



Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

**BEXAR COUNTY EMERGENCY
SERVICES DISTRICT #3**

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

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Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Fire Commissioners and Management
Bexar County Emergency Services District #3

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Bexar County Emergency Services District #3 (District), as of and for the year ended September 30, 2025, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We have previously audited the discretely presented component unit financial statements of the Bexar-Bulverde Volunteer Fire Department (BBVFD), as of and for the year ended December 31, 2024, and we expressed an unmodified opinion on those audited financial statements in our report dated September 18, 2025.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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, budgetary comparison schedule-general fund, schedule of changes in the net pension (asset)/liability and related ratios, and schedule of employer contributions and the schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Montemayor Britton Bender Carey PC

March 10, 2026
Austin, Texas

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Bexar County Emergency Services District #3 (“the District”) for the 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 property tax rate was assessed at \$0.065493 per \$100 of assessed valuation for the year ended September 30, 2025. Property tax revenues for the year were \$8,168,115, an increase of \$741,866 over prior year.
- The District incurred an increase in net position of \$7,465,022 for the year.
- The District acquired \$3,920,024 in capital assets contributed by its component unit, the BBVFD.

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 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.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances in a manner similar to a private sector business reporting on a full accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District has improved or deteriorated.

The *Statement of Activities* presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: property taxes assessed but uncollected as of 31 days after year-end).

Because the District’s principal sources of revenue are sales and Ad Valorem property taxes, the government-wide financial statements are grouped into one function that is supported by taxes (governmental activities).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and account for resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal or contractual requirements. The District has one fund, the General Fund. The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on current fiscal year cash inflows and outflows, as well as balances of resources available for spending at the end of the fiscal year. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Fund and government-wide financial statements.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

MANAGEMENT’S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis

Net position may serve as a useful indicator of the District’s financial position. The District’s net position (assets less liabilities) was \$33,150,449 at September 30, 2025. The District’s unrestricted net position of \$11,737,557 was available to meet the District’s ongoing obligations. The tables below summarize the financial position of the District at September 30, 2025 and 2024 and the results of operations for the same years ended.

	<u>9/30/2025</u>	<u>9/30/2024</u>
<u>Assets</u>		
Current assets	\$27,595,138	\$16,003,803
Net pension asset	41,067	0
Capital assets, net of accumulated depreciation	<u>16,353,498</u>	<u>10,576,479</u>
Total assets	<u>43,989,703</u>	<u>26,580,282</u>
<u>Deferred outflows of resources related to pension</u>	<u>661,184</u>	<u>0</u>
<u>Liabilities</u>		
Current liabilities	1,059,584	418,212
Long-term liabilities	<u>10,440,596</u>	<u>476,643</u>
Total liabilities	<u>11,500,180</u>	<u>894,855</u>
<u>Deferred outflows of resources related to pension</u>	<u>258</u>	<u>0</u>
<u>Net position</u>		
Net investment in capital assets	14,108,045	10,576,479
Restricted for capital purchases	7,304,847	0
Unrestricted	<u>11,737,557</u>	<u>15,108,948</u>
Total net position	<u>\$33,150,449</u>	<u>\$25,685,427</u>
<u>Revenues</u>		
Program revenues: operating grant for state mutual aid	\$583,776	\$0
General revenues:		
Ad Valorem property taxes	8,168,115	7,426,249
Sales tax	5,787,955	5,424,317
Interest	993,822	513,729
Other	454,664	780,094
Assets contributed by BBVFD	<u>3,920,024</u>	<u>13,662,318</u>
Total revenues	<u>19,908,356</u>	<u>27,806,707</u>
<u>Expenses</u>		
Firefighting operations	9,803,572	11,848,535
Administrative	1,312,749	810,692
Depreciation	<u>1,327,013</u>	<u>1,075,316</u>
Total expenses	<u>12,443,334</u>	<u>13,734,543</u>
Change in net position	7,465,022	14,072,164
Beginning net position	<u>25,685,427</u>	<u>11,613,263</u>
Ending net position	<u>\$33,150,449</u>	<u>\$25,685,427</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Governmental Fund

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

During the fiscal year ending September 30, 2025, the District's only Governmental Fund was the General Fund, and it reported ending fund balance of \$26,431,375, an increase of \$10,915,569 over the year-ended September 30, 2024. The District's ending unassigned fund balance of \$18,861,420 was available for spending at the District's discretion.

General Fund Budgetary Highlights

General Fund general revenues of \$15,953,938 were \$1,971,319, or 14%, over budget, due primarily to \$1,281,777 more than anticipated in sales tax and interest income and \$583,776 in unbudgeted grant funding for state mutual aid reimbursements. Expenses for the General Fund were \$1,716,550 more than budget, due primarily to capital outlay being more than budgeted. The overage in capital outlay was offset by \$9,550,000 in unbudgeted proceeds from debt.

Capital Assets

The District's capital assets at September 30, 2025, net of accumulated depreciation, totaled \$16,353,498. The current year increase reflects \$3,920,024 in capital assets, net, contributed from BBVFD, and capital outlay of \$3,184,008, offset by depreciation expense of \$1,327,013.

Long-Term Debt

The District's long-term debt at September 30, 2025, net of current portion, totaled \$9,105,000. At year-end, the District had \$7,304,847 in unspent proceeds from debt, which will be used for the construction and equipping of a fire station.

Economic Factors, Future Years' Budgets and Tax Rates

The District considers many factors when approving budgets and setting tax rates for the next fiscal year. Some of those factors include increasing sales tax revenues and the anticipated needs of the District for operations in the next fiscal year. The tax rate for fiscal 2026 is set at \$.068241 per \$100 of assessed valuation. The fiscal 2026 budget reflects a budgeted increase of approximately \$806,000 in Ad Valorem tax revenues.

Request for Information

This financial report is designed to provide a general overview of the finances of the District for all parties with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mr. Robert Moss, Treasurer
Bexar County Emergency Services District #3
25408 Canyon Golf Rd.
San Antonio, TX 78260

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2025

	General Fund	Adjustments (Note 10)	Statement of Net Position
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 17,030,836		\$ 17,030,836
Investments	9,100,952		9,100,952
Sales taxes receivable	966,025		966,025
Ad Valorem property taxes receivable	104,179		104,179
Accounts receivable	128,038		128,038
Prepays	265,108		265,108
Net pension asset	-	41,067	41,067
Capital assets:			
Land and construction in progress	0	5,941,299	5,941,299
Other capital assets, net of depreciation	0	10,412,199	10,412,199
	<u>0</u>		<u>16,353,498</u>
DEFERRED OUTFLOWS OF RESOURCES			
Net difference actual and projected earnings	0	383	383
Difference expected and actual experience	0	10,114	10,114
Contributions subsequent to the measurement date	0	650,687	650,687
	<u>0</u>		<u>661,184</u>
	<u>\$ 27,595,138</u>		<u>44,650,887</u>
LIABILITIES			
Accounts payable	\$ 739,810		739,810
Accrued payroll	319,774		319,774
Accrued interest payable	0	253,793	253,793
Long-term liabilities:			
Due with 1 year	0	445,000	445,000
Due in more than 1 year:			
Loans payable	0	9,105,000	9,105,000
Accrued leave	0	635,457	635,457
Net OPEB liability	0	1,346	1,346
	<u>1,059,584</u>		<u>11,500,180</u>
DEFERRED INFLOWS OF RESOURCES			
Charges in actuarial assumptions	0	258	258
Unavailable revenue - property taxes	104,179	(104,179)	0
	<u>104,179</u>		<u>258</u>
FUND BALANCES/NET POSITION			
FUND BALANCES			
Nonspendable	265,108	(265,108)	
Restricted for capital purchases	7,304,847	(7,304,847)	
Fund balance - unassigned	18,861,420	(18,861,420)	
	<u>26,431,375</u>	<u>(26,431,375)</u>	
	<u>\$ 27,595,138</u>	<u>(27,595,138)</u>	
NET POSITION			
Net investment in capital assets		14,108,045	14,108,045
Restricted for capital purchases		7,304,847	7,304,847
Unrestricted		11,737,557	11,737,557
			<u>\$ 33,150,449</u>

The accompanying notes are an integral part of this financial statement presentation.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Adjustments (Note 10)	Statement of Activities
EXPENDITURES/EXPENSES:			
Current service operations:			
Payroll and related	\$ 7,806,972	\$ (541,833)	\$ 7,265,139
Insurance	926,949		926,949
Firefighting operations contract	733,037		733,037
Maintenance	578,271		578,271
Professional services	299,047		299,047
Utilities	130,173		130,173
Operations PPE and uniforms	126,209		126,209
Travel and training	111,149		111,149
Station and medical supplies	101,705		101,705
Other	590,849		590,849
Debt interest	0	253,793	253,793
Depreciation	0	1,327,013	1,327,013
Capital outlay	3,184,008	(3,184,008)	0
	<u>14,588,369</u>		<u>12,443,334</u>
PROGRAM REVENUES:			
Operating grant - state mutual aid reimbursements	583,776		583,776
Program revenue over/ (under) expenditures/expenses	(14,004,593)		(11,859,558)
GENERAL REVENUES:			
Ad valorem property taxes	8,133,721	34,394	8,168,115
Sales tax	5,787,955		5,787,955
Interest	993,822		993,822
Other	454,664		454,664
	<u>15,370,162</u>		<u>15,404,556</u>
REVENUE OVER EXPENDITURES/EXPENSES	<u>1,365,569</u>		<u>3,544,998</u>
SPECIAL ITEMS:			
Capital assets contributed from BBVFD	0	3,920,024	3,920,024
OTHER FINANCING SOURCES:			
Proceeds from debt	9,550,000	(9,550,000)	0
NET CHANGE IN FUND BALANCE/NET POSITION	10,915,569		7,465,022
BEGINNING FUND BALANCE/NET POSITION	<u>15,515,806</u>	10,169,621	<u>25,685,427</u>
ENDING FUND BALANCE/NET POSITION	<u>\$ 26,431,375</u>		<u>\$ 33,150,449</u>

The accompanying notes are an integral part of this financial statement presentation.

BEXAR-BULVERDE VOLUNTEER FIRE DEPARTMENT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

Cash	\$102,118
Fixed assets	<u>5,016,216</u>
	<u>\$5,118,334</u>

LIABILITIES AND NET ASSETS

Accrued interest	\$95,970
Debt	<u>3,908,958</u>
	4,004,928
Net assets without donor restrictions	<u>1,113,406</u>
	<u>\$5,118,334</u>

The accompanying notes are an integral part of this financial statement presentation.

BEXAR-BULVERDE VOLUNTEER FIRE DEPARTMENT

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

REVENUE

Bexar County Emergency Services District #3 contract	\$6,113,150
State awards	66,444
Interest	36,814
Other	<u>34,769</u>
	<u>6,251,177</u>

EXPENSES

Program	20,871,570
Administrative	<u>306,430</u>
	<u>21,178,000</u>

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (14,926,823)

BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS 16,040,229

ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS \$1,113,406

The accompanying notes are an integral part of this financial statement presentation.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

The Bexar County Emergency Services District #3 (District) was created by an election of the residents of Bexar County in 2002. The District provides for fire and rescue services within its boundaries. In June 2024, the District assumed substantially all of the assets and liabilities of the Bexar-Bulverde Volunteer Fire Department (BBVFD). BBVFD meets the criteria of being a component unit of the District. BBVFD owns certain capital assets, as well as the related debt, that are used exclusively by and for the benefit of the District.

The District is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Additionally, no other entity meets the requirements for inclusion in the District's financial statements.

The District is governed by a five-member Board of Fire Commissioners (the Board) appointed by the Bexar County Commissioners. The Board sets the budget and tax rate within limits authorized by Chapter 775 of the Health and Safety Code.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governments promulgated by the GASB and the American Institute of Certified Public Accountants (AICPA). The following is a summary of the significant accounting policies.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The District is considered a special purpose government under GASB Statement No. 34. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements to be prepared on the modified accrual basis of accounting is met with the "General Fund" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities. The District services are supported by Ad Valorem property taxes and sales taxes. The Statement of Activities demonstrates how the District used revenue and shows how direct expenses of a given function are offset by program revenues.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are presented 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collectible within 60 days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred. Interest and tax revenues associated with the current fiscal year are considered susceptible to accrual and have been recognized as revenues in the current fiscal year. All other revenue is considered measurable and available only when cash is received by the District.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUND BALANCES

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District can establish limitation of the use of resources through either a commitment or an assignment. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

Nonspendable fund balances are amounts that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained intact. Restricted fund balances relate to limitations on use imposed by external restrictions from creditors. Committed fund balances include amounts that can only be used for specific purposes determined by a formal action of the Board or adoption of an ordinance. Limitations imposed by commitments remain in place until formal Board action is taken to remove the limitation. Amounts in the assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be committed. Assignments are generally temporary and do not require Board action to be taken to remove the assignment.

NET POSITION

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on its 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term, highly liquid deposits, such as money market accounts, that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates.

INVESTMENTS

Investments include certificates of deposit that are carried at amortized cost.

CAPITAL ASSETS

All capital assets are recorded at historical cost (or estimated historical cost) and updated for additions and retirements during the year. Property and equipment with an individual value greater than \$1,000, or group purchases of greater than \$5,000, and a useful life of three years or more are capitalized. Improvements are capitalized. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses. Depreciation is calculated on a straight-line basis. Estimated useful lives are as follows:

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Stations and improvements	15-39 years
Vehicles	5-10 years
Equipment	5-10 years
Furniture and fixtures	5-15 years

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 these estimates.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position and governmental funds balance sheet reports a separate section for deferred outflows of resources representing a consumption of net position that applies to a future period and is not recognized as an outflow of resources in the current period. The District's pension and other post employment benefit (OPEB) related items qualify for reporting in this category in the government-wide financial statements. See Notes 11 and 12 for more information.

The statement of financial position and governmental funds balance sheet report a separate section for deferred inflows of resources representing an acquisition of net position that applies to a future period and is not recognized as an inflow of resources or revenue until that time. The District has two types of items which qualify for reporting in this category. The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow in the period that they become available. The other type is pension related items reported in the government-wide financial statements. See Notes 11 and 12 for more information.

PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net pension asset/liability, OPEB liability and deferred outflows/inflows of resources related to pension and OPEB, and the related expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and the additions to/deductions from the plan'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 of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Notes 11 and 12 for more information.

NOTE 3: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, errors and omissions, and lawsuits. The District purchases insurance to provide coverage for these risks.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 4: DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the District’s cash deposits was \$17,030,836, and its bank balances were \$26,546,442. Additionally, the District held balances of \$1,011,373 in certificates of deposit. The District holds pledged securities for any amounts in excess of FDIC coverage. The District was in compliance with the requirements of Chapter 2256 and with its investment policy during the year.

NOTE 5: CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land	\$2,575,750	\$0	\$0	\$2,575,750
Construction work in progress	<u>1,374,181</u>	<u>3,001,219</u>	<u>(1,009,851)</u>	<u>3,365,549</u>
	<u>3,949,931</u>	<u>3,001,219</u>	<u>(1,009,851)</u>	<u>5,941,299</u>
<u>Capital assets being depreciated:</u>				
Stations and improvements	4,869,018	4,505,494	0	9,374,512
Vehicles	7,102,563	897,944	0	8,000,507
Equipment	2,107,571	268,453	(70,125)	2,305,899
Furniture and fixtures	<u>274,312</u>	<u>8,889</u>	<u>0</u>	<u>283,201</u>
	<u>14,353,464</u>	<u>5,680,780</u>	<u>(70,125)</u>	<u>19,964,119</u>
<u>Accumulated depreciation:</u>				
Stations and improvements	(1,773,573)	(856,936)	0	(2,630,509)
Vehicles	(4,686,471)	(764,587)	0	(5,451,058)
Equipment	(1,105,193)	(251,754)	70,125	(1,286,822)
Furniture and fixtures	<u>(161,679)</u>	<u>(21,852)</u>	<u>0</u>	<u>(183,531)</u>
Total accumulated depreciation	<u>(7,726,916)</u>	<u>(1,895,129)</u>	<u>70,125</u>	<u>(9,551,920)</u>
	<u>\$10,576,479</u>	<u>\$6,786,870</u>	<u>(\$1,009,851)</u>	<u>\$16,353,498</u>

NOTE 6: BUDGET- GENERAL FUND

The District adopts an annual budget for the general fund each fiscal year and amends the budget as needed during the year. The District does not use an encumbrance system and appropriations lapse at the end of each fiscal year. Certain revenue and expenses were different than budgeted, resulting in a higher than budgeted fund balance. Primarily, total revenues were \$1,971,319, or 14%, more than budgeted. Total expenses were \$1,716,550, or 13%, more than budgeted. Other financing sources of \$9,550,000, which related to proceeds from debt, were not budgeted.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 7: LONG-TERM LIABILITIES

<u>Asset Acquired</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Fire station	<u>\$9,550,000</u>	3/2040	4.95%	<u>\$0</u>	<u>\$9,550,000</u>	<u>\$0</u>	\$9,550,000
Less: current portion							<u>(445,000)</u>
							<u>\$9,105,000</u>

The District's debt is secured by Ad Valorem and sales tax revenues. Maturities of long-term debt for years ending September 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$445,000	\$468,786	\$913,786
2027	465,000	450,698	915,698
2028	490,000	427,680	917,680
2029	515,000	403,425	918,425
2030	540,000	377,933	917,933
2031-2035	3,120,000	1,461,982	4,581,982
2036-2040	<u>3,975,000</u>	<u>609,345</u>	<u>4,584,345</u>
	<u>\$9,550,000</u>	<u>\$4,199,849</u>	<u>\$13,749,849</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated absences*	<u>\$476,643</u>	<u>\$158,814</u>	<u>\$0</u>	<u>\$635,457</u>
OPEB liability	<u>\$0</u>	<u>\$1,346</u>	<u>\$0</u>	<u>\$1,346</u>

*The change in the compensated absences liability is presented as a net change.

NOTE 8: PROPERTY TAXES

The District has the authority to levy a tax to a maximum of \$0.10 per \$100 of value. Ad Valorem property taxes are levied each October 1 on the assessed valuation of all taxable property in the District. The tax rate for the October 1, 2024 levy was \$0.065493 per \$100 of value. Taxes are due upon receipt of the bill and are delinquent if not paid before the first day of February in the year following levy. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties and interest ultimately imposed. Taxes are billed and collected by the Bexar County Tax Assessor-Collector.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 9: COMMITMENTS

During the year end, the District entered into a contract commitment for \$10,222,172 related to station improvements. At year-end, approximately \$7,600,000 was remaining under the contract.

NOTE 10: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Change in fund balance - general fund	\$10,915,569
Proceeds from debt recognized in the fund financial statements	(9,550,000)
Change in taxes receivable deferred in the fund financial statements	34,394
Interest on long-term debt not reported in the fund financial statements	(253,793)
Contributed capital assets not reported in the fund financial statements	3,920,024
Depreciation expense not recognized in the fund financial statements	(1,327,013)
Pension and OPEB contributions are reported as expenditures in the governmental fund when made. Adjustments to the net pension liability/(asset), the OPEB liability, and pension and OPEB expenses resulting from changes in deferred outflows and inflows of resources are not recognized in the fund financial statements	700,647
Change in accrued leave not reported in the fund financial statements	(158,814)
Capital outlays recognized as expenditures in the fund financial statements	<u>3,184,008</u>
Change in net position - governmental activities	<u>\$7,465,022</u>
Fund balance - general fund	\$26,431,375
Increase net position for capital assets not reported in the fund financial statements	16,353,498
Taxes receivable deferred in the fund financial statements and not in the government-wide financial statements	104,179
Deferred outflows and inflows of resources related to the pension and OPEB plan, the net pension liability/(asset), and the OPEB liability are applicable to future reporting periods and are not in the fund financial statements	701,993
Accrued interest expense on long-term debt not reported in the fund financial statements	(253,793)
Long-term liabilities not reported in the fund financial statements	<u>(10,186,803)</u>
Net position - governmental activities	<u>\$33,150,449</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 11: RETIREMENT PLANS

TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS)

Plan Description

The District provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide TCDRS, an agent multiple-employer public employee retirement system. TCDRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TCDRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TCDRS. This report may be obtained by calling TCDRS at 800-823-7782; and is also available on TCDRS' website at www.tcdrs.org. Plan provisions for the District were as follows:

Benefits Provided

The plan provisions that have been adopted by the Board of the District are within the options available in the governing state statutes of TCDRS. TCDRS provides retirement benefits that are calculated based on age, average compensation and service credit as follows:

Employee deposit rate	7%
District contribution rate	13.00%
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, any/20, rule of 75

Employees Covered

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

Inactive employees or beneficiaries receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	1
Active employees	88

Contributions

Under the state law governing TCDRS, the contribution rate for each District is determined annually by the actuary, using the entry age actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees of the District were required to contribute 7% of their annual salary during the year, and the District was required to contribute at the actuarially determined rate of 13%. The District's contributions to TCDRS for the year ended September 30, 2025 were \$837,572, which equaled the required contribution.

Net Pension Liability/(Asset)

The District's net pension asset of \$41,067 for TCDRS at September 30, 2025 was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 11: RETIREMENT PLANS

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TCDRS financial report.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) 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 or 1 percentage point higher than the current rate:

	1% Decrease <u>(6.60%)</u>	Discount Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
District’s net pension liability (asset)	<u>\$131,361</u>	<u>(\$41,067)</u>	<u>(\$174,572)</u>

Pension Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date:	12/31/2024
Actuarial cost method:	Entry age normal
Investment rate of return (7.50% rate of return plus 0.10% adjustment gross of administrative expenses):	7.60%
Inflation:	2.50%
Projected Salary Increases:	4.7% average
Mortality rates	135% and 120% of Pub-2010 General Retirees Tables for males and females, respectively, both projected with 100% of MP-2021 Scale after 2010

Actuarial assumptions used in the December 31, 2024 valuation were based on results of an actuarial experience study over the years 2017-2020.

Discount Rate

The discount rate used to measure the total TCDRS pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the rates specified in the funding policy. Based on that assumption, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for calculating the total pension liability is equal to the long-term expected rate of return on pension plan investments applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on the TCDRS pension plan investments was determined to be 7.60% using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 11: RETIREMENT PLANS

of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return</u>
Cash Equivalents	2.00%	1.10%
U.S. Equities	13.00%	5.35%
Private Equity	25.00%	8.15%
Global Equities	4.00%	5.15%
International Equities-Developed Markets	6.00%	4.75%
International Equities-Emerging Markets	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	2.00%	4.95%
Commodities	2.00%	1.00%
Private Real Estate Partnerships	6.00%	5.75%
Hedge Funds	6.00%	3.60%

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

For the year ended September 30, 2025, the District recognized pension expense of \$136,925. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$0	\$383
Net difference between projected and actual earnings	\$0	\$10,114
Contributions subsequent to the measurement date	\$0	\$650,687

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 11: RETIREMENT PLANS

\$650,687 reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the District's fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the actuarial year ended December 31:

2025	\$2,564
2026	\$2,564
2027	\$2,564
2028	\$2,562
2029	\$35
Thereafter	\$208

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (a)-(b)</u>
Changes in Net Pension Liability/(Asset)			
Balance at December 31, 2023	\$0	\$0	\$0
Changes for the year:			
Service cost	657,831	0	657,831
Interest on total pension liability	49,995	0	49,995
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	418	0	418
Effect of assumption changes or inputs	0	0	0
Refunds of contributions	0	0	0
Benefit payments	0	0	0
Administrative expenses	0	(408)	408
Member contributions	0	243,816	(243,816)
Net investment income	0	14,759	(14,759)
Employer contributions	0	452,802	(452,802)
Other	<u>0</u>	<u>38,342</u>	<u>(38,342)</u>
Balance at December 31, 2024	<u>\$708,244</u>	<u>\$749,311</u>	<u>(\$41,067)</u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 12: OTHER POST EMPLOYMENT BENEFITS- TCDRS GROUP TERM LIFE

The District participates in the multi-employer defined benefit group-term life insurance plan offered by TCDRS known as the Group Term Life (GTL) program. The GTL program is treated as an unfunded trust, because as the GTL covers both active and retiree participants, with no segregation of assets (i.e no assets are accumulated). For purposes of GASB 75, the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer’s actual GTL contributions for the year.

The GTL plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of participating employers. The benefit is a fixed \$5,000 lump sum benefit, with no future increases assumed.

At the December 31, 2024 valuation of the total OPEB liability, membership data is as follows:

Inactive employees currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	1
Active employees	88

OPEB Liability

The District’s OPEB liability of \$1,346 at September 30, 2025 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date. The OPEB liability related to the GTL program is determined using the Entry Age Normal actuarial cost method. The actuarial assumptions used in the 31 December 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2017- December 31, 2020. The significant actuarial assumptions are as follows:

Discount rate*	4.08%
Actuarial cost method:	Entry age normal
Mortality rates:	
Depositing members	135% and 120% of Pub-2010 General Employee Tables for males and females, respectively, both projected with 100% of MP-2021 Scale after 2010
Service retirees, beneficiaries and non-depositing members	135% and 120% of Pub-2010 General Healthy Retirees Tables for males and females, respectively, both projected with 100% of MP-2021 Scale after 2010
Disabled retirees	160% and 125% of Pub-2010 General Disabled Retirees Tables for males and females, respectively, both projected with 100% of MP-2021 Scale after 2010

* The discount rate was based on the 20 Year Bond GO Index, as published by bondbuyer.com.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the District, calculated using the discount rate of 4.08%, as well as what the District’s OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 12: OTHER POST EMPLOYMENT BENEFITS

	1% Decrease <u>(3.08%)</u>	Discount Rate <u>(4.08%)</u>	1% Increase <u>(5.08%)</u>
District's OPEB liability/(asset)	<u>\$1,696</u>	<u>\$1,346</u>	<u>\$1,067</u>
<u>Change in Total OPEB Liability</u>			
Balance at December 31, 2023:			\$0
Changes for the year:			
Service cost			1,577
Interest on total OPEB liability			51
Changes in benefit terms including TMRS plan participation			0
Differences between actual and expected experience			0
Changes in assumptions or other inputs			(282)
Benefit payments			<u>0</u>
Balance at December 31, 2024			<u>\$1,346</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the District recognized OPEB expense of \$1,604. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$0	\$0
Changes in assumptions	\$258	\$0
Contributions subsequent to the measurement date	\$0	\$0

Amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB expense will be recognized as OPEB expense as follows:

For the actuarial year ending December 31:	
2025	(\$24)
2026	(\$24)
2027	(\$24)
2028	(\$24)
2029	(\$24)
Thereafter	(\$138)

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

NOTES TO FINANCIAL STATEMENTS

NOTE 13: CHANGE IN ACCOUNTING PRINCIPLE

Effective October 1, 2024, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB 101) and subsequent amendments. This statement replaces GASB Statement No. 16. The adoption of GASB 101 has required a change in accounting principle for the recognition and measurement of liabilities for compensated absences, which includes sick leave, vacation, and other types of paid leave. The cumulative effect of the change is recorded as an expense in the Statement of Activities in fiscal year 2025.

NOTE 14: COMPONENT UNIT FINANCIAL STATEMENTS

BBVFD meets the criteria in GASB 39, paragraph 5, and as such its financial statements are discretely presented by the District. The separately issued financial statements of BBVFD may be obtained by written request from BBVFD at 25408 Canyon Gold Rd., San Antonio, TX 78260. During the year, the District acquired capital assets of \$3,920,024 from BBVFD. Additionally, the District paid \$438,971 to BBVFD during the year toward payments on debt owed by BBVFD for assets used by the District. This amount is included in firefighting expense in the Statement of Activities.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
PROGRAM REVENUES:			
Operating grant - state mutual aid reimbursements	\$0	\$583,776	\$583,776
GENERAL REVENUES:			
Ad valorem property taxes	8,182,619	8,133,721	(48,898)
Sales tax	5,000,000	5,787,955	787,955
Interest	500,000	993,822	493,822
Other	300,000	454,664	154,664
	<u>13,982,619</u>	<u>15,370,162</u>	<u>1,387,543</u>
Total revenues	<u>13,982,619</u>	<u>15,953,938</u>	<u>1,971,319</u>
EXPENDITURES:			
Payroll and related	8,322,750	7,806,972	515,778
Insurance	974,044	926,949	47,095
Firefighting operations contract	751,269	733,037	18,232
Maintenance	457,600	578,271	(120,671)
Professional services	252,800	299,047	(46,247)
Utilities	148,500	130,173	18,327
Operations PPE and uniforms	136,700	126,209	10,491
Travel and training	131,600	111,149	20,451
Station and medical supplies	111,500	101,705	9,795
Other	607,325	590,849	16,476
Debt service	691,731	0	691,731
Capital outlay	286,000	3,184,008	(2,898,008)
	<u>12,871,819</u>	<u>14,588,369</u>	<u>(1,716,550)</u>
Revenues over/(under) expenditures	1,110,800	1,365,569	254,769
OTHER FINANCING SOURCES			
Proceeds from debt	0	9,550,000	9,550,000
NET CHANGE IN FUND BALANCE	1,110,800	10,915,569	9,804,769
BEGINNING FUND BALANCE	<u>15,515,806</u>	<u>15,515,806</u>	<u>0</u>
ENDING FUND BALANCE	<u><u>\$16,626,606</u></u>	<u><u>\$26,431,375</u></u>	<u><u>\$9,804,769</u></u>

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

SCHEDULE OF CHANGES IN THE NET PENSION (ASSET)/ LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2025*

Actuarial Year Ended December 31,

	<u>2025</u>
Total pension liability	
Service cost	\$ 657,831
Interest on total liability	49,995
Effect of plan changes	0
Effect of assumption changes or inputs	0
Effect of economic/demographic (gains) or losses	418
Benefit payments/refunds of employee contributions	<u>0</u>
Net change in total pension liability	708,244
Total pension liability - beginning	<u>0</u>
Total pension liability - ending (a)	<u>708,244</u>
Plan fiduciary net position	
Contributions - employer	\$ 452,802
Contributions - employee	243,816
Net investment income	14,759
Benefit payments/refunds of employee contributions	0
Administrative expenses	(408)
Other	<u>38,342</u>
Net change in plan fiduciary net position	749,311
Plan fiduciary net position - beginning	<u>0</u>
Plan fiduciary net position - ending (b)	<u>\$ 749,311</u>
Net pension (asset)/ liability (a) - (b)	<u>\$ (41,067)</u>
Plan fiduciary net position as a % of the total pension liability	105.80%
Covered employee payroll	\$ 3,483,090
Net pension liability as % of covered-employee payroll	-1.18%

NOTE:

*Fiscal 2025 was the first year of participation in the plan. A full 10-year schedule will be presented as information becomes available.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2025*

	<u>2025</u>
Actuarially determined contribution**	\$ 447,925
Contributions in relation to the actuarially determined contribution	452,802
Contribution deficiency (excess)	<u>\$ (4,877)</u>
Covered-employee payroll	\$ 3,483,090
Contributions as a percentage of covered-employee payroll	13.00%

NOTE:

*Fiscal 2025 was the first year of participation in the plan. A full 10-year schedule will be presented as information becomes available.

**TCDRS calculates actuarially determined contributions on a calendar year basis. GASB 68 indicates the employer should report employer contributions on a fiscal year basis.

Valuation Date: December 31, 2024.

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	13.0 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 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	2024: No changes in plan provisions were reflected in the Schedule.
Changes in Plan Provisions	2024: No changes in plan provisions were reflected in the Schedule.

BEXAR COUNTY EMERGENCY SERVICES DISTRICT #3

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2025*

Actuarial Year Ended December 31, 2024

Total OPEB liability	
Service cost	\$ 1,577
Interest on total OPEB liability	51
Effect of plan changes	0
Effect of assumption changes or inputs	(282)
Effect of economic/demographic (gains) or losses	0
Benefit payments	<u>0</u>
Net change in total OPEB liability	1,346
Total OPEB liability - beginning	<u>0</u>
Total OPEB liability - ending	<u>\$ 1,346</u>
Covered employee payroll	\$ 3,483,090
Total OPEB liability(asset) as a percentage of Covered employee payroll	0.04%

Notes:

*Fiscal 2025 was the first year of participation in the plan. A full 10-year schedule will be presented as information becomes available