(805)
Insurance	31,405	(8,247)	23,159
Office supplies	9,320	-	9,320
Professional Fees	37,588	1,500	39,088
Travel	488	-	488
Miscellaneous	9,296	(178)	9,118
Depreciation and amortization	-	3,336	3,336
Debt service:			
Principal retirement	156,591	(156,591)	-
Interest	28,252	-	28,252
Total expenditures	<u>505,046</u>	<u>(86,409)</u>	<u>418,638</u>
Excess/(deficiency) of revenue over/(under) expenditures	(45,218)	87,304	42,085
Other financing sources (uses)			
Insurance proceeds	895	(895)	-
Total other financing sources (uses)	<u>895</u>	<u>(895)</u>	<u>-</u>
Net change in fund balance/change in net position	(44,323)	86,409	42,085
Fund balance/net position:			
Beginning of the year	419,667	165,876	585,543
End of the year	<u>\$ 375,344</u>	<u>\$ 252,285</u>	<u>\$ 627,628</u>

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2024

Net changes in Fund Balances - total governmental funds	\$ (44,323)
<p>Amounts 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 costs of these assets are depreciated and amortized over their estimated useful lives:</p>	
Less current year depreciation and amortization	(84,806)
<p>Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	156,591
<p>Expenditures reported in the statement of activities are expensed once economic performance has occurred. In the governmental funds expenditures are recognized when they are paid for.</p>	14,623
Change in Net Position of Governmental Activities	\$ 42,085

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenue:				
Customer land line assessments	\$ 107,000	\$ 107,000	\$ 100,997	\$ (6,003)
Customer cellular assessments	178,000	178,000	172,189	(5,811)
Interest earned	5,000	5,000	3,899	(1,101)
Grant Revenue	-	-	182,743	182,743
Total revenues	<u>290,000</u>	<u>290,000</u>	<u>459,828</u>	<u>169,828</u>
Expenditures:				
Current:				
Operations:				
ANI/ALI network and services	82,800	82,800	117,459	34,659
Equipment maintenance and repairs	209,500	209,500	29,434	(180,066)
Rural addressing	-	-	-	-
Administration and support:				
Payroll	105,559	113,559	76,400	(37,159)
Retirement	14,500	14,500	8,813	(5,687)
Insurance	27,000	27,000	31,405	4,405
Office supplies	13,000	13,000	9,320	(3,680)
Professional fees	26,000	26,000	37,588	11,588
Public education	4,000	4,000	488	(3,512)
Miscellaneous	3,500	3,500	9,296	5,796
Debt service - principal	-	-	156,591	156,591
Debt service - interest	100	100	28,252	28,152
Total expenditures	<u>485,959</u>	<u>493,959</u>	<u>505,046</u>	<u>11,087</u>
Excess/(deficiency) of revenue over/(under) expenditure	(195,959)	(203,959)	(45,218)	158,741
Other financing sources (uses)				
Insurance Proceeds	-	-	895	895
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>895</u>	<u>895</u>
Net change in fund balance	(195,959)	(203,959)	(44,323)	159,636
Beginning fund balance	<u>419,667</u>	<u>419,667</u>	<u>419,667</u>	<u>-</u>
Ending fund balance	<u>\$ 223,708</u>	<u>\$ 215,708</u>	<u>\$ 375,344</u>	<u>\$ 159,636</u>

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

1. Summary of significant accounting policies

The accompanying financial statements include all funds of Austin County Emergency Communications District. The accounting policies of Austin County Emergency Communications District conform to generally accepted accounting principles. The following is a summary of the more significant policies:

A. Reporting entity

The Austin County Emergency Communications District is incorporated as a political subdivision under the laws of the State of Texas and, as such, is exempt from federal and state taxation. The District was formed pursuant to a county wide election in 1987 at which the qualified electorate approved its formation. The District is governed by a seven-member Board of Directors, two of which are appointed by Austin County, two by the municipalities of the County, one by the Austin County Firefighters Association and one by the Austin County Sherriff's Department. The seventh member is a non-voting member from AT&T. The District has no taxing authority and exists solely to provide emergency communications to the citizens of Austin County. The District is subject to regulation issued by the Public Utility Commission, and the Commission of State Emergency Communications. Due to the normal changing legal environments, regulations may change that would impact the District's operations.

B. Basis of presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental activities and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements

Fund financial statements of the reporting entity 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, revenues, and expenditures, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, as follows:

Governmental Funds

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

C. Measurement focus and basis of accounting

Measurement Focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available expendable financial resources during a given period. These funds use fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

D. Capital assets

The accounting and reporting treatment over capital assets depends on whether the assets are reported in the government-wide or fund financial statement.

Government-wide Statements

In the government-wide financial statements, capital assets are valued at historical cost, except for donated capital assets which are recorded at their estimated fair value at the time of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful live using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows.

Autos	5 years
Buildings	15 to 40 years
Equipment	5 to 10 years
Furniture and Fixtures	5 to 10 years
Hardware and Software	3 to 10 years

When capital assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and the appropriate gain or loss is recognized.

Fund Financial Statements

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

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

E. Budgets and Budgetary Accounting

Budgets are generally adopted on a basis consistent with GAAP. The legal level of budgetary control is each general ledger account. Therefore, a budget amendment is required to increase the appropriations for any general ledger account.

F. Restricted assets

Amounts in governmental funds which are legally identified for specific purposes by contractual obligation are reflected as restricted assets. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are used first to fund the expense.

G. Fund equity

Government-wide statements

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

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

Fund statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and/or unassigned.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include supplies inventories and prepaid items, nonfinancial assets held for resale, and unrealized change in the fair value of investments.

Some resources are spendable but are legally or contractually required to be maintained intact. Such resources include the principal of an endowment.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, or contributors), laws and regulations of other governments, or through enabling legislation. The enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. No District fee revenue was generated through enabling legislation.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal District actions, no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted or committed. Such intent should be expressed by the Board or its designated officials to assign amounts to be used for specific purposes, but are neither restricted nor committed. Constraints imposed on the use of assigned amounts can be removed with no formal Board actions.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes.

H. Spending Prioritization in Using Available Resources

When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the District budget considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the District's budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deduction from TCERS's 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 term. Investments are reported at fair value.

J. Leases

Right-to-use asset and lease obligations are recognized upon lease commencement based on the present value of lease payments expected to be made during the remaining lease term. The incremental borrowing rate used in determining the present value of lease payments unless an implicit rate is provided in the lease. Subsequent amortization of the right to-use asset is recognized as lease expense on a straight-line basis over the lease term, and accretion of the lease liability is recognized as interest expense using the effective interest method.

Right-to-use assets and lease liabilities are not recognized for leases with an initial term of twelve months or less. For these leases, lease expense is recognized on a straight-line basis over the lease term.

K. Subscription-Based Information Technology Arrangements

Right-to-use subscription assets and subscription liabilities are recognized upon commencement of the subscription term. The incremental borrowing rate is used to determine the present value of subscription payments unless an implicit rate is provided in the subscription term. Amortization of the subscription asset is recognized as an outflow of resources over the subscription term.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

2. Deposits with financial institutions

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the District's deposits may not be returned to it. The District does not have a depository policy for custodial risk. Of the bank balances, \$250,000 was covered by federal depository insurance and \$461,542 was collateralized with securities held by the pledging financial institution's trust department or agent in the name of the District.

3. Capital assets

A summary of changes in capital assets for the year ended September 30, 2024 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable assets:				
Autos	\$ 25,388	\$ -	\$ -	\$ 25,388
Building	72,182	-	-	72,182
Equipment	79,049	-	-	79,049
Furniture & Fixtures	12,697	-	-	12,697
Hardware & Software	366,431	-	-	366,431
Total at historical cost	555,747	-	-	555,747
Less accumulated depreciation for:				
Autos	25,388	-	-	25,388
Building	35,952	1,775	-	37,727
Equipment	72,085	2,262	-	74,347
Furniture & Fixtures	12,697	-	-	12,697
Hardware & Software	366,431	-	-	366,431
Total accumulated depreciation	512,553	4,037	-	516,590
Total capital assets, being depreciated, net	43,194	(4,037)	-	39,157
Lease right-to-use assets				
Equipment	795,931	-	-	795,931
Total lease right-to-use assets	795,931	-	-	795,931
Less accumulated amortization for				
Equipment	197,152	80,769	-	277,921
Total accumulated amortization	197,152	80,769	-	277,921
Lease right-to-use assets, net	598,779	(80,769)	-	518,010
Governmental activities capital assets, net	\$ 641,973	\$ (84,806)	\$ -	\$ 557,167

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
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Depreciation and amortization expense was charged to governmental functions as follows:

	Depreciation	Amortization
Operations	\$ 703	\$ 80,769
Administrative and support	3,334	-
Total Governmental Activities	\$ 4,037	\$ 80,769

4. Long-term liabilities

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liability	\$ 513,659	\$ -	\$ (156,591)	\$ 357,068	\$ 166,304
	-	-	-	-	-
Long-Term Liabilities	\$ 513,659	\$ -	\$ (156,591)	\$ 357,068	\$ 166,304

5. Leases

The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide funds financial statements. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported on the government-wide Statement of Net Position and lease liabilities are reported as current and long-term liabilities on the Statement of Net Position.

Prior to beginning of the current fiscal year, the District entered into lease agreements as lessee for the acquisition and use of office equipment and hardware. The leases had remaining terms of nine months and twelve months.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

The future principal and interest payments as of September 30, 2024, were as follows:

Fiscal year ending September 30,	Principal Payments	Interest Payments	Total Payments
2025	\$ 166,304	\$ 18,014	\$ 184,318
2026	175,616	7,127	182,743
2027	15,148	81	15,229
	\$ 357,068	\$ 25,222	\$ 382,289

6. Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. Retirement Plan

Plan description

The District provides retirement, disability, and death benefits for all of its employees through a nontraditional, defined benefit 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 statewide agent multiple-employer public employee retirement system consisting of non-traditional defined benefit plans. 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 P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service, 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 5 years of service, 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 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, death, or disability, the benefit is calculated by converting the sum of

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
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the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer 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 employer is actuarially determined annually. The employer’s contribution rate was 11.60% for the calendar year 2024. The deposit rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution may be changed by the governing body of the employer within the options available in the TCDRS Act.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	0
Active employees	2

Net Pension Asset

The District’s Net Pension Asset (NPA) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Position Asset was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

	<u>December 31, 2022</u>	<u>December 31, 2023</u>
Discount rate	7.60%	7.60%
Long-term expected rate of return, net of investment expense	7.60%	7.60%

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employment.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
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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 assumption and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10 year time horizon.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar/LSTA US Leveraged Loan USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%
		100.00%	

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of December 31, 2022	\$ 96,699	\$ 96,951	\$ (253)
Changes for the year:			
Service cost	10,400	-	10,400
Interest on total pension liability	8,062	-	8,062
Effect of economic/demographic gains or losses	25,890	-	25,890
Benefit payments	(2,067)	(2,067)	-
Administrative expenses	-	(73)	73
Member contributions	-	12,492	(12,492)
Net investment income	-	10,963	(10,963)
Employer contributions	-	20,691	(20,691)
Other	-	1,597	(1,597)
Balances as of December 31, 2023	\$ 138,984	\$ 140,553	\$ (1,570)

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

Sensitivity of the net pension asset to changes in the discount rate

The following presents the pension liability of the District, calculated using the discount rate of 7.6%, as well as what the District's pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-point higher (8.6%) than the current rate:

	1% Decrease in Discount Rate (6.6%)	Current Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
Total pension liability	\$ 161,612	\$ 138,984	\$ 120,015
Fiduciary net position	140,553	140,553	140,553
Net pension liability (asset)	\$ 21,059	\$ (1,570)	\$ (20,538)

Pension Expense/(Benefit) and Deferred Outflows of Resources and Deferred Inflows of resources Related to Pensions

For the year ended September 30, 2024, the District recognized pension expense/(benefit) of (\$805).

At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 322	\$ 23,169
Changes of assumptions	-	2,932
Net difference between projected and actual earnings	-	1,908
Contributions made subsequent to measurement date	-	5,755
	<u>\$ 322</u>	<u>\$ 33,764</u>

An amount of \$5,755 related to contributions subsequent to measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$ 3,831
2025	3,983
2026	6,100
2027	3,366
2028	3,847
Thereafter	6,560
	<u>\$ 27,687</u>

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Notes to Financial Statements
September 30, 2024

8. Subsequent events

In February 2025, the Board entered into a contract for Public Safety Answering Point Solutions, which includes equipment and servicing. Total contract amount includes the following: \$50,178 in up-front costs for the equipment and monthly maintenance payments totaling \$34,973 for the first three years and \$7,337 for an additional two years.

REQUIRED SUPPLEMENTARY INFORMATION

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Texas County & District Retirement System

Schedule of Changes in Net Pension Liability And Related Ratios
Last 10 years
(unaudited)

	December 31,							
	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability								
Service Cost	\$ 10,400	\$ 9,563	\$ 9,556	\$ 11,610	\$ 11,410	\$ 11,162	\$ 10,610	\$ 6,295
Interest on total pension liability	8,062	6,866	5,875	4,769	3,544	2,419	1,390	250
Effect of assumption changes or inputs	-	-	99	5,148	-	-	-	5
Effect of economic/demographic (gains) or losses	25,890	541	(431)	(28)	(29)	57	133	-
Changes of assumptions	-	-	-	-	-	-	20	-
Benefit payments, including refunds of employee contributions	(2,067)	(2,067)	(2,067)	-	-	-	-	-
Net change in total pension liability	42,285	14,903	13,032	21,499	14,925	13,638	12,153	6,550
Total pension liability - beginning	96,699	81,796	68,764	47,266	32,341	18,703	6,550	-
Total pension liability - ending (a)	<u>\$ 138,984</u>	<u>\$ 96,699</u>	<u>\$ 81,796</u>	<u>\$ 68,764</u>	<u>\$ 47,266</u>	<u>\$ 32,341</u>	<u>\$ 18,703</u>	<u>\$ 6,550</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 20,691	\$ 6,755	\$ 4,895	\$ 6,384	\$ 6,361	\$ 6,173	\$ 6,008	\$ 9,212
Contributions - employee	12,492	4,080	3,745	4,884	4,930	4,834	4,643	2,604
Net investment income	10,963	(6,207)	16,181	5,515	5,846	(337)	1,922	-
Benefit payments, including refunds of employee contributions	(2,067)	(2,067)	(2,067)	-	-	-	-	-
Administrative expense	(73)	(57)	(50)	(51)	(41)	(29)	(16)	-
Other	1,597	1,312	206	339	394	330	143	179
Net change in plan fiduciary net position	43,603	3,816	22,909	17,070	17,491	10,972	12,700	11,995
Plan fiduciary net position - beginning	96,951	93,136	70,227	53,157	35,667	24,695	11,995	-
Plan fiduciary net position - ending (b)	<u>\$ 140,554</u>	<u>\$ 96,952</u>	<u>\$ 93,136</u>	<u>\$ 70,227</u>	<u>\$ 53,157</u>	<u>\$ 35,667</u>	<u>\$ 24,695</u>	<u>\$ 11,995</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (1,570)</u>	<u>\$ (253)</u>	<u>\$ (11,340)</u>	<u>\$ (1,463)</u>	<u>\$ (5,892)</u>	<u>\$ (3,326)</u>	<u>\$ (5,992)</u>	<u>\$ (5,445)</u>
Plan fiduciary net position as a percentage of total pension liability	101.13%	100.26%	113.86%	102.13%	112.46%	110.28%	132.04%	183.13%
Covered employee payroll	178,455	58,283	53,499	69,771	70,432	69,054	66,330	37,198
Net pension liability as a percentage of covered employee payroll	-0.88%	-0.43%	-21.20%	-2.10%	-8.36%	-4.82%	-9.03%	-14.64%

Notes to Schedule:

GASB 68 requires 10 fiscal years of data to be provided in this schedule. The District began participation in the 2016 plan year.

AUSTIN COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Texas County & District Retirement System

Schedule of Contributions
Last 10 Fiscal Years
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution Contributions in relation to the actuarially determined contributions	\$ 8,813	\$ 11,886	\$ 11,180	\$ 4,895	\$ 6,384	\$ 6,353	\$ 6,173	\$ 6,008	\$ 3,371
Contribution deficiency (excess)	8,813	9,520	6,188	4,895	6,384	6,361	6,173	6,008	9,212
Covered employee payroll	-	2,366	4,992	-	-	(8)	-	-	(5,841)
Contributions as a percentage of covered employee payroll	\$ 75,693	\$ 102,485	\$ 96,400	\$ 53,499	\$ 69,771	\$ 70,432	\$ 69,054	\$ 66,330	37,198
	11.6%	9.3%	6.4%	9.2%	9.2%	9.0%	8.9%	9.1%	24.8%

Notes to Schedule of Contributions

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age (level percentage of pay)
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18.4 years (based on contribution rate calculated in 12/31/2023 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 expense, 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 assumptions were reflected.

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions

2016: No changes in plan provisions were reflected in the Schedule.
2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
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: No changes in plan provisions were reflected in the Schedule.