

**ARMSTRONG COUNTY
APPRAISAL DISTRICT**

Annual Financial Report

For Year Ended December 31, 2023

ARMSTRONG COUNTY APPRAISAL DISTRICT

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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PART I

INTRODUCTORY SECTION

ARMSTRONG COUNTY APPRAISAL DISTRICT

BOARD OF DIRECTORS

Rachel Myers
Lucas Minkley
Tim Young
Shenee Bichsel
Clint Cornell

CHIEF APPRAISER

Marissa Clement

GOVERNMENTAL ENTITIES PARTICIPATING

Armstrong County
City of Claude
Claude Independent School District
Clarendon Independent School District
Groom Independent School District
Happy Independent School District
High Plains Water District
Panhandle Groundwater District #3

PART II
FINANCIAL SECTION



Board of Directors
Armstrong County Appraisal District
Claude, Texas

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the business-type activities of the Armstrong County Appraisal District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Armstrong County Appraisal District'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 business-type activities of the Armstrong County Appraisal District, as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Armstrong County Appraisal 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 Armstrong County Appraisal 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.

Auditors' 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 Armstrong County Appraisal 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 Armstrong County Appraisal 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 schedule of changes in net pension liability and related ratios – TCDRS and the schedule of employer contributions – TCDRS on pages 24 – 26 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 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.

The Armstrong County Appraisal District has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented 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. The independent auditors' opinion is not affected by the omission of the MD&A.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Schedule of Revenues and Expenses – Budget and Actual – Budget Basis – Proprietary Fund, the Schedule of Delinquent Taxes Receivable for Collection Entities, the Schedule of Current and Delinquent Taxes Receivable, and the Analysis of Collections and Disbursements of Tax Revenues are presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Revenues and Expenses – Budget and Actual – Budget Basis – Proprietary Fund, the Schedule of Delinquent Taxes Receivable for Collection Entities, the Schedule of Current and Delinquent Taxes Receivable, and the Analysis of Collections and Disbursements of Tax Revenues is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

February 23, 2024

BASIC FINANCIAL STATEMENTS

**ARMSTRONG COUNTY APPRAISAL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 145,151
Receivable from taxing entities	187
Due from other funds	6,235
Prepaid expense	4,343
Total current assets	155,916
Noncurrent assets:	
Net pension asset	4,067
Capital assets:	
Leased building	90,740
Leased equipment	8,946
Less accumulated depreciation	(77,960)
Total noncurrent assets	25,793
Total assets	181,709

DEFERRED OUTFLOWS OF RESOURCES

Pension contributions	7,830
Pension actuarial losses	415
Pension deficient earnings	3,426
Pension assumption changes	1,117
Total deferred outflows of resources	12,788

LIABILITIES

Current liabilities:	
Accounts payable	9,242
Deferred revenue	72,276
Refund to taxing entities	17,305
Accrued vacation leave payable	9,356
Capital leases - current	12,209
Total current liabilities	120,388
Noncurrent liabilities:	
Capital leases	12,456
Total liabilities	132,844

DEFERRED INFLOWS OF RESOURCES

Pension actuarial gains	1,427
Pension assumption changes	74
Total deferred inflows of resources	1,501

NET POSITION

Unrestricted:	
Undesignated	10,152
Board designated	50,000
Total net position	\$ 60,152

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

**ARMSTRONG COUNTY APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

OPERATING REVENUES:

Tax appraisal and collection fees, net	\$	262,424
Other income		338
		338
Total operating revenues		262,762

OPERATING EXPENSES:

Salaries and employee benefits		117,722
Contracted and professional services		103,237
Office supplies and expenses		6,778
Travel and training		2,810
Administration		18,287
Depreciation		10,864
		10,864
Total operating expenses		259,698
Operating income		3,064

NON-OPERATING REVENUES / (EXPENSES)

Interest income		6,615
Interest expense		(625)
		(625)
Total non-operating revenues / (expenses)		5,990

CHANGE IN NET POSITION

9,054

TOTAL NET POSITION - BEGINNING

51,098

TOTAL NET POSITION - ENDING

\$ 60,152

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

**ARMSTRONG COUNTY APPRAISAL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from participating entities	\$ 273,745
Cash received from miscellaneous revenues	(2,864)
Cash payments for salaries and employee benefits	(119,397)
Cash payments for supplies and services	(129,818)
	<u>21,666</u>
Net cash provided by operating activities	<u>21,666</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal paid on capital leases	(11,967)
Interest paid on capital leases	(625)
	<u>(12,592)</u>
Net cash used by capital and related financing activities	<u>(12,592)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash received from interest earned	<u>6,615</u>
Net cash provided by investing activities	<u>6,615</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

15,689

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

129,462

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 145,151

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 3,064
Adjustment to reconcile operating loss to net cash flows from operating activities:	
Depreciation	10,864
(Increase) decrease in operating assets:	
Due from other funds	(3,202)
Receivable from taxing entities	(187)
Net pension asset	4,702
Deferred outflows of resources - contributions	(574)
Deferred outflows of resources - economic/demographic losses	(197)
Deferred outflows of resources - deficient earnings	(3,426)
Deferred outflows of resources - assumption changes	186
Increase (decrease) in operating liabilities:	
Accounts payable	1,294
Deferred revenues	2,109
Accrued vacation leave payable	1,060
Refund to taxing entities	9,399
Deferred inflows of resources - economic/demographic gains	(238)
Deferred inflows of resources - excess earnings	(3,176)
Deferred inflows of resources - assumption changes	(12)
	<u>21,666</u>
Net cash provided by operating activities	<u><u>\$ 21,666</u></u>

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

**ARMSTRONG COUNTY APPRAISAL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
COLLECTIONS FUND
DECEMBER 31, 2023**

ASSETS		
Cash and cash equivalents		\$ 158,453
Credit card payments in transit		299
Accounts receivable - filing fees		<u>737</u>
Total assets		<u><u>\$ 159,489</u></u>
LIABILITIES		
Due to taxing entities		\$ 152,608
Due to other funds		6,235
Tax escrow		<u>646</u>
Total liabilities		<u><u>\$ 159,489</u></u>

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

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Armstrong County Appraisal District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the District are described in the following notes to the financial statements.

A. Financial Reporting Entity

The District was formed by virtue of voter action in the State of Texas on a proposed constitutional amendment to create central appraisal districts in 1979, and the subsequent enabling legislation approved by the Texas Legislature. The local appraisal districts are governed by both state laws that dictate the duties and functions of such districts and a board of directors appointed by the various local taxing units. The purpose of establishing the appraisal district is to increase efficiency and accuracy by having only one office which utilizes modern methods of appraisal to establish uniform values within the appraisal district's boundaries. The District also collects and disburses taxes to various other governmental entities.

The accompanying basic financial statements present the government defined according to criteria in GASB Statement No. 14, *The Financial Reporting Entity*. These financial statements do not include the operations of any other organization, because none of the criteria for inclusion as set forth in GASB Statement No. 14 have been met. Component units are legally separate organizations for which the District is financially accountable. The District has no component units.

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting

The accounts of the District are organized on the basis of funds, which consider a fund as a separate accounting entity. The operation of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses.

The District accounts for all operations in one proprietary fund.

The District also utilizes a fiduciary fund, the Collections Fund. The Collections Fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. Since the resources in the Collections Fund cannot be used for District operations, they are not included in the District's proprietary fund financial statements.

The proprietary fund is 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 the related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the District are charges to taxing entities for appraisal and collection fees. Operating expenses of the District include the cost of personnel, contract services, supplies and materials, other operating expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary fund level financial statements include fiduciary funds which are classified into custodial funds. The District has only one custodial fund which is used to account for assets held by the District as an agent for individuals, private organizations, other governments, and other funds. Custodial funds do not involve a formal trust agreement.

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continuation*

C. Use of Restricted Assets

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple net position classifications, net position is depleted in the order of restricted and then unrestricted funds.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and deposits within public fund investment pools, and purchases of certificates of deposits with original maturities of three months or less. Statutes authorize the District to keep funds in demand deposits, time deposits, or securities of the United States. The District's custodial banks are required to pledge for the purpose of securing District funds, securities of the following kind, in an amount equal to the amount of such District funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes.

The District is required by Government Code Chapter 2256, the Public Funds Investment Act ("Act"), to adopt, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment policies. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establish appropriate policies. The District adheres to the requirements of the Act. Additionally, investment practices of the District are in accordance with local policies.

2. Receivables and Payables

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements. The District uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed

4. Compensated Absences

A liability for unused vacation and sick time for all full-time employees is calculated and reported in the basic financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continuation*

D. Assets, Liabilities, and Net Position or Equity – Continuation

4. Compensated Absences – Continuation

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the basic financial statements.

Regular full-time employees are entitled to vacation of up to 10 working days per year for up to 6 years of service, 15 working days for 7 – 14 years of service, 20 working days for 15 – 24 years of service, and 25 working days for 25 or more years of service. Vacation time earned, but not taken, is paid upon termination, but no more than 5 working days can be accumulated beyond one calendar year. Sick leave accrues at 10 working days per year, with a maximum accumulation of 90 days. 15 days of sick time earned, but not taken, is paid upon separation of employment if the employee is in “good standing.” Accrued vacation leave and sick time are accrued on the Statement of Net Position.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has multiple items that qualify for reporting in this category. They are the contributions and other items related to the District’s pension plan reported in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has multiple items that qualify for reporting in this category. They are the items related to the District’s pension plan reported in the statement of net position.

6. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s Texas County and District Retirement System Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

7. Net Position

In the proprietary fund financial statements, equity is classified as net position and displayed in three categories.

Net investment in capital assets – This amount 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.

Restricted – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continuation*

E. Assets, Liabilities, and Net Position or Equity – Continuation

7. Net Position – Continuation

Unrestricted – This amount includes all amounts that comprise net position that do not meet the definition of “net investment in capital assets” or “restricted.”

8. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The proposed budget is prepared by the Board.
2. The Board provides for a public hearing on the District’s budget.
3. Prior to January 1, the budget is legally adopted by decision of the Board.
4. No expenditure of the District may exceed the budget, unless the original budget is amended by decision of the Board.
5. The budget for the Proprietary Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) on the accrual basis of accounting.
6. All appropriations lapse at the end of the year and may be re-budgeted the next year.

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 – CASH AND CASH EQUIVALENTS

Following is a reconciliation of the District’s cash and deposits balances as of December 31, 2023:

Cash and deposit balances consist of:

Cash on hand	\$	100
Bank deposits		303,504
 Total	 \$	 303,604

Cash and deposit balances are reported in the basic financial statements as follows:

Fund Statement of Net Position:

Business-type activities:

Unrestricted	\$	145,151
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Fiduciary Funds Statement of Net Position		158,453
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 Total	 \$	 303,604
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Custodial credit risk – deposits As of December 31, 2023, the carrying amount of the District’s deposits with financial institutions was \$303,504 and the bank balance was \$303,901. Of the bank balance, \$301,654 was insured through the Federal Depository Insurance Corporation (FDIC) and \$2,247 was collateralized with securities held by the pledging institution’s agent in the District’s name.

Interest rate risk is the risk that adverse changes in interest rates will result in an adverse affect on the fair value of an investment. The District manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts.

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and District policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single insurer. As of December 31, 2023 the District’s carrying value of cash was deposited with the District’s depository bank and was adequately secured as described above.

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 – CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classifications by function.

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Leased building	\$ 90,740	\$ -	\$ -	\$ 90,740
Leased equipment	8,946	-	-	8,946
	<u>99,686</u>	<u>-</u>	<u>-</u>	<u>99,686</u>
Total capital assets, being depreciated				
	99,686	-	-	99,686
Less accumulated depreciation for:				
Leased building	(63,518)	(9,074)		(72,592)
Leased equipment	(3,578)	(1,790)	-	(5,368)
	<u>(67,096)</u>	<u>(10,864)</u>	<u>-</u>	<u>(77,960)</u>
Total accumulated depreciation				
	(67,096)	(10,864)	-	(77,960)
Business-type activities capital assets, net				
	<u>\$ 32,590</u>	<u>\$ (10,864)</u>	<u>\$ -</u>	<u>\$ 21,726</u>

Depreciation expense for the year ended December 31, 2023 was charged to the functions/programs of the primary government as follows:

Administrative	<u>\$ 10,864</u>
Total Depreciation Expense	<u>\$ 10,864</u>

NOTE 5 – RETIREMENT PLAN

Plan Description: Armstrong County Appraisal District provides retirement and death benefits for all of its employees, except temporary employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of several nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 and is available at www.tcdrs.org.

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

NOTE 5 – RETIREMENT PLAN – Continuation

Benefits Provided: The plan provisions are adopted by the governing body of the District (employer), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the District.

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

Employees Covered by Benefit Terms: At December 31, 2022, the following employees were covered by the benefit terms:

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

Contributions: The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually.

The District contributed using the actuarially determined rate of 8.65% for the months of the accounting year in 2022 and 8.69% for the months of the accounting year in 2023. The contribution rate payable by the employee members is 7.0% for fiscal year 2023 as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. No net pension liability or asset, or deferred inflows or outflows of resources are reported in these cash basis financial statements.

Actuarial Assumptions: The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – RETIREMENT PLAN – Continuation

TCDRS system-wide economic assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

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

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	0.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

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

Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Continued

ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – RETIREMENT PLAN – Continuation

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

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Funds of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

(1) Target asset allocation adopted at the March 2023 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – RETIREMENT PLAN – Continuation

Discount Rate: The discount rate used to measure the total pension liability was 7.60%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternatives methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

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

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

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

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – RETIREMENT PLAN – Continuation

Changes in the Net Pension Liability / (Asset):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2021	\$ 33,217	\$ 41,986	\$ (8,769)
Changes for the year:			
Service cost	12,377	-	12,377
Interest on total pension liability (1)	3,465	-	3,465
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	259	-	259
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(31)	31
Member contributions	-	5,872	(5,872)
Net investment income	-	(3,581)	3,581
Employer contributions	-	7,256	(7,256)
Other (3)	-	1,883	(1,883)
Balances as of December 31, 2022	<u>\$ 49,318</u>	<u>\$ 53,385</u>	<u>\$ (4,067)</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) No plan changes valued

(3) Relates to allocation of system-wide items.

Sensitivity of the net pension liability / (asset) to changes in the discount rate: 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 / (asset) 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.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 59,229	\$ 49,318	\$ 41,253
Fiduciary net position	<u>53,385</u>	<u>53,385</u>	<u>53,385</u>
Net pension liability / (asset)	<u>\$ 5,844</u>	<u>\$ (4,067)</u>	<u>\$ (12,132)</u>

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – RETIREMENT PLAN – Continuation

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

Pension Expense / (Income):

	January 1, 2022 to December 31, 2022
Service cost	\$ 12,377
Interest on total pension liability (1)	3,465
Effect of plan changes	-
Administrative expenses	31
Member contributions	(5,872)
Expected investment return net of investment expenses	(3,750)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(176)
Recognition of assumption changes or inputs	174
Recognition of investment gains or losses	729
Other (2)	(1,883)
 Pension expense / (income)	 \$ 5,095

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

Deferred Inflows / Outflows of Resources: As of December 31, 2023, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,427	\$ 415
Changes of assumptions	74	1,117
Net difference between projected and actual earnings	-	3,426
Contributions made subsequent to measurement date	N/A	7,830

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – RETIREMENT PLAN – Continuation

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

Year ended December 31:	
2023	\$ 726
2024	624
2025	603
2026	1,465
2027	(2)
Thereafter	41

NOTE 6 – DEFERRED REVENUE

During the year ended December 31, 2023, the District received \$72,276 of assessments for the budgeted year ended December 31, 2024. The recognition of this revenue has been deferred until the year ending in 2024.

NOTE 7 – REFUND TO TAXING ENTITIES

The District is funded by the different entities within the District. The taxing entities are billed during the year based on the projected budget for the year. After the books of the District are audited, the taxing entities receive a refund of their allocation if the actual expenditures for the year are less than the projected budgeted expenditures; if their share for the year is more, the taxing unit will owe the District.

Refunds payable to the taxing units are as follows:

<u>Taxing Unit</u>	
Armstrong County	\$ 5,930
City of Claude	1,932
Claude Independent School District	8,922
Clarendon Independent School District	342
Groom Independent School District	46
Happy Independent School District	18
High Plains Water District	2
Panhandle Groundwater District #3	113
	<u>113</u>
	<u>\$ 17,305</u>

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 – INTER-FUND RECEIVABLE AND PAYABLE

Inter-fund balances at December 31, 2023, consisted of the following individual fund receivables and payables:

Fund	Inter-fund Receivable	Inter-fund Payable
Proprietary Fund	\$ 6,235	\$ -
Fiduciary Fund, Agency Fund	-	6,235
	<u>\$ 6,235</u>	<u>\$ 6,235</u>

NOTE 9 – DESIGNATED NET POSITION

A portion of the unrestricted net position amounts have been designated for a specific purpose by the District’s Board of Directors. The designation is established by actions of the Board of Directors and can be increased, reduced or eliminated by similar actions. As of December 31, 2023, a designation of unrestricted net position, totaling \$50,000, was made to create a reserve for any future capital asset purchases, repairs, or litigation.

NOTE 10 – CONTRACTUAL OBLIGATIONS

Appraisal Services:

In 2021, the District entered into a contract for the appraisal of real and business personal property as well as the reappraisal and upkeep on those properties. The contract is for three years, 2022 through 2024 with future minimum commitments under this contract of \$45,600 per year.

In 2021, the District entered into a contract for the appraisal of industrial, utility and minerals including the personal properties related to the production and transmission of these minerals to market. The contract is for three years, 2022 through 2024 with future minimum commitments under this contract of \$18,000 per year.

In 2021, the District entered into a contract with a consulting firm to provide electronic data processing services relating to the preparation and maintenance of tax appraisal, assessment and collection records. The contract is for two years, 2023 through 2024 with future minimum commitments under this contract of \$18,700 for 2024.

In 2023, the District entered into a contract with a consulting firm to provide the licensing of mapping software relating to the preparation of tax appraisal records. The contract is for two years, 2024 through 2025 with future minimum commitments under this contract of \$7,315 per year.

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 – CONTRACTUAL OBLIGATIONS – Continuation

Collection Services:

Contracts have been entered into by the District and some of the taxing units within the District for the collection of 2023 tax roll and delinquent taxes prior to 2023. The collection is to be performed by the District at cost. Taxing units who have signed contracts are:

1. Armstrong County
2. City of Claude
3. Claude Independent School District
4. High Plains Water District
5. Panhandle Groundwater District #3

NOTE 11 – LONG-TERM LIABILITIES

The District has entered into capital leases for equipment and its building. The building lease has maturity date of December 31, 2025 and an interest rate of 2.338%. The postage machine lease has a maturity date of December 5, 2025 and an interest rate .608%.

Changes in long-term obligations for the years ended December 31, 2023 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Capital leases	\$ 36,632	\$ -	\$ (11,967)	\$ 24,665	\$ 12,209
Accrued vacation leave	8,296	10,267	(9,207)	9,356	9,356
	<u>\$ 44,928</u>	<u>\$ 10,267</u>	<u>\$ (21,174)</u>	<u>\$ 34,021</u>	<u>\$ 21,565</u>

Debt service requirements at December 31, 2023, are as follows:

Fiscal Year	Total	Capital leases			
		Building		Postage Machine	
		Interest	Principal	Interest	Principal
2024	\$ 12,592	\$ 381	\$ 10,419	\$ 2	\$ 1,790
2025	12,592	135	10,665	1	1,791
	<u>\$ 25,184</u>	<u>\$ 516</u>	<u>\$ 21,084</u>	<u>\$ 3</u>	<u>\$ 3,581</u>

The District incurred interest expense of \$625 during the year ended December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**ARMSTRONG COUNTY APPRAISAL DISTRICT
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years (will ultimately be displayed)**

	Year Ended December 31			
	2022	2021	2020	2019
Total Pension Liability:				
Service cost	\$ 12,377	\$ 11,502	\$ 9,034	\$ 8,497
Interest on total pension liability	3,465	2,336	1,476	688
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	(98)	1,675	-
Effect of economic/demographic (gains) or losses	259	241	(2,141)	7
Benefit payments/refunds of contributions	-	-	-	-
Net change in total pension liability	16,101	13,981	10,044	9,192
Total pension liability, beginning	33,217	19,236	9,192	-
Total pension liability, ending (a)	<u>\$ 49,318</u>	<u>\$ 33,217</u>	<u>\$ 19,236</u>	<u>\$ 9,192</u>
Fiduciary Net Position:				
Employer contributions	\$ 7,256	\$ 5,538	\$ 5,121	\$ 7,375
Member contributions	5,872	5,460	5,049	4,611
Investment income net of investment expenses	(3,581)	6,564	1,299	(12)
Benefit payments/refunds of contributions	-	-	-	-
Administrative expenses	(31)	(23)	(18)	(9)
Other	1,883	318	302	411
Net change in fiduciary net position	11,399	17,857	11,753	12,376
Fiduciary net position, beginning	41,986	24,129	12,376	-
Fiduciary net position, ending (b)	<u>\$ 53,385</u>	<u>\$ 41,986</u>	<u>\$ 24,129</u>	<u>\$ 12,376</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (4,067)</u>	<u>\$ (8,769)</u>	<u>\$ (4,893)</u>	<u>\$ (3,184)</u>
Fiduciary net position as a % of total pension liability	108.25%	126.40%	125.44%	134.64%
Pensionable covered payroll	\$ 83,883	\$ 78,000	\$ 72,124	\$ 65,868
Net pension liability as a % of covered payroll	-4.85%	-11.24%	-6.78%	-4.83%

**ARMSTRONG COUNTY APPRAISAL DISTRICT
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years (will ultimately be displayed)**

Year Ending December 31:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2020	\$ 4,796	\$ 5,121	\$ (325)	\$ 72,124	7.1%
2021	5,054	5,538	(484)	78,000	7.1%
2022	7,256	7,256	-	83,884	8.7%
2023	7,830	7,830	-	90,103	8.7%

**ARMSTRONG COUNTY APPRAISAL DISTRICT
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years (will ultimately be displayed)**

Notes to Schedule:

Valuation Date Actuarially determined contribution rates are calculated each 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 (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for males and 120% of the PUB-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: No changes in plan provisions were reflected in the Schedule. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was increased to 210% for future benefits. 2022: No changes in plan provisions were reflected in the Schedule.

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

OTHER SUPPLEMENTARY INFORMATION

**ARMSTRONG COUNTY APPRAISAL DISTRICT
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Tax appraisal and collection fees, net	\$ 279,729	\$ 279,729	\$ 262,424	\$ (17,305)
Other income	-	-	338	338
Total operating revenues	<u>279,729</u>	<u>279,729</u>	<u>262,762</u>	<u>(16,967)</u>
Operating expenses:				
Salaries and employee benefits	120,609	120,728	117,722	3,006
Contracted and professional services	117,870	112,288	103,237	9,051
Office supplies and expenses	7,450	9,181	6,778	2,403
Travel and training	3,000	3,000	2,810	190
Administration	30,800	34,532	18,287	16,245
Depreciation	-	-	10,864	(10,864)
Total operating expenditures	<u>279,729</u>	<u>279,729</u>	<u>259,698</u>	<u>20,031</u>
Net Operating Revenues Over (Under) Expenses	<u>-</u>	<u>-</u>	<u>3,064</u>	<u>3,064</u>
Other Revenues / (Expenses):				
Interest income	-	-	6,615	6,615
Interest expense	-	-	(625)	(625)
Total other revenues / (expenses)	<u>-</u>	<u>-</u>	<u>5,990</u>	<u>5,990</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,054</u>	<u>\$ 9,054</u>

ARMSTRONG COUNTY APPRAISAL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE FOR COLLECTION ENTITIES
DECEMBER 31, 2023

<u>Tax Roll Year</u>	<u>Armstrong County</u>	<u>City of Claude</u>	<u>Claude Independent School District</u>	<u>High Plains Water District</u>	<u>Panhandle Groundwater District #3</u>	<u>Total</u>
2013 and Prior	\$ 7,341	\$ 3,729	\$ 16,449	\$ 16	\$ 118	\$ 27,653
2014	2,683	1,986	6,002	10	37	10,718
2015	1,985	1,756	4,207	1	28	7,977
2016	2,233	705	4,391	-	35	7,364
2017	1,163	87	5,314	8	5	6,577
2018	817	25	1,279	6	3	2,130
2019	964	22	1,722	10	4	2,722
2020	1,743	171	2,817	11	13	4,755
2021	2,374	1,177	3,709	6	31	7,297
2022	8,355	3,698	12,102	25	91	24,271
Totals	<u>\$ 29,658</u>	<u>\$ 13,356</u>	<u>\$ 57,992</u>	<u>\$ 93</u>	<u>\$ 365</u>	<u>\$ 101,464</u>

**ARMSTRONG COUNTY APPRAISAL DISTRICT
SCHEDULE OF CURRENT AND DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Armstrong County</u>	<u>City of Claude</u>	<u>Claude Independent School District</u>	<u>High Plains Water District</u>	<u>Panhandle Groundwater District #3</u>	<u>Total</u>
2023 Tax Roll						
Current levy	\$ 1,905,265	\$ 561,427	\$ 2,209,784	\$ 427	\$ 32,818	\$ 4,709,721
Less: Tax Roll Receipts	(1,251,379)	(443,092)	(1,355,644)	(232)	(22,062)	(3,072,409)
Plus (Less): Supplements (Adjustments)	<u>(74)</u>	<u>58</u>	<u>(4,884)</u>	<u>-</u>	<u>(2)</u>	<u>(4,902)</u>
Total Net 2023 Tax Roll Receivable	<u>653,812</u>	<u>118,393</u>	<u>849,256</u>	<u>195</u>	<u>10,754</u>	<u>1,632,410</u>
2022 Tax Roll						
Beginning balance	217,067	97,100	312,580	188	3,249	630,184
Less: Tax Roll Receipts	(205,868)	(93,402)	(295,390)	(137)	(3,163)	(597,960)
Plus (Less): Supplements (Adjustments)	<u>(2,844)</u>	<u>-</u>	<u>(5,088)</u>	<u>(26)</u>	<u>5</u>	<u>(7,953)</u>
Total Net 2022 Tax Roll Receivable	<u>8,355</u>	<u>3,698</u>	<u>12,102</u>	<u>25</u>	<u>91</u>	<u>24,271</u>
2021 and Prior Tax Rolls						
Beginning balance	297,475	12,390	574,369	215	4,990	889,439
Less: Tax Roll Receipts	(141,929)	(1,953)	(269,218)	(86)	(2,402)	(415,588)
Plus (Less): Supplements (Adjustments)	<u>(134,243)</u>	<u>(779)</u>	<u>(259,261)</u>	<u>(61)</u>	<u>(2,314)</u>	<u>(396,658)</u>
Total Net 2021 & Prior Tax Roll Receivable	<u>21,303</u>	<u>9,658</u>	<u>45,890</u>	<u>68</u>	<u>274</u>	<u>77,193</u>
Total Net Tax Roll Receivable	<u>\$ 683,470</u>	<u>\$ 131,749</u>	<u>\$ 907,248</u>	<u>\$ 288</u>	<u>\$ 11,119</u>	<u>\$ 1,733,874</u>

**ARMSTRONG COUNTY APPRAISAL DISTRICT
ANALYSIS OF COLLECTIONS AND DISBURSEMENTS OF TAX REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Armstrong County</u>	<u>City of Claude</u>	<u>Claude Independent School District</u>	<u>High Plains Water District</u>	<u>Panhandle Groundwater District #3</u>	<u>Total</u>
2023 Tax Roll Collections						
Tax Roll Receipts	\$ 1,251,379	\$ 443,092	\$ 1,355,644	\$ 232	\$ 22,062	\$ 3,072,409
Plus: Penalty and Interest	5	6	7	-	-	18
Less: Discounts	<u>(34,642)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(589)</u>	<u>(35,236)</u>
Total Net 2023 Tax Roll Collections	<u>1,216,742</u>	<u>443,098</u>	<u>1,355,651</u>	<u>227</u>	<u>21,473</u>	<u>3,037,191</u>
2022 Tax Roll Collections						
Tax Roll Receipts	205,868	93,402	295,390	137	3,163	597,960
Plus: Personal Rendition Penalties	9	-	-	-	-	9
Plus: Penalty and Interest	7,801	4,647	11,604	14	103	24,169
Less: Discounts	<u>(169)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(172)</u>
Total Net 2022 Tax Roll Collections	<u>213,509</u>	<u>98,049</u>	<u>306,994</u>	<u>151</u>	<u>3,263</u>	<u>621,966</u>
2021 and Prior Tax Roll Collections						
Tax Roll Receipts	141,929	1,953	269,218	86	2,402	415,588
Plus: Personal Rendition Penalties	(1)	-	-	-	-	(1)
Plus: Penalty and Interest	3,269	1,056	4,610	12	37	8,984
Less: Discounts	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31)</u>
Total Net 2021 & Prior Tax Roll Collections	<u>145,166</u>	<u>3,009</u>	<u>273,828</u>	<u>98</u>	<u>2,439</u>	<u>424,540</u>
Total Net Collections	<u>\$ 1,575,417</u>	<u>\$ 544,156</u>	<u>\$ 1,936,473</u>	<u>\$ 476</u>	<u>\$ 27,175</u>	<u>\$ 4,083,697</u>
Total Disbursements	<u>\$ 1,575,417</u>	<u>\$ 544,156</u>	<u>\$ 1,936,473</u>	<u>\$ 476</u>	<u>\$ 27,175</u>	<u>\$ 4,083,697</u>