

**ARMSTRONG COUNTY  
APPRAISAL DISTRICT**

**Annual Financial Report**

**For Year Ended December 31, 2024**

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**ARMSTRONG COUNTY APPRAISAL DISTRICT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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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 and the aggregate remaining fund information of the Armstrong County Appraisal District, as of and for the year ended December 31, 2024, 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, 2024, 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 23 – 25 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 14, 2025

## **BASIC FINANCIAL STATEMENTS**

**ARMSTRONG COUNTY APPRAISAL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2024**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 155,159
Due from other funds	13,031
Prepaid expense	4,343
	<hr/>
Total current assets	172,533
	<hr/>
Noncurrent assets:	
Net pension asset	6,511
Capital assets:	
Leased building	90,740
Leased equipment	8,946
Less accumulated depreciation	(88,823)
	<hr/>
Total noncurrent assets	17,374
	<hr/>
Total assets	189,907
	<hr/>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension contributions	9,532
Pension actuarial losses	645
Pension deficient earnings	1,580
Pension assumption changes	931
	<hr/>
Total deferred outflows of resources	12,688
	<hr/>

**LIABILITIES**

Current liabilities:	
Accounts payable	7,862
Deferred revenue	73,231
Refund to taxing entities	12,557
Accrued vacation leave payable - current	15,648
Capital leases - current	12,456
	<hr/>
Total current liabilities	121,754
	<hr/>
Noncurrent liabilities:	
Accrued vacation leave payable	1,177
	<hr/>
Total noncurrent liabilities	1,177
	<hr/>
Total liabilities	122,931
	<hr/>

**DEFERRED INFLOWS OF RESOURCES**

Pension actuarial gains	1,189
Pension assumption changes	62
	<hr/>
Total deferred inflows of resources	1,251
	<hr/>

**NET POSITION**

Unrestricted:	
Undesignated	18,413
Board designated	60,000
	<hr/>
Total net position	\$ 78,413
	<hr/>

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, 2024**

**OPERATING REVENUES:**

Tax appraisal and collection fees, net	\$ 276,473
Other income	387
	<hr/>
Total operating revenues	276,860
	<hr/>

**OPERATING EXPENSES:**

Salaries and employee benefits	131,471
Contracted and professional services	100,707
Office supplies and expenses	8,672
Travel and training	3,213
Administration	14,923
Depreciation	10,863
	<hr/>
Total operating expenses	269,849
	<hr/>
Operating income	7,011
	<hr/>

**NON-OPERATING REVENUES / (EXPENSES)**

Interest income	11,634
Interest expense	(384)
	<hr/>
Total non-operating revenues / (expenses)	11,250
	<hr/>

**CHANGE IN NET POSITION**

18,261

**TOTAL NET POSITION - BEGINNING**

60,152

**TOTAL NET POSITION - ENDING**

\$ 78,413

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, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from participating entities	\$ 272,867
Cash received from miscellaneous revenues	(6,409)
Cash payments for salaries and employee benefits	(126,596)
Cash payments for supplies and services	(128,895)
	<hr/>
Net cash provided by operating activities	10,967
	<hr/>

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES:**

Principal paid on capital leases	(12,209)
Interest paid on capital leases	(384)
	<hr/>
Net cash used by capital and related financing activities	(12,593)
	<hr/>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Cash received from interest earned	11,634
	<hr/>
Net cash provided by investing activities	11,634
	<hr/>

**NET INCREASE IN CASH AND  
CASH EQUIVALENTS**

10,008

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

145,151

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$ 155,159

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income	\$ 7,011
Adjustment to reconcile operating loss to net cash flows from operating activities:	
Depreciation	10,863
(Increase) decrease in operating assets:	
Due from other funds	(6,796)
Receivable from taxing entities	187
Net pension asset	(2,444)
Deferred outflows of resources - contributions	(1,702)
Deferred outflows of resources - economic/demographic losses	(230)
Deferred outflows of resources - deficient earnings	1,846
Deferred outflows of resources - assumption changes	186
Increase (decrease) in operating liabilities:	
Accounts payable	(1,380)
Deferred revenues	955
Accrued vacation leave payable	7,469
Refund to taxing entities	(4,748)
Deferred inflows of resources - economic/demographic gains	(238)
Deferred inflows of resources - assumption changes	(12)
	<hr/>
Net cash provided by operating activities	<u><u>\$ 10,967</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, 2024**

**ASSETS**

Cash and cash equivalents	\$ 281,452
Accounts receivable - filing fees	<u>682</u>
Total assets	<u><u>\$ 282,134</u></u>

**LIABILITIES**

Due to taxing entities	\$ 268,355
Due to other funds	13,031
Credit card payments in transit	102
Tax escrow	<u>646</u>
Total liabilities	<u><u>\$ 282,134</u></u>

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

**ARMSTRONG COUNTY APPRAISAL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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, 2024**

**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, 2024**

**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, 2024**

**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, 2024**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Following is a reconciliation of the District's cash and deposits balances as of December 31, 2024:

Cash and deposit balances consist of:

Cash on hand	\$ 100
Bank deposits	<u>436,511</u>
Total	<u><u>\$ 436,611</u></u>

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

Fund Statement of Net Position:

Business-type activities:

Unrestricted	\$ 155,159
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Fiduciary Funds Statement of Net Position	<u>281,452</u>
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Total	<u><u>\$ 436,611</u></u>
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***Custodial credit risk – deposits*** As of December 31, 2024, the carrying amount of the District's deposits with financial institutions was \$436,511 and the bank balance was \$392,791. Of the bank balance, \$303,460 was insured through the Federal Depository Insurance Corporation (FDIC) and \$89,331 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, 2024 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, 2024**

**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, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
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				
	<u>99,686</u>	<u>-</u>	<u>-</u>	<u>99,686</u>
Less accumulated depreciation for:				
Leased building	(72,592)	(9,074)		(81,666)
Leased equipment	(5,368)	(1,789)	-	(7,157)
	<u>(77,960)</u>	<u>(10,863)</u>	<u>-</u>	<u>(88,823)</u>
Total accumulated depreciation				
	<u>(77,960)</u>	<u>(10,863)</u>	<u>-</u>	<u>(88,823)</u>
Business-type activities capital assets, net	<u>\$ 21,726</u>	<u>\$ (10,863)</u>	<u>\$ -</u>	<u>\$ 10,863</u>

Depreciation expense for the year ended December 31, 2024 was charged to the functions/programs of the primary government as follows:

Administrative	<u>\$ 10,863</u>
Total Depreciation Expense	<u>\$ 10,863</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](http://www.tcdrs.org).

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2023, 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 8.69% for the months of the accounting year in 2023 and 8.81% for the months of the accounting year in 2024. The contribution rate payable by the employee members is 7.0% for fiscal year 2024 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, 2023. 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, 2024**

**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 2024 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, 2024**

**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:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (Expected Minus Inflation) (2)</u>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Funds of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

(1) Target asset allocation adopted at the March 2024 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.2%, per Cliffwater's 2024 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, 2024**

**NOTE 5 – RETIREMENT PLAN – Continuation**

**Discount Rate:** 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.

The funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act are such that a depletion is not projected to occur.

Since the 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. For GASB 68 this long-term assumed rate of return is net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 7.60% which 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, 2024**

**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	\$ 49,319	\$ 53,386	\$ (4,067)
Changes for the year:			
Service cost	13,291	-	13,291
Interest on total pension liability (1)	4,758	-	4,758
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	341	-	341
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(39)	39
Member contributions	-	6,307	(6,307)
Net investment income	-	6,007	(6,007)
Employer contributions	-	7,830	(7,830)
Other (3)	-	729	(729)
Balances as of December 31, 2022	<u>\$ 67,709</u>	<u>\$ 74,220</u>	<u>\$ (6,511)</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	\$ 80,821	\$ 67,709	\$ 56,971
Fiduciary net position	<u>74,220</u>	<u>74,220</u>	<u>74,220</u>
Net pension liability / (asset)	<u>\$ 6,601</u>	<u>\$ (6,511)</u>	<u>\$ (17,249)</u>

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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):**

	<u>January 1, 2023 to December 31, 2023</u>
Service cost	\$ 13,291
Interest on total pension liability (1)	4,758
Effect of plan changes	-
Administrative expenses	39
Member contributions	(6,307)
Expected investment return net of investment expenses	(4,610)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(127)
Recognition of assumption changes or inputs	174
Recognition of investment gains or losses	449
Other (2)	<u>(729)</u>
Pension expense / (income)	<u><u>\$ 6,938</u></u>

(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, 2024, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 1,189	\$ 645
Changes of assumptions	62	931
Net difference between projected and actual earnings	-	1,580
Contributions made subsequent to measurement date	N/A	9,532

Continued

**ARMSTRONG COUNTY APPRAISAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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:		
2024	\$	394
2025		373
2026		1,235
2027		(234)
2028		48
Thereafter		89

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

**NOTE 6 – DEFERRED REVENUE**

During the year ended December 31, 2024, the District received \$73,231 of assessments for the budgeted year ended December 31, 2025. The recognition of this revenue has been deferred until the year ending in 2025.

**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	\$	4,236
City of Claude		1,541
Claude Independent School District		6,409
Clarendon Independent School District		250
Groom Independent School District		31
Happy Independent School District		13
High Plains Water District		2
Panhandle Groundwater District #3		75
		75
	\$	12,557



**ARMSTRONG COUNTY APPRAISAL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 8 – INTER-FUND RECEIVABLE AND PAYABLE**

Inter-fund balances at December 31, 2024, consisted of the following individual fund receivables and payables:

Fund	Inter-fund Receivable	Inter-fund Payable
Proprietary Fund	\$ 13,031	\$ -
Fiduciary Fund, Agency Fund	-	13,031
	<u>\$ 13,031</u>	<u>\$ 13,031</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, 2024, a designation of unrestricted net position, totaling \$60,000, was made to create a reserve for any future capital asset purchases, repairs, or litigation.

**NOTE 10 – CONTRACTUAL OBLIGATIONS**

***Appraisal Services:***

In 2024, 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, 2025 through 2027 with future minimum commitments under this contract of \$49,600 for 2025, \$53,600 for 2026, and \$57,600 for 2027.

In 2024, 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, 2025 through 2027 with future minimum commitments under this contract of \$22,000 for 2025, \$26,000 for 2026, and \$30,000 for 2027.

In 2024, 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, 2025 through 2026 with future minimum commitments under this contract of \$23,570, per year.

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, 2024**

**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 2024 tax roll and delinquent taxes prior to 2024. 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, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Capital leases	\$ 24,665	\$ -	\$ (12,209)	\$ 12,456	\$ 12,456
Accrued vacation leave	9,356	9,252	(1,783)	16,825	15,648
	<u>\$ 34,021</u>	<u>\$ 9,252</u>	<u>\$ (13,992)</u>	<u>\$ 29,281</u>	<u>\$ 28,104</u>

Debt service requirements at December 31, 2024, are as follows:

Fiscal Year	Total	Capital leases			
		Building		Postage Machine	
		Interest	Principal	Interest	Principal
2025	\$ 12,593	\$ 136	\$ 10,664	\$ 1	\$ 1,792
	<u>\$ 12,593</u>	<u>\$ 136</u>	<u>\$ 10,664</u>	<u>\$ 1</u>	<u>\$ 1,792</u>

The District incurred interest expense of \$384 during the year ended December 31, 2024.

## **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			
	2023	2022	2021	2020
<b>Total Pension Liability:</b>				
Service cost	\$ 13,291	\$ 12,377	\$ 11,502	\$ 9,034
Interest on total pension liability	4,758	3,465	2,336	1,476
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	-	(98)	1,675
Effect of economic/demographic (gains) or losses	341	259	241	(2,141)
Benefit payments/refunds of contributions	-	-	-	-
Net change in total pension liability	18,390	16,101	13,981	10,044
Total pension liability, beginning	49,318	33,217	19,236	9,192
Total pension liability, ending (a)	<u>\$ 67,708</u>	<u>\$ 49,318</u>	<u>\$ 33,217</u>	<u>\$ 19,236</u>
<b>Fiduciary Net Position:</b>				
Employer contributions	\$ 7,830	\$ 7,256	\$ 5,538	\$ 5,121
Member contributions	6,307	5,872	5,460	5,049
Investment income net of investment expenses	6,007	(3,581)	6,564	1,299
Benefit payments/refunds of contributions	-	-	-	-
Administrative expenses	(39)	(31)	(23)	(18)
Other	729	1,883	318	302
Net change in fiduciary net position	20,834	11,399	17,857	11,753
Fiduciary net position, beginning	53,385	41,986	24,129	12,376
Fiduciary net position, ending (b)	<u>\$ 74,219</u>	<u>\$ 53,385</u>	<u>\$ 41,986</u>	<u>\$ 24,129</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (6,511)</u>	<u>\$ (4,067)</u>	<u>\$ (8,769)</u>	<u>\$ (4,893)</u>
Fiduciary net position as a % of total pension liability	109.62%	108.25%	126.40%	125.44%
Pensionable covered payroll	\$ 90,098	\$ 83,883	\$ 78,000	\$ 72,124
Net pension liability as a % of covered payroll	-7.23%	-4.85%	-11.24%	-6.78%

Year Ended December 31,

2019	2018	2017	2016	2015	2014
\$ 8,497	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
688	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
7	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
9,192	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
<u>\$ 9,192</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
\$ 7,375	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
4,611	N/A	N/A	N/A	N/A	N/A
(12)	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
(9)	N/A	N/A	N/A	N/A	N/A
411	N/A	N/A	N/A	N/A	N/A
12,376	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
<u>\$ 12,376</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ (3,184)</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
134.64%	N/A	N/A	N/A	N/A	N/A
\$ 65,868	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
-4.83%	N/A	N/A	N/A	N/A	N/A

**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%
2024	9,532	9,532	-	108,200	8.8%

**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.
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Methods and assumptions used to determine contribution rates (Dec. 31, 2021 valuation for 2023 contributions):

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment 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. 2023: 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.

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## **OTHER SUPPLEMENTARY INFORMATION**

**ARMSTRONG COUNTY APPRAISAL DISTRICT  
SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET AND ACTUAL  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Operating revenues:</b>				
Tax appraisal and collection fees, net	\$ 289,030	\$ 289,030	\$ 276,473	\$ (12,557)
Other income	-	-	387	387
Total operating revenues	<u>289,030</u>	<u>289,030</u>	<u>276,860</u>	<u>(12,170)</u>
<b>Operating expenses:</b>				
Salaries and employee benefits	126,830	129,165	131,471	(2,306)
Contracted and professional services	119,400	115,160	100,707	14,453
Office supplies and expenses	8,000	9,304	8,672	632
Travel and training	3,000	3,213	3,213	-
Administration	31,800	32,188	14,923	17,265
Depreciation	-	-	10,863	(10,863)
Total operating expenditures	<u>289,030</u>	<u>289,030</u>	<u>269,849</u>	<u>19,181</u>
<b>Net Operating Revenues</b>				
<b>Over (Under) Expenses</b>	<u>-</u>	<u>-</u>	<u>7,011</u>	<u>7,011</u>
<b>Other Revenues / (Expenses):</b>				
Interest income	-	-	11,634	11,634
Interest expense	-	-	(384)	(384)
Total other revenues / (expenses)	<u>-</u>	<u>-</u>	<u>11,250</u>	<u>11,250</u>
<b>Change in Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,261</u>	<u>\$ 18,261</u>

**ARMSTRONG COUNTY APPRAISAL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE FOR COLLECTION ENTITIES**  
**DECEMBER 31, 2024**

<b>Tax Roll Year</b>	<b>Armstrong County</b>	<b>City of Claude</b>	<b>Claude Independent School District</b>	<b>High Plains Water District</b>	<b>Panhandle Groundwater District #3</b>	<b>Total</b>
2014 and Prior	\$ 7,128	\$ 3,175	\$ 16,109	\$ 15	\$ 117	\$ 26,544
2015	1,921	1,682	4,089	1	28	7,721
2016	2,124	614	4,153	-	34	6,925
2017	869	23	4,602	6	4	5,504
2018	372	23	616	4	-	1,015
2019	389	20	726	5	-	1,140
2020	725	20	1,151	5	4	1,905
2021	550	29	911	2	6	1,498
2022	3,271	1,276	4,771	16	29	9,363
2023	5,953	2,841	6,925	11	80	15,810
Totals	<u>\$ 23,302</u>	<u>\$ 9,703</u>	<u>\$ 44,053</u>	<u>\$ 65</u>	<u>\$ 302</u>	<u>\$ 77,425</u>

**ARMSTRONG COUNTY APPRAISAL DISTRICT  
SCHEDULE OF CURRENT AND DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Armstrong County</b>	<b>City of Claude</b>	<b>Claude Independent School District</b>	<b>High Plains Water District</b>	<b>Panhandle Groundwater District #3</b>	<b>Total</b>
<b>2024 Tax Roll</b>						
Current levy	\$ 1,675,426	\$ 590,722	\$ 2,366,495	\$ 335	\$ 51,157	\$ 4,684,135
Less: Tax Roll Receipts	(1,287,807)	(459,754)	(1,900,567)	(211)	(45,236)	(3,693,575)
Plus (Less): Supplements (Adjustments)	<u>(2,866)</u>	<u>(2,559)</u>	<u>(5,346)</u>	<u>-</u>	<u>(46)</u>	<u>(10,817)</u>
Total Net 2024 Tax Roll Receivable	<u>384,753</u>	<u>128,409</u>	<u>460,582</u>	<u>124</u>	<u>5,875</u>	<u>979,743</u>
<b>2023 Tax Roll</b>						
Beginning balance	653,812	118,393	849,256	195	10,754	1,632,410
Less: Tax Roll Receipts	(645,544)	(112,632)	(838,270)	(184)	(10,635)	(1,607,265)
Plus (Less): Supplements (Adjustments)	<u>(2,315)</u>	<u>(2,920)</u>	<u>(4,061)</u>	<u>-</u>	<u>(39)</u>	<u>(9,335)</u>
Total Net 2023 Tax Roll Receivable	<u>5,953</u>	<u>2,841</u>	<u>6,925</u>	<u>11</u>	<u>80</u>	<u>15,810</u>
<b>2022 and Prior Tax Rolls</b>						
Beginning balance	29,658	13,356	57,992	93	365	101,464
Less: Tax Roll Receipts	(10,120)	(4,145)	(16,076)	(35)	(109)	(30,485)
Plus (Less): Supplements (Adjustments)	<u>(2,189)</u>	<u>(2,349)</u>	<u>(4,788)</u>	<u>(4)</u>	<u>(34)</u>	<u>(9,364)</u>
Total Net 2022 & Prior Tax Roll Receivable	<u>17,349</u>	<u>6,862</u>	<u>37,128</u>	<u>54</u>	<u>222</u>	<u>61,615</u>
Total Net Tax Roll Receivable	<u>\$ 408,055</u>	<u>\$ 138,112</u>	<u>\$ 504,635</u>	<u>\$ 189</u>	<u>\$ 6,177</u>	<u>\$ 1,057,168</u>

**ARMSTRONG COUNTY APPRAISAL DISTRICT  
ANALYSIS OF COLLECTIONS AND DISBURSEMENTS OF TAX REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Armstrong County</b>	<b>City of Claude</b>	<b>Claude Independent School District</b>	<b>High Plains Water District</b>	<b>Panhandle Groundwater District #3</b>	<b>Total</b>
<b>2024 Tax Roll Collections</b>						
Tax Roll Receipts	\$ 1,287,807	\$ 459,754	\$ 1,900,567	\$ 211	\$ 45,236	\$ 3,693,575
Plus: Penalty and Interest	17	8	27	-	-	52
Less: Discounts	(34,501)	-	-	(5)	(1,271)	(35,777)
Total Net 2024 Tax Roll Collections	<u>1,253,323</u>	<u>459,762</u>	<u>1,900,594</u>	<u>206</u>	<u>43,965</u>	<u>3,657,850</u>
<b>2023 Tax Roll Collections</b>						
Tax Roll Receipts	645,544	112,632	838,270	184	10,635	1,607,265
Plus: Personal Rendition Penalties	13	-	-	-	-	13
Plus: Penalty and Interest	38,555	6,479	51,536	13	630	97,213
Less: Discounts	(171)	-	-	-	(2)	(173)
Total Net 2023 Tax Roll Collections	<u>683,941</u>	<u>119,111</u>	<u>889,806</u>	<u>197</u>	<u>11,263</u>	<u>1,704,318</u>
<b>2022 and Prior Tax Roll Collections</b>						
Tax Roll Receipts	10,120	4,145	16,076	35	109	30,485
Plus: Penalty and Interest	<u>4,923</u>	<u>1,805</u>	<u>8,609</u>	<u>26</u>	<u>45</u>	<u>15,408</u>
Total Net 2022 & Prior Tax Roll Collections	<u>15,043</u>	<u>5,950</u>	<u>24,685</u>	<u>61</u>	<u>154</u>	<u>45,893</u>
Total Net Collections	<u>\$ 1,952,307</u>	<u>\$ 584,823</u>	<u>\$ 2,815,085</u>	<u>\$ 464</u>	<u>\$ 55,382</u>	<u>\$ 5,408,061</u>
<b>Total Disbursements</b>	<u>\$ 1,952,307</u>	<u>\$ 584,823</u>	<u>\$ 2,815,085</u>	<u>\$ 464</u>	<u>\$ 55,382</u>	<u>\$ 5,408,061</u>