



**WILSON COUNTY
EMERGENCY SERVICES DISTRICT NO. 2**

ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2025**



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2025

DISTRICT OFFICIALS

PRESIDENT	DAVID NIETO
VICE PRESIDENT	SHERRY HEATHERLY
SECRETARY	RUDY CANTU
TREASURER	CHRIS THUNEMAN
ASST. TREASURER	LONNIE BODIFORD
WILSON COUNTY COMMISSIONER PCT.1	GARY MARTIN
ATTORNEY	BURNS ANDERSON JURY & BRENNER, LLP.



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS

	PAGE
TITLE PAGE	i
DISTRICT OFFICIALS	ii
TABLE OF CONTENTS	iii

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	10
STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES	13
BALANCE SHEET	14
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS.....	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
NOTES TO BASIC FINANCIAL STATEMENTS.....	18
REQUIRED SUPPLEMENTARY INFORMATION	35
GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL.....	36
SPECIAL REVENUE FUND (DISTRICT 2) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL	37
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL	38
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - NET PENSION LIABILITY AND RELATED RATIOS.....	39
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES	40
SUPPLEMENTARY INFORMATION	41
COMPARATIVE BALANCE SHEETS – GENERAL FUND	42
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND	43
COMPARATIVE BALANCE SHEETS - SPECIAL REVENUE FUND (DISTRICT 2).....	44
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND (DISTRICT 2)	45

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS (CONT.)

FINANCIAL SECTION (CONT.)

	PAGE
COMPARATIVE BALANCE SHEETS – DEBT SERVICE FUND	46
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL - DEBT SERVICE FUND	47





Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

District Commissioners
Wilson County Emergency Services District No. 2

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Wilson County Emergency Services District No. 2 as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Wilson County Emergency Services District No. 2'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 the major funds of Wilson County Emergency Services District No. 2, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Wilson County Emergency Services District No. 2 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 obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 Letter J to the financial statements, the District implemented GASB Statement 101 related to compensated absences as of October 1, 2024. Our opinion has not been modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Wilson County Emergency Services District No. 2's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Wilson County Emergency Services District No. 2's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Wilson County Emergency Services District No. 2'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wilson County Emergency Services District No. 2's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

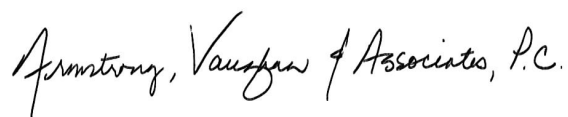
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of changes – Net Pension liability/Asset and related ratios, and the Schedule of District Contributions and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of changes – Net Pension liability/Asset and related ratios, and the Schedule of District Contributions and related ratios as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County Emergency Services District No. 2's financial statements. The comparative statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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



Armstrong, Vaughan & Associates, P.C.
April 13, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Wilson County Emergency Services District No. 2’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended September 30, 2025. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

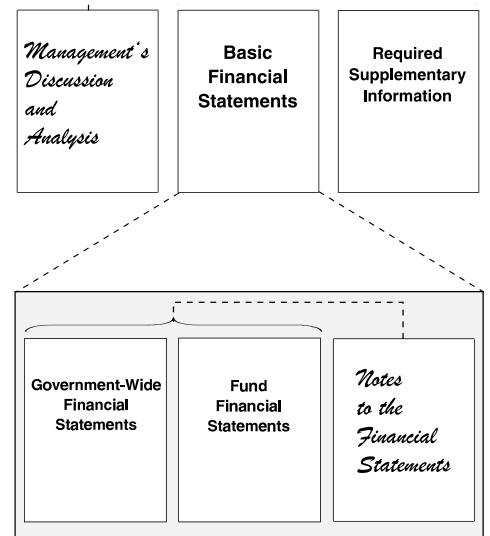
- The District’s total net position was \$258 thousand at September 30, 2025.
- During the year, the District’s expenses were \$191 thousand less than the \$2.3 million generated in taxes and other revenues for governmental activities.
- The District signed a note payable for \$84 thousand to purchase a 2025 Chevrolet Silverado 1500. More information can be found in Note 6.
- Sales and use tax generated \$1 million as of September 30, 2025. Sales tax increased by 11.8% from 2024.
- The general fund reported an unassigned fund balance of \$189 thousand this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

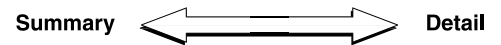


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of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

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District’s combined net position was \$258 thousand at September 30, 2025. (See Table A-1).

Table A-1
Wilson County Emergency Services District No. 2 Net Position

	Governmental Activities		Total Percentage Change
	2025	2024	
Current assets	\$ 539,934	\$ 423,060	27.6%
Noncurrent Assets:			
Net Pension Asset	2,467	-	100%
Capital Assets	2,090,248	2,345,453	-10.9%
Total Assets	<u>2,632,649</u>	<u>2,768,513</u>	-4.9%
Deferred Outflows of Resources	<u>32,501</u>	<u>-</u>	100%
Liabilities			
Liabilities	427,764	377,657	13.3%
Long-term Liabilities	1,979,501	2,171,384	-8.8%
Total Liabilities	<u>2,407,265</u>	<u>2,549,041</u>	-5.6%
Net Position:			
Net Investment in Capital Assets	21,492	79,968	-73.1%
Restricted	161,793	-	100%
Unrestricted	74,600	139,504	-46.5%
Total Net Position	<u>\$ 257,885</u>	<u>\$ 219,472</u>	17.5%

Changes in Net Position

The District’s total revenues were \$2.3 million which is an increase of approximately 17.8% compared to the prior year. A significant portion, 45% comes from sales taxes, 40% comes from property taxes, 7% comes from charges for services, and 8% comes from all other revenues.

The total cost of all programs and services was \$2.1 million.

Governmental Activities

- Property tax rates were assessed at \$0.1 per \$100 valuation.

Table A-2
Changes in District's Net Position

	Governmental Activities		Total Percentage Change
	2025	2024	
General Revenues			
Charges for Services	\$ 171,036	\$ 159,870	7.0%
Operating Grants and Contributions	20,549	21,691	-5.3%
Property Taxes	919,440	833,559	10.3%
Sales Tax	1,021,310	913,425	11.8%
Investment Income	-	389	-100.0%
Miscellaneous Income	41,474	18,623	122.7%
Sale of Fixed Assets	120,500	-	100.0%
Total Revenues	<u>2,294,309</u>	<u>1,947,557</u>	17.8%
General Expenses			
Emergency Services	1,798,120	1,401,701	28.3%
General Government	218,994	123,935	76.7%
Interest on Long-term Debt	86,429	113,908	-24.1%
Total Expenses	<u>2,103,543</u>	<u>1,639,544</u>	28.3%
Increase (Decrease) in Net Position	190,766	308,013	-38.1%
Net Position at Beginning of Year	219,472	(88,541)	-347.9%
Prior Period Adjustment	<u>(152,353)</u>	<u>-</u>	100.0%
Net Position at End of Year	<u>\$ 257,885</u>	<u>\$ 219,472</u>	17.5%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$2.3 million, which is approximately 15.5% higher than the prior year.

General Fund Budgetary Highlights

The District budgeted \$650 thousand for expenditures. Actual expenditures were \$55 thousand more than budget amounts. The most significant variances resulted from station equipment and fleet repair and maintenance.

Revenues were \$65 thousand less than the final budgeted amount. Sales taxes were \$106 thousand more than budgeted amounts.

Debt Services Fund Budgetary Highlights

The District budgeted \$336 thousand for debt payments. Actual debt payments were equal to budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the District had invested \$2.1 million in building improvements, equipment, vehicles, and land (net of accumulated depreciation). (See Table A-3). More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table A-3
District's Capital Assets

	Governmental Activities		Total Percentage Change
	2025	2024	
Land	\$ 129,115	\$ 129,115	0.0%
Building Improvements	1,393,531	1,393,531	0.0%
Vehicles & Equipment	1,965,898	2,016,250	-2.5%
Totals at Historical Cost	<u>3,488,544</u>	<u>3,538,896</u>	-1.4%
Total Accumulated Depreciation	<u>(1,398,296)</u>	<u>(1,345,796)</u>	3.9%
Net Capital Assets	<u>\$ 2,090,248</u>	<u>\$ 2,193,100</u>	-4.7%

* Beginning balances have been restated for prior period adjustment

Long Term Debt

At year-end the District had \$2.3 million in long-term debt outstanding as is shown in Table A-4. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-4
District's Long-term Debt

	Governmental Activities		Total Percentage Change
	2025	2024	
Long-term Debt	<u>\$ 2,255,161</u>	<u>\$ 2,411,503</u>	-6%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The property tax rate for the fiscal year 2026 decreased to \$0.098500 per \$100 valuation. The 2026 budget provides an anticipated revenue generation of \$2.2 million.
- General fund spending for 2026 was estimated at \$2.2 million or approximately a 218% increase of the 2025 actual expenses.
- If the estimates are realized, the District's budgeted general fund balance is not expected to increase by the close of 2026.

FACTORS AFFECTING FINANCIAL CONDITION

The Insurance Service Office, Inc. (ISO) collects information on municipal fire-protection efforts in communities throughout the United States to help establish an appropriate fire insurance premium for residential and commercial properties based on fire-protection services. Using this information, municipal entities are assigned a Public Protection Classification from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria. Wilson County Emergency Services District No. 2 was given an ISO Protection Class 6 rating.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide Wilson County Emergency Services District No. 2 citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Treasurer by email at chris.thuneman@wcesd2tx.us.

BASIC FINANCIAL STATEMENTS

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

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

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



WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 206,855
Investments	5,065
Property Tax Receivable	44,184
Sales Tax Receivable	193,795
EMS Receivable (Net of Allowance)	85,408
Prepaid Items	<u>4,627</u>
<i>Total Current Assets</i>	<u>539,934</u>
 <i>Noncurrent Assets:</i>	
Net pension Asset	2,467
<i>Property and Equipment:</i>	
Land	129,115
Buildings & Improvements	1,393,531
Equipment & Vehicles	1,965,899
Accumulated Depreciation	<u>(1,398,297)</u>
<i>Total Noncurrent Assets</i>	<u>2,092,715</u>
 TOTAL ASSETS	 <u><u>2,632,649</u></u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	<u>32,501</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 32,501</u></u>

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF NET POSITION (CONT.)
SEPTEMBER 30, 2025

	Governmental Activities
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 41,347
Accrued Interest	76,309
Accrued Expenses	34,448
Due within One Year	275,660
<i>Total Current Liabilities</i>	427,764
 <i>Noncurrent Liabilities:</i>	
Due in more than One Year	1,979,501
<i>Total Noncurrent Liabilities</i>	1,979,501
 TOTAL LIABILITIES	
	2,407,265
 NET POSITION	
Net Investment in Capital Assets	21,492
Restricted Net Position:	
Debt Service	161,793
Unrestricted	74,600
 TOTAL NET POSITION	
	\$ 257,885

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions and Programs	Expenses	Program Revenues		Net (Expenses), Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities:				
Emergency Services	\$ 1,798,120	\$ 171,036	\$ 20,549	\$ (1,606,535)
General Administration	218,994	-	-	(218,994)
Interest on Long-term Debt	86,429	-	-	(86,429)
Total Governmental Activities	2,103,543	171,036	20,549	(1,911,958)
Total Primary Government	\$ 2,103,543	\$ 171,036	\$ 20,549	(1,911,958)
 General Revenues:				
General Property Taxes				919,440
Sales Tax				1,021,310
Miscellaneous Income				41,474
Proceeds from Sale of Fixed Assets				120,500
Total General Revenues				2,102,724
Change in Net Position				190,766
Net Position at Beginning of Year				219,472
Prior Period Adjustment				(152,353)
Net Position at End of Year				\$ 257,885

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	District 2 Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 206,855	\$ -	\$ -	\$ 206,855
Investments	5,065	-	-	5,065
Property Tax Receivable	28,856	15,328	-	44,184
Sales Tax Receivable	193,795	-	-	193,795
EMS Receivable (Net of Allowance)	85,408	-	-	85,408
Prepaid Items	4,627	-	-	4,627
Due From Other Funds	-	161,793	34,448	196,241
TOTAL ASSETS	\$ 524,606	\$ 177,121	\$ 34,448	\$ 736,175
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Accounts Payable	\$ 41,347	\$ -	\$ -	\$ 41,347
Payroll Liabilities	-	-	34,448	34,448
Due to Other Funds	196,241	-	-	196,241
TOTAL LIABILITIES	237,588	-	34,448	272,036
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Tax Revenue	28,856	15,328	-	44,184
Unavailable EMS revenue	85,408	-	-	85,408
TOTAL DEFERRED INFLOWS OF RESOURCES	114,264	15,328	-	129,592
FUND BALANCE				
Nonspendable Fund Balance:				
Prepaid Items	4,627	-	-	4,627
Restricted for Debt Services	-	161,793	-	161,793
Unassigned	168,127	-	-	168,127
TOTAL FUND BALANCE	172,754	161,793	-	334,547
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 524,606	\$ 177,121	\$ 34,448	\$ 736,175

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS \$ 334,547

Amounts reported for governmental 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. 2,090,248

Property taxes receivable are not available to pay current period
expenditures and, therefore, are unavailable in the funds statements. 44,184

Net pension assets (and related deferred outflows and inflows of resources)
do not provide current financial resources and are not reported in the funds.

Pension Related Deferred Outflows	32,501	
Net Pension Asset	2,467	34,968

EMS revenues in the Statement of Activities do not provide current
financial resources and are unavailable in the fund statements. 85,408

Notes payable are not due in the current period and therefore,
are not reported in the funds. (2,255,161)

Accrued interest payable on long-term debt is not due and payable
in the current period and, therefore, is not reported in the funds. (76,309)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 257,885

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	District 2 Special Revenue Fund District 2 Emergency Services	Total Governmental Funds
REVENUES				
Property Taxes	\$ 593,461	\$ 314,203	\$ -	\$ 907,664
Sales Tax	1,021,310	-	-	1,021,310
EMS Charges	161,141	-	-	161,141
Contributions/Grants	27,836	-	-	27,836
Miscellaneous Income	42,095	-	-	42,095
TOTAL REVENUES	1,845,843	314,203	-	2,160,046
EXPENDITURES				
Current:				
Emergency Services	380,965	-	1,244,457	1,625,422
General Administration	240,031	-	-	240,031
Capital Outlay	83,776	-	-	83,776
<i>Debt Service:</i>				
Principal	-	240,119	-	240,119
Interest and Fiscal Charges	-	95,637	-	95,637
TOTAL EXPENDITURES	704,772	335,756	1,244,457	2,284,985
Excess (Deficiency) Over (Under)				
Expenditures	1,141,071	(21,553)	(1,244,457)	(124,939)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(1,160,687)	(83,776)	1,244,463	-
Proceeds from Debt Issuance	-	83,776	-	83,776
Proceeds from Sale of Fixed Assets	120,500	-	-	120,500
TOTAL OTHER FINANCING SOURCES (USES)	(1,040,187)	-	1,244,463	204,276
Net Change in Fund Balance	100,884	(21,553)	6	79,337
Fund Balance at Beginning of Year	71,870	183,346	(6)	255,210
Fund Balance at End of Year	\$ 172,754	\$ 161,793	\$ -	\$ 334,547

The accompanying notes are an integral part of these statements.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS \$ 79,337

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

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

Capital Outlay	90,149	
Current Year Depreciation	<u>(193,001)</u>	(102,852)

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

Property Taxes	11,777	
EMS Charges	<u>1,986</u>	13,763

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

Principal Payments of Notes Payable	240,119	
Proceeds from Debt Issuance	<u>(83,776)</u>	156,343

Net Pension liabilities (Asset) (and related deferred outflows of resources) do not consume current financial resources are not reported in the funds.		34,968
---	--	--------

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

Accrued Interest		<u>9,207</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 190,766

The accompanying notes are an integral part of these statements.



NOTES TO BASIC FINANCIAL STATEMENTS

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wilson County Emergency Services District No. 2 is a political subdivision of the State of Texas and was created by the Wilson County Commissioners' Court after a Public Election on November 2, 2010 to be effective January 1, 2011. The District was created to provide emergency services and promote public safety, welfare, health and convenience of persons residing in the District.

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

A. THE FINANCIAL REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 61, "The Financial Reporting Entity." The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The District has the following component unit:

District 2 Emergency Services, Inc. is a local nonprofit emergency services provider without powers of taxation, organized exclusively for the purpose of providing fire protection and emergency services to the area covered by Wilson County Emergency Services District No. 2. Wilson County Emergency Services District No. 2 appoints its Board of Commissioners as the directors of the nonprofit. The District has elected to present a blended presentation of those financial statements in the District's annual financial report. Complete financial statements of District 2 Emergency Services, Inc. for the year ended September 30, 2025 may be obtained from District management.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. Governmental activities are supported primarily by property taxes. The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds. The General Fund, Debt Service Fund, and Special Revenue Fund (District 2) meet the criteria of a **major governmental fund**. The District has no other governmental funds.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2025

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

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

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

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues other than EMS charges that are expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Property taxes which were levied prior to September 30, 2024, and became due October 1, 2024 have been assessed to finance the budget of the fiscal year beginning October 1, 2024.

Expenditures generally are recorded when an expense is incurred.

The government reports the following major governmental funds:

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

The Special Revenue Fund (District 2) is a nonprofit corporation, District 2 Emergency Services. This corporation is considered a blended component unit.

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

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the District.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2025

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

E. INVESTMENTS

State statutes authorize the government to invest in obligations of the U.S. Government, federal agency and instrumentality obligations, and certificates of deposit collateralized by obligations of the U.S. Treasury. Investments are stated at amortized cost, except for deposits in local government investment pools and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. ACCOUNTS RECEIVABLE

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

Reimbursements for EMS services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based on historical trends.

G. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items in both government-wide and fund financial statements. At September 30, 2025, the District had prepaid expenses of \$4,627.

H. CAPITAL ASSETS

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

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

H. CAPITAL ASSETS (CONT.)

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

Assets	Years
Building Improvements	20 years
Equipment	7 - 10 years
Vehicles	10 years

Land and construction in progress are not depreciated.

I. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A *deferred outflow of resources* is a consumption of net position that is applicable to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following item that qualifies for reporting in this category: deferred pension related costs which will be included in the subsequent actuarial valuation.

Deferred inflows of resources represent a Projects of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The District has deferred pension related revenues which will be included in subsequent actuarial valuation. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax and EMS revenues are deferred and recognized as inflow of resource in the period the amount becomes available.

J. COMPENSATED ABSENCES

Full-time employees earn vacation leave at varying rates depending on length of service. The maximum number of hours that can be accrued by a full time personnel is 140. Vacation leave is paid at 50% upon termination with a two-week notice of resignation.

Effective October 1, 2024, the District implemented the provisions of GASB Statement No. 101, Compensated Absences. The implementation of GASB 101 resulted in a material change to the District's compensated absences liability. Under GASB 101, compensated absences are recognized based on an estimate of leave that is more likely than not to be paid or taken as leave. The District uses the first-in, first-out flow assumption to determine the liability.

Vested or accumulated compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay them.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2025

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

J. COMPENSATED ABSENCES (CONT.)

In the government-wide statements, vested or accumulated compensated absences are accrued as earned and reported as an expense and liability as the benefits accrue to employees. At September 30, 2025, accumulated compensated absences of \$4,282 have been recorded in accrued expenses of the Governmental Activities.

K. LONG-TERM OBLIGATIONS

In government-wide financial statements, long-term debt and other long-term obligations (if any) are reported as liabilities under governmental activities. Bond premiums and discounts are amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. PENSIONS

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

M. FUND EQUITY

Fund balances in governmental funds are classified as follows:

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

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

Committed – Represents amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. The District Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2025

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

M. FUND EQUITY (CONT.)

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

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

When an expenditure is incurred for a purpose in which multiple classifications are available, the District considers restricted balances spent first, committed second, assigned third, and unassigned fourth.

N. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. USE OF ESTIMATES

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

P. RECLASSIFICATIONS

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

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2025

NOTE 2 -- CASH AND CASH INVESTMENTS

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

1. Cash

At September 30, 2025, the carrying amount of the District's deposits in the bank were fully covered by federal deposit insurance.

2. Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that the District failed to adhere to the requirements of the Act.

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

The District's investments at September 30, 2025 consist of \$5,065 in Texas Class, a 2a7-like public funds investment pool. Texas Class operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAM. The investment in Texas Class is included in cash and cash equivalents and is reported at net asset value, which approximates fair market value and 43 days to maturity.

3. Analysis of Specific Deposits and Investment Risks

Investment Rate Risk. The District manages investment rate risk by limiting the weighted average maturity of its investments to less than one year.

Credit Risk. The District's investment policy limits investments to obligations of the United States or its instrumentalities; direct obligation of the State of Texas, the principle and interest that are unconditionally guaranteed or insured by this state or state rated as to investment quality of not less than AAA by a nationally recognized investment rating firm.

The District may also invest its funds in state law authorized government investment pools provided the pool maintains an AAA rating, the pool maintains a stable asset value, and the average dollar weighted maturity does not exceed 90 days, and Commissioners' Court must approve of the investment. As of September 30, 2025, the investments were rated AAAM.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 2 -- CASH AND CASH INVESTMENTS (CONT.)

3. Analysis of Specific Deposits and Investment Risks (CONT.)

The District may also invest in certificates of deposit or share certificates issued by a depository institution which has its main office or a branch office in this state and is guaranteed or insured by FDIC or the NCUSIC, or is secured by collateral or other method provided for by state law.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

Custodial Credit Risk - Investment. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2025, the District's investments were held in government investment pools.

NOTE 3 -- AD VALOREM (PROPERTY) TAXES

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

For fiscal year 2025, the assessed tax rate for the District was \$0.1000 per \$100 on an assessed valuation of \$927,140,982. The tax rate is split \$.065308 for general maintenance and operations and \$.034692 for interest and sinking. Total tax levy for fiscal year 2025 was \$927,141. As of September 30, 2025, the delinquent current taxes for 2025 were \$18,434.

NOTE 4 -- RECEIVABLES

The following is a summary of the gross property taxes and charges for services receivable and the related allowances for uncollectible amounts:

Receivables	General	Debt Service Fund	Special Revenue	Total
Taxes:				
Property Taxes	\$ 28,856	\$ 15,328	\$ -	\$ 44,184
Sales Taxes	193,795	-	-	193,795
EMS Receivable	284,692	-	-	284,692
Gross Receivables	507,343	15,328	-	522,671
Less: Allowance for Uncollectibles	(199,283)	-	-	(199,283)
Net Total Receivables	<u>\$ 308,060</u>	<u>\$ 15,328</u>	<u>\$ -</u>	<u>\$ 323,387</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 5 -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

Governmental Activities	Beginning Balance	Additions	Adjustments and Disposals	Ending Balance
Land	\$ 129,115	\$ -	\$ -	\$ 129,115
Building & Improvements	1,393,531	-	-	1,393,531
Vehicles & Equipment	2,016,250	90,149	(140,501)	1,965,898
Less: Accumulated Depreciation	(1,345,796)	(193,001)	140,501	(1,398,296)
	<u>\$ 2,193,100</u>	<u>\$ (102,852)</u>	<u>\$ -</u>	<u>\$ 2,090,248</u>

* Beginning balances have been restated for prior period adjustment

Depreciation expense was charged to governmental function in the Emergency Services.

Land is not depreciated.

NOTE 6 -- NOTES PAYABLE

On November 15, 2018, the District entered into a note payable with Government Capital Corporation, which was then sold to Southside Bank, for the construction of a new fire/EMS substation in the amount of \$1,421,000. The note calls for increasing annual payments beginning November 15, 2019, of \$75,000 through November 15, 2024, when the annual payment remains at \$117,999 through November 15, 2038. The interest rate on the note is 4.25%, and the note is secured by granting the debtor a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the District. In addition to the operation or ownership of the property, its receivables, and revenues. The fire station and its addition have a combined accumulated depreciation of \$136,259 as of September 30, 2025.

On November 19, 2020, the District entered into a note payable with Government Capital Corporation, to purchase a new ambulance for \$365,772. The note calls for annual payments of \$58,466 starting November 19, 2021, ending on November 19, 2027. The note has an interest rate of 2.89% and is secured by ad valorem taxes and the ambulance. The total accumulated depreciation on the ambulance as of September 30, 2025 is \$294,650.

On December 21, 2021, the District entered into a note payable with Government Capital Corporation, to purchase a new Pierce Enforcer for \$787,287. The note calls for annual payments of \$93,002 starting December 1, 2022, ending on December 1, 2031. The note has an interest rate of 3.15% and is secured by ad valorem taxes and the Tanker. The total accumulated depreciation on the tanker as of September 30, 2025 is \$395,561.

On December 1, 2023, the District entered an agreement with Community First to purchase SCBA Airpacks. The agreement calls for annual payments of \$26,198 starting on December 1, 2024, ending December 1, 2030. The agreement is secured by the air packs and the total interest on the agreement is \$37,367. The total accumulated depreciation on the Airpacks as of September 30, 2025 is \$ 106,980.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 6 -- NOTES PAYABLE (CONT.)

On August 8, 2025, the District entered an agreement with American National Leasing Company to purchase a 2025 Chevrolet Silverado 1500. The agreement calls for quarterly payments of \$31,300.47 starting on August 8, 2026, ending August 8, 2028. The interest rate is 5.93%. The agreement is secured by the vehicle and the total interest on the agreement is \$10,127. The total accumulated depreciation on the truck as of September 30, 2025 is \$708.

A summary of long-term debt outstanding as of September 30, 2025 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
<i>Notes Payable:</i>					
2021 Ambulance	\$ 217,895	\$ -	\$ (52,168)	\$ 165,727	\$ 53,676
2021 Pierce Enforcer	648,734	-	(72,567)	576,167	74,853
Fire & EMS Station	1,289,314	-	(63,203)	1,226,112	65,889
Motorola Note	109,542	-	(34,808)	74,734	36,487
SCBA Airpacks	146,018	-	(17,373)	128,645	18,423
2025 Chevy Silverado 1500	-	83,776	-	83,776	26,333
<i>Total Notes Payable:</i>	<u>\$ 2,411,503</u>	<u>\$ 83,776</u>	<u>\$ (240,119)</u>	<u>\$ 2,255,161</u>	<u>\$275,660</u>

The annual requirements to amortize notes payable outstanding as of September 30, 2025, including the interest payments, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 275,660	\$ 91,396	\$ 367,056
2027	286,804	80,252	367,056
2028	258,340	68,625	326,965
2029	178,772	58,426	237,198
2030-2034	733,944	187,450	921,394
2035-2039	521,641	68,353	589,994
Total Debt Payments	<u>\$ 2,255,161</u>	<u>\$ 554,503</u>	<u>\$ 2,809,665</u>

NOTE 7 -- DUE TO DISTRICT 2 EMERGENCY SERVICES, INC.

District 2 Emergency Services, Inc.'s operational expenses are fully funded by the District. As of September 30, 2025, the District has accrued \$34,448 as a liability to transfer funds to District 2 Emergency Services Inc. for payroll related expenses.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2025

NOTE 8 -- EMPLOYEE'S RETIREMENT SYSTEM

Texas County and District Retirement System

Plan Description

The District participates as one of over 890 plans in the nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the District, within the options available in the State statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the District within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The District has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The District contributed using the actuarially determined rate of 7.22% for the months of the accounting year 2024, and 7.22% for the months of the accounting year in 2025.

The contribution rate payable by the employee members for 2024 and 2025 is the rate of 5% as adopted by the governing body of the District. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the District-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 8 -- EMPLOYEE'S RETIREMENT SYSTEM (CONT.)

Texas County and District Retirement System (CONT.)

Benefits Provided (CONT.)

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

	12/31/2024
Inactive Employees Receiving Benefits	0
Inactive Employees	0
Active Employees	23
	23
	23

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.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall Payroll Growth	5.00%
Investment Rate of Return	7.50%

Depositing Members	135% of the RP-2010 Active Employee Mortality Table for males and 120% of the RP-2010 Active Employee Mortality Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Service Retirees, Beneficiaries and Non-Depositing Members	135% of the RP-2010 Healthy Annuitant Mortality Table for males and 120% of the RP-2010 Healthy Annuitant Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled Retirees	160% of the RP-2010 Disabled Annuitant Mortality Table for males and 125% of the RP-2010 Disabled Annuitant Mortality Table for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 8 -- EMPLOYEE RETIREMENT SYSTEM (CONT.)

Texas County and District Retirement System (CONT.)

Actuarial Assumptions (CONT.)

Actuarial Assumptions are reviewed annually. Updated mortality assumptions were adopted in 2017. All other actuarial assumptions that determine the total pension liability as of December 31, 2024 were based on the results of an actuarial experience study for the period January 1, 2021 – December 31, 2024, except where required to be different by GASB 68.

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultation, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon. The Board of Trustees adopted the current assumption at their March 2021 meeting.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return (Geometric)</u>
US Equities	13.00%	5.35%
Global Equities	4.00%	5.15%
International Equities - Developed	6.00%	4.75%
International Equities - Emerging	0.00%	4.75%
Investment-Grade Bonds	3.00%	2.55%
Strategic Credit	9.00%	3.70%
Direct Lending	16.00%	6.85%
Distressed Debt	4.00%	6.80%
REIT Equities	2.00%	3.95%
Master Limited Partnerships (MLPs)	2.00%	4.95%
Commodities	2.00%	1.00%
Private Real Estate Partnerships	6.00%	5.75%
Private Equity	25.00%	8.15%
Hedge Funds	6.00%	3.60%
Cash Equivalents	2.00%	1.10%
	<u>100.00%</u>	

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 8 -- EMPLOYEE RETIREMENT SYSTEM (CONT.)

Texas County and District Retirement System (CONT.)

Discount Rate

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

Discount Rate Sensitivity Analysis

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

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Total pension liability	\$ 26,609	\$ 20,660	\$ 16,172
Fiduciary net position	23,127	23,127	23,127
Net Pension Liability/(asset)	\$ 3,482	\$ (2,467)	\$ (6,955)

Changes in Net Pension Liability (Asset)

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
Balance at December 31, 2023	\$ -	\$ -	\$ -
Changes for the year:			
Service Cost	19,190	-	19,190
Interest on total pension liability	1,458	-	1,458
Change of Benefit Terms	-	-	-
Economic/Demographic gains or losses	12	-	12
Changes of Assumptions	-	-	-
Refund of Contributions	-	-	-
Benefit Payments	-	-	-
Administrative Expense	-	(13)	13
Member Contributions	-	8,797	(8,797)
Net Investment Income	-	456	(456)
Employer Contributions	-	12,703	(12,703)
Other	-	1,183	(1,183)
Net Changes	20,660	23,127	(2,467)
Balance at December 31, 2024	\$ 20,660	\$ 23,127	\$ (2,467)

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 8 -- EMPLOYEE RETIREMENT SYSTEM (CONT.)

Texas County and District Retirement System (CONT.)

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

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

For the year ended September 30, 2025, the District recognized pension expense of \$9,913. Also as of September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows & Inflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 11	\$ -
Changes in Actuarial Assumptions	-	-
Net difference between projected and Actual Earnings	312	-
Contributions Subsequent to the Measurement Date	32,178	-
	\$ 32,501	\$ -

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

Deferred outflows of resources in the amount of \$32,178 is related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	Net Deferred Outflows (Inflows of Resources)
2025	\$ 79
2026	79
2027	79
2028	79
2029	1
Thereafter	6
	\$ 323

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS (CONT.)
 SEPTEMBER 30, 2025

NOTE 9 -- INTERFUND TRANSACTIONS

The following transfers occurred during the year ended September 30, 2025:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Reason</u>
Debt Service Fund	General Fund	\$ 83,776	Debt Reimbursement
General Fund	Special Revenue Fund	1,244,457	Payroll Reimbursement
		<u>\$ 1,328,233</u>	

NOTE 10 -- CONTINGENT LIABILITIES

The District has no current litigation.

NOTE 11 -- CONCENTRATION OF EXPENDITURES

For fiscal year 2025, the District paid District 2 Emergency Services, Inc. \$1,244,463 for providing emergency services to the District, which was 55% of the total expenditures of the District.

NOTE 12 -- PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$152,353 was recorded to recognize accumulated depreciation on the District's capital assets. The effect of this adjustment on net position is presented below.

	September 30,
	<u>2025</u>
Beginning Net Assets	\$ 219,472
Understated Accumulated Depreciation	<u>(152,353)</u>
Beginning Net Assets, Restated	<u>\$ 67,119</u>

NOTE 13 -- RISK MANAGEMENT

The Wilson County Emergency Services District No. 2 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To cover the risk the District contracts with Volunteer Firemen's Insurance Services (VFIS) of Texas to provide insurance coverage for Property/Casualty. Contributions are set annually by VFIS. Liability by the District is generally limited to the contributed amounts.

NOTE 12 -- SUBSEQUENT EVENTS

Subsequent events were considered through April 13, 2026, which is the date of the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Special Revenue Fund (District 2)
- Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
- Net Pension Liability and Related Ratios
- Schedule of Contributions and Related Notes

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Tax	\$ 600,746	\$ 600,746	\$ 593,461	\$ (7,285)
Sales Tax	915,000	915,000	1,021,310	106,310
EMS Charges	225,000	225,000	161,141	(63,859)
Contributions/Grants	62,000	62,000	27,836	(34,164)
Miscellaneous Income	107,970	107,970	42,095	(65,875)
TOTAL REVENUES	<u>1,910,716</u>	<u>1,910,716</u>	<u>1,845,843</u>	<u>(64,873)</u>
EXPENDITURES				
<i>Current:</i>				
Emergency Services	177,105	177,105	380,965	(203,860)
General Administrative	388,854	388,854	240,031	148,823
Capital Outlay	83,776	83,776	83,776	-
TOTAL EXPENDITURES	<u>649,735</u>	<u>649,735</u>	<u>704,772</u>	<u>(55,037)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,260,981	1,260,981	1,141,071	(119,910)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(1,160,687)	(1,160,687)	(1,160,687)	-
Proceeds from Sale of Fixed Assets	-	-	120,500	120,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,160,687)</u>	<u>(1,160,687)</u>	<u>(1,040,187)</u>	<u>120,500</u>
Net Change in Fund Balance	100,294	100,294	100,884	590
Fund Balance at Beginning of Year	<u>71,870</u>	<u>71,870</u>	<u>71,870</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 172,164</u>	<u>\$ 172,164</u>	<u>\$ 172,754</u>	<u>\$ 590</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND (DISTRICT 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Other Grants and Contributions	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES			
<i>Current:</i>			
Emergency Services	1,244,457	1,244,457	-
TOTAL EXPENDITURES	1,244,457	1,244,457	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,244,457)	(1,244,457)	-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	1,244,463	1,244,463	-
TOTAL OTHER FINANCING SOURCES (USES)	1,244,463	1,244,463	-
Net Change in Fund Balance	6	6	-
Fund Balance at Beginning of Year	(6)	(6)	-
Fund Balance at End of Year	\$ -	\$ -	\$ -

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEPTEMBER 30, 2025

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

It is recommended that actual expenditures do not exceed appropriations, however, actual expenditures exceeded appropriations for the year ended September 30, 2025 by \$55,037. The Special Revenue Fund (District 2) budget was not exceeded.

The District does not use encumbrances.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
NET PENSION LIABILITY AND RELATED RATIOS
LAST PLAN YEAR

Total Pension Liability	
	2024
Service Cost	\$ 19,190
Interest on Total Pension Liability	1,458
Change in Annuity Purchase Rates	-
Difference Between Expected and Actual Experience	12
Changes of Assumptions	-
Refund of Contributions	-
Benefit Payments	-
Net Change in Total Pension Liability	20,660
Total Pension Liability - Beginning	-
Total Pension Liability - Ending	20,660
Plan Fiduciary Net Position	
	2024
Contributions - Employer	\$ 12,703
Contributions - Employee	8,798
Net Investment Income	456
Other	1,183
Refund of Contributions	-
Benefit Payments	-
Administrative Expense	(13)
Net Change in Plan Fiduciary Net Position	23,127
Plan Fiduciary Net Position - Beginning	-
Plan Fiduciary Net Position - Ending	23,127
Net Pension Liability (Asset) - Ending	(2,467)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	111.94%
Covered Payroll	\$ 175,944
Net Pension Liability as a Percentage of Covered Payroll	-1.40%

Note: The schedule above reflects the net pension liability for the current year. GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. The District will build the schedule over the 10-year period beginning December 31, 2024 as data becomes available.

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES
 LAST PLAN YEAR

Fiscal Year Ending September 30,	Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions As % of Covered Payroll
2024	\$ 12,703	\$ 12,703	\$ -	\$ 175,944	7.2%

This schedule is presented to illustrate the requirements for 10 years. The District will build this schedule over the 10-year period beginning December 31, 2024 as data becomes available.

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	19.9 years (based on contribution rate calculated in 12/31/24 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	7.5%, 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 RP-2010 General Retirees Table for males and 120% of the RP-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Plan Provisions	2015, 2019: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Assumptions Reflected in the Schedule	2016-2023: Not applicable, prior to TCDRS participation. 2024: No changes in plan provisions were reflected in the Schedule.

SUPPLEMENTARY INFORMATION

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

Such statements and schedule include:

- Comparative Balance Sheet – General Fund
- Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – General Fund
- Comparative Balance Sheet – Special Revenue Fund (District 2)
- Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund (District 2)
- Comparative Balance Sheet – Debt Service Fund
- Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE BALANCE SHEETS – GENERAL FUND
 SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 206,855	\$ 158,818
Investments	5,065	5,065
Property Tax Receivable	28,856	7,767
Sales Tax Receivable	193,795	136,776
EMS Charges Receivables (Net of Allowance)	85,408	83,422
Prepaid Items	4,627	2,760
TOTAL ASSETS	\$ 524,606	\$ 394,608
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Accounts Payable	\$ 41,347	\$ 19,900
Due to District 2 Emergency Services, Inc.	196,241	212,467
TOTAL LIABILITIES	237,588	232,367
 DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Tax Revenue	28,856	6,949
Unavailable EMS Charges	85,408	83,422
TOTAL DEFERRED INFLOWS OF RESOURCES	114,264	90,371
 FUND BALANCE		
Nonspendable:		
Prepaid Items	4,627	2,760
Unassigned	168,127	69,110
TOTAL FUND BALANCE	172,754	71,870
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
	\$ 524,606	\$ 394,608

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES – GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES		
Property Taxes	\$ 593,461	\$ 176,592
Sales Tax	1,021,310	913,425
EMS Charges	161,141	188,192
Contributions/Grants	27,836	19,891
Miscellaneous Income	42,095	20,812
TOTAL REVENUES	1,845,843	1,318,912
EXPENDITURES		
<i>Current:</i>		
Emergency Services	380,965	234,845
General Administration	240,031	151,619
Capital Outlay	83,776	146,018
TOTAL EXPENDITURES	704,772	532,482
Excess (Deficiency) Over (Under) Expenditures	1,141,071	786,430
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	(1,160,687)	(792,866)
Proceeds from Sale of Fixed Assets	120,500	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,040,187)	(792,866)
Net Change in Fund Balance	100,884	(6,436)
Fund Balance at Beginning of Year	71,870	78,306
Fund Balance (Deficit) at End of Year	\$ 172,754	\$ 71,870

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE BALANCE SHEETS - SPECIAL REVENUE FUND (DISTRICT 2)
 SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ -	\$ -
Prepaid Insurance	-	-
Due from Other Funds	<u>34,448</u>	<u>32,115</u>
TOTAL ASSETS	<u>\$ 34,448</u>	<u>\$ 32,115</u>
 LIABILITIES		
Payroll Liabilities	\$ 34,448	\$ 29,361
Deferred Revenue	-	\$ 2,760
TOTAL LIABILITIES	<u>34,448</u>	<u>32,121</u>
 FUND BALANCE		
Unassigned	-	(6)
TOTAL FUND BALANCE	<u>-</u>	<u>(6)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 34,448</u>	<u>\$ 32,115</u>

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND
 (DISTRICT 2)
 FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES		
Other Grants and Contributions	\$ -	\$ -
Miscellaneous Income	-	-
TOTAL REVENUES	-	-
EXPENDITURES		
<i>Current:</i>		
Emergency Services	1,244,457	904,361
General Administration	-	48
TOTAL EXPENDITURES	1,244,457	904,409
Excess (Deficiency) Over (Under) Expenditures	(1,244,457)	(904,409)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	1,244,463	860,014
TOTAL OTHER FINANCING SOURCES (USES)	1,244,463	860,014
Net Change in Fund Balance	6	(44,395)
Fund Balance at Beginning of Year	(6)	44,389
Fund Balance at End of Year	\$ -	\$ (6)

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
 COMPARATIVE BALANCE SHEETS – DEBT SERVICE FUND
 SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Property Tax Receivable	\$ 15,328	\$ 28,452
Due from Other Funds	161,793	180,352
TOTAL ASSETS	\$ 177,121	\$ 208,804
 LIABILITIES		
Unavailable Property Tax Revenue	\$ 15,328	\$ 25,458
TOTAL LIABILITIES	15,328	25,458
 FUND BALANCE		
Restricted for Debt Services	161,793	183,346
TOTAL FUND BALANCE	161,793	183,346
 TOTAL LIABILITIES AND FUND BALANCE	\$ 177,121	\$ 208,804

WILSON COUNTY EMERGENCY SERVICES DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		2025 Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 319,232	\$ 319,232	\$ 314,203	\$ (5,029)
TOTAL REVENUES	<u>319,232</u>	<u>319,232</u>	<u>314,203</u>	<u>(5,029)</u>
EXPENDITURES				
<i>Debt Service:</i>				
Principal	240,119	240,119	240,119	-
Interest and Fiscal Charges	95,637	95,637	95,637	-
TOTAL EXPENDITURES	<u>335,756</u>	<u>335,756</u>	<u>335,756</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,524)</u>	<u>(16,524)</u>	<u>(21,553)</u>	<u>(5,029)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	(83,776)	(83,776)
Proceeds from Debt Issuance	-	-	83,776	83,776
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(16,524)	(16,524)	(21,553)	(5,029)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>183,346</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ (16,524)</u>	<u>\$ (16,524)</u>	<u>\$ 161,793</u>	<u>\$ (5,029)</u>

