

FISHER COUNTY APPRAISAL DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



Roberts & McGee CPA

FISHER COUNTY APPRAISAL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Fisher County Appraisal District:

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Fisher County Appraisal District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Fisher County Appraisal District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit
- Identify and assess the risk of material misstatement of the financial statements whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and pension information on pages 3-7 and 27-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Roberts & McGee, CPA
Roberts & McGee, CPA

Abilene, Texas,
May 31, 2024

**FISHER COUNTY APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

As management of Fisher County Appraisal District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2023.

Financial Highlights

Financial Statement Highlights

- The District's total combined net position increased by \$18,736 from current year operations.
- At the end of the current fiscal year, total fund balance for the General Fund was \$289,783. Of this balance \$140,642 is committed for capital reserve, \$140,641 is committed for an operating reserve, and \$8,500 is non-spendable.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, and deferred inflows/outflows of resources with the difference between the two reported as *net position*. *Net position* is equivalent to the equity section of a private-sector balance sheet.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The government-wide financial statements of the District are principally funded by monies provided by local funding sources (*government activities*). The District does not have any business-type activities.

The government-wide financial statements can be found on pages 8 - 11 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District utilizes governmental and fiduciary funds.

**FISHER COUNTY APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end are available for spending. These funds are reported using an accounting method called *modified accrual* basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the general fund with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8 - 11 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in this fund are used for their intended purposes. The basic fiduciary fund financial statement can be found on pages 12 and 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-26 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that is required by the Governmental Accounting Standards Board to be a part of the District's basic financial statements. Required supplementary information can be found on page 27-30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, and deferred inflows/outflows of resources with the difference between the two reported as *net position*. *Net position* is equivalent to the equity section of a private-sector balance sheet.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

**FISHER COUNTY APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

A large portion of the District's net position reflects its investment in capital assets (e. g., land, buildings, vehicles, furniture, and equipment). The District uses these capital assets to provide services to the member entities we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the District's net position represents unrestricted financial resources available for future operations.

**Fisher County Appraisal District
Summary of the Statements of Net Position**

	Governmental Activities	
	12/31/2023	12/31/2022 as restated
Current and Other Assets	\$ 297,851	\$ 277,793
Capital Assets, net	143,419	108,271
Total Assets	441,270	386,064
 Deferred outflows of resources	 33,470	 12,143
 Current Liabilities	 52,171	 20,126
Noncurrent liabilities	31,136	5,384
Total Liabilities	83,307	25,510
 Net Investment in Capital Assets	 93,674	 97,790
Unrestricted	297,759	274,907
Total Net Position	\$ 391,433	\$ 372,697

GOVERNMENTAL ACTIVITIES

Operating revenues for the Fisher County Appraisal District's governmental activities were \$506,970 while operating expenses were \$492,294. The change in net position from current year operations after the other financing uses of \$4,060 was an increase of \$18,736. The detail of the District's change in net position for the years ended December 31, 2023 and 2022 are as follows:

**FISHER COUNTY APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

**Fisher County Appraisal District
Changes in Net Position**

	Governmental Activities	
	2023	2022 as restated
Revenues:		
General Revenues		
Appraisal income	\$ 313,438	\$ 297,907
Collections Income	187,502	161,032
Interest income	3,570	3,070
Other income	2,460	6,069
Total Revenues	506,970	468,078
Expenses		
Appraisal Services	271,948	231,897
Collection Services	168,202	134,218
Interest expenses	4,039	
Depreciation expense	48,105	7,090
Total Expenses	492,294	373,205
Increase (decrease) in net position	14,676	94,873
Other Financing Sources (Uses)	4,060	4,540
Change in Net Position	18,736	99,413
Beginning Net Position	372,697	273,284
Ending Net Position	\$ 391,433	\$ 372,697

The District's Board approved to commit the 2022 and 2023 budget surplus; therefore, the District did not have any refunds to taxing authorities in fiscal year 2022 or 2023.

FINANCIAL ANALYSIS OF THE DISTRICTS FUNDS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds are discussed below:

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

The general fund is the chief operation fund of the District. At the end of the fiscal year, the District's general fund reported an ending fund balance of \$289,783.

**FISHER COUNTY APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

General Fund Budgetary Highlights

The original budget was a balanced budget with \$500,940 of revenues and expenses. The budget was amended during the year. The amended budget reflected a deficit of \$11,999. Operating revenues were \$6,030 more than the final budget, actual expenses were \$50,383 more than budgeted and the other financing sources of \$83,371 were not budgeted. The District experienced an overall favorable budget surplus of \$39,018.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental activities as of December 31, 2023, amounts to \$143,419 (net of accumulated depreciation). This investment in capital assets includes buildings improvements, furniture and equipment, right of use assets and subscription assets.

**Fisher County Appraisal District
Capital Assets Schedule (net of depreciation)**

	Governmental Activities	
	2023	2022 as Restated
Building improvements	\$ 152,819	\$ 148,876
Mapping equipment	7,701	7,701
Office equipment	47,415	47,415
Right of use assets	26,710	-
Subscription assets	64,314	11,713
Total Depreciable Assets	298,959	215,705
Less: Accumulated Depreciation	112,267	106,133
Less: Accumulated Amortization	43,273	1,301
Total Capital Assets, net	\$ 143,419	\$ 108,271

Additional information on the District's capital assets can be found in Note 6 on page 18 of this report.

Long-term debt. At the end of the current fiscal year, the Fisher County Appraisal District had non-current liabilities related to the right of use assets and subscription liabilities. See Note 8 on page 19 related to these liabilities.

Requests for Information

This financial report is designed to provide a general overview of the Fisher County Appraisal District's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fisher County Appraisal District, 107 E. North Street, Roby, Texas 7954.

BASIC FINANCIAL STATEMENTS

FISHER COUNTY APPRAISAL DISTRICT
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2023

	General Fund	Adjustments (Note A)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 284,024	\$	\$ 284,024
Prepaid expenses	8,500		8,500
Due from tax collection fund	5,327		5,327
Capital assets, net		<u>143,419</u>	<u>143,419</u>
TOTAL ASSETS	<u>297,851</u>	<u>143,419</u>	<u>441,270</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension		<u>33,470</u>	<u>33,470</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 297,851</u>	<u>176,889</u>	<u>474,740</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 8,068		8,068
Noncurrent liabilities			
Net pension liability		25,494	25,494
Due within one year		44,103	44,103
Due in more than one year		<u>5,642</u>	<u>5,642</u>
TOTAL LIABILITIES	<u>8,068</u>	<u>75,239</u>	<u>83,307</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension			
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>8,068</u>	<u>75,239</u>	<u>83,307</u>
FUND BALANCE/NET POSITION			
Fund balances			
Nonspendable:			
Prepaid expenses	8,500	(8,500)	
Committed for:			
Capital reserve	140,642	(140,642)	
Operating reserve	140,641	(140,641)	
Unassigned fund balance			
Total Fund Balance	<u>289,783</u>	<u>(289,783)</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 297,851</u>		
Net Position			
Net investment in capital assets		93,674	93,674
Unrestricted		<u>297,759</u>	<u>297,759</u>
Total Net Position		<u>\$ 391,433</u>	<u>\$ 391,433</u>

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

FISHER COUNTY APPRAISAL DISTRICT
 Adjustments to the Governmental Fund Balance Sheet - Note A
 December 31, 2023

Total Fund Balances - Governmental Funds \$ 289,783

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$203,992, and the accumulated depreciation was \$106,133. The net effect of the beginning balances for capital assets (net of depreciation) in the governmental activities is an increase to net position.	97,859
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. Capital asset purchases in the general fund totaled \$3,942.	3,942
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$6,133 is to decrease net position.	(6,133)
Right of use assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. New lease assets obtained in the current year totaled \$26,710. Amortization recognized against these assets in 2023 totaled \$10,466.	16,244
Long term liabilities are not due and payable in the current period and therefore are not reported in the government funds. The net effect is a decrease in net position related to the right of use liabilities of \$16,747 and the subscription liability of \$32,998	(49,745)
Subscription assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. Subscription assets balance from the prior year total \$11,713. New subscription assets purchased in 2023 totaled \$52,601. Amortization recognized against these assets totaled \$32,807.	31,507
Included in the government-wide financial statements is the recognition of the District's net pension liability of \$25,494, and deferred outflows of resources of \$33,470.	<u>7,976</u>

Net Position of Governmental Activities \$ 391,433

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

FISHER COUNTY APPRAISAL DISTRICT
Statement of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance
Year Ended December 31, 2023

	General Fund	Adjustments (Note B)	Statement of Activities
REVENUES:			
Appraisal income	\$ 313,438	\$	\$ 313,438
Collections income	187,502		187,502
Interest income	3,570		3,570
Miscellaneous income	2,460		2,460
Total Revenues	<u>506,970</u>		<u>506,970</u>
EXPENDITURES:			
Current:			
Appraisal:			
Payroll costs	94,192	1,742	95,934
Office expenditures	14,220		14,220
Professional services	11,152		11,152
Contracted services	135,054		135,054
Other costs	15,588		15,588
Collections:			
Payroll costs	131,058	2,425	133,483
Office expenditures	11,378		11,378
Professional services	5,410		5,410
Contracted services	8,979		8,979
Other costs	8,367		8,367
Equipment	585		585
Debt Service	44,086	(40,047)	4,039
Capital Outlay	83,253	(83,253)	
Depreciation and amortization		48,105	48,105
Total Expenditures	<u>563,322</u>	<u>(71,028)</u>	<u>492,294</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(56,352)	71,028	14,676
OTHER FINANCING SOURCES (USES)			
Financing proceeds - right of use assets	26,710	(26,710)	
Financing proceeds - subscription assets	52,601	(52,601)	
Restitution collections	4,060		4,060
TOTAL OTHER FINANCING SOURCES (USES)	<u>83,371</u>	<u>(79,311)</u>	<u>4,060</u>
CHANGE IN FUND BALANCE	27,019	(27,019)	
CHANGE IN NET POSITION		18,736	18,736
FUND BALANCE/NET POSITION BEGINNING OF YEAR	262,764	97,859	360,623
Adjustment to net position		12,074	12,074
FUND BALANCE/NET POSITION END OF YEAR	<u>\$ 289,783</u>	<u>\$ 101,650</u>	<u>\$ 391,433</u>

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

FISHER COUNTY APPRAISAL DISTRICT
Adjustments to the Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance
Year Ended December 31, 2023

Net Change in Fund Balances - Governmental Funds \$ 27,019

Amounts reported for governmental activities in the statement of net position are different because:

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. Capital asset purchases including right of use assets and subscription assets totals \$83,253 during the year 83,253

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$6,133 is to decrease net position. (6,133)

Amortization expense for right of use assets are not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated amortization. The net effect of the current year amortization expense of \$10,466 is to decrease net position. (10,466)

Long term debt principal payments are expenditures in the fund financial statements, but they should be shown as decreased in long term debt in the government wide financial statements. The net effect of recording the proceeds and the principal payments of the right of use liability is a net decrease in the changes in net position. (16,747)

Amortization expense for subscription assets are not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated amortization. The net effect of the current year amortization expense of \$31,506 is to decrease net position. (31,506)

Long term debt principal payments are expenditures in the fund financial statements, but they should be shown as decreased in long term debt in the government wide financial statements. The net effect of recording the proceeds and the principal payments of the subscription liability is a net decrease in the changes in net position. (22,517)

Certain expenditures for the pension benefits that are recorded to the fund financial statements must be recorded as deferred outflows of resources. The net effect of the changes in net pension liability and the changes in the District's deferred outflows of resources decreased net position \$4,167. (4,167)

Change in Net Position of Governmental Activities \$ 18,736

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

FISHER COUNTY APPRAISAL DISTRICT

Statement of Fiduciary Net Position

December 31, 2023

	Tax Collections Custodial Accounts
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 51,851
Receivables:	
Inventory tax	<u>4,367</u>
Total Assets	<u>56,218</u>
LIABILITIES	
Due to taxing units - inventory tax	36,498
Due to taxing entities - Royalties	533
Due to taxing entities - Personal Property Penalty	4,128
Due to District Clerk	(50)
Funds held in Escrow	2,449
Due to Fisher CAD	<u>5,327</u>
Total Liabilities	<u>48,885</u>
NET POSITION	
Restricted for other governments	<u>\$ 7,333</u>

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

FISHER COUNTY APPRAISAL DISTRICT
Statement of Changes in Fiduciary Net Position
December 31, 2023

	<u>Tax Collections Custodial Accounts</u>
ADDITIONS	
Tax and fee collections for other governments	\$ 13,761,067
Interest earnings	5,059
Other Collections	<u>325</u>
	<u>13,766,451</u>
DEDUCTIONS	
Payments of taxes and fees to others	<u>13,761,067</u>
Net Increase (decrease) in fiduciary net position	5,384
BEGINNING NET POSITION	<u>1,949</u>
ENDING NET POSITION	<u>\$ <u>7,333</u></u>

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

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

Note 1: Reporting Entity

The Fisher County Appraisal District (the District) was organized, created, and established pursuant to rules established by the Texas Property Code (the Code) Section 6.01. The Code established an appraisal district in each county of the State of Texas. The District was created to provide various taxing jurisdictions with appraisals of property subject to ad valorem taxation in Fisher County, Texas. The District's Board of Directors is appointed by the taxing jurisdictions within its boundaries.

The District is a political subdivision of the State of Texas and is considered a primary government. The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

The financial statements included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the District's Basic Financial Statements.

Note 2: Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements. The government-wide financial statements are combined with the fund financial statements because this is allowed reporting under a special purpose governmental entity.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Appraisal and collections revenues are recognized as soon as they are both measurable and available. Appraisal and collections revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Interest income is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Note 2: Measurement Focus, Basis of Accounting, and Financial Statement Presentation – continued

Additionally, the District reports the following fund type:

The Custodial Fund is a fiduciary fund type which includes tax collections held for taxing authorities. The fund is purely custodial and does not involve the measurement of the results of operations.

Note 3: Assets, Liabilities, and Net Position or Fund Balance

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Some statutes authorize the District to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, counties, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended December 31, 2023, the District did not own any types of securities other than those permitted by statute.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the statement of net position. The District defines capital assets with an initial, and individual cost of \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Building improvements	10-30 years
Furniture and Equipment	10 years

Compensated Absences

The District maintains a personal and sick leave policy for its full-time staff. The policy provides that full time employees earn 12 days personal leave (20 days after 11 years of service) per year. Personal benefits are lost at the end of the year if not taken, thus, no accumulation is allowed under the plan. Employees also earn sick leave time of 12 days per year accumulated up to a maximum of 60 days. No unused sick leave benefits are paid upon termination of employment for any reason. As such, no liability is maintained for accumulated personal or sick leave benefits.

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

Note 3: Assets, Liabilities, and Net Position or Fund Balance - continued

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows and inflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then or an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has deferred outflows or inflows of resources based on the actuarial valuations for pension plan from TCDRS. These deferred outflows and inflows of resources include the following items: (1) differences in expected and actual experiences, (2) differences due to changes in actuarial assumptions, (3) difference in projected and actual earnings, and (4) contributions made subsequent to the measurement dates for the pension liabilities.

Pension Liability

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and information about assets, liabilities, and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), the entity has reported the fund balances using the defined classifications for financial reporting purposes. The fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable fund balance* – includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain intact such as the principal of an endowment. The District has \$8,500 of nonspendable fund balance at December 31, 2023.
- *Restricted fund balance* – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by law or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include grant awards and bond proceeds. The District has no restricted fund balance at December 31, 2023.

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

Note 3: Assets, Liabilities, and Net Position or Fund Balance - continued

- *Committed fund balance* – includes the portion of net resources upon which the Board of Directors has imposed limitations on use. Amounts that can be used only for the specific purposes are determined by formal action of the Board of Directors, the District’s highest level of decision-making authority. Commitments may be changed or lifted only by the Board taking the same formal action that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements. The District reported the following amounts as committed:

Capital reserve	\$ 140,642
Operating reserve	140,641

- *Assigned fund balance* – includes the portion of net resources for which an intended use has been established by the Board of Directors or by an official who has been delegated by official Board action the authority to assign amounts. Assignments of fund balances are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum intended to be used for the purpose of that fund. The District has no assigned fund balance at December 31, 2023.
- *Unassigned fund balance* – includes the amount in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

The District will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned fund balance, but it reserves the right to deviate from this general strategy when appropriate.

Appraisal and Collections income

The District is supported by assessments from the taxing entities in the District and from a collection fee charged to each entity based on the level of collections. The assessment income is calculated using each entity’s percentage of the District’s operating budget based on each entity’s total appraised levy within the District and is normally billed quarterly for each entity.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through May 31, 2024, the date the financial statements were available to be issued.

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

Note 4: Stewardship, Compliance and Accountability

Budgetary Information

The District adopts an annual budget for the general fund. The District is required to present the adopted and final amended budgeted revenue and expenditures for the General Fund. The District compares the final amended budget to actual revenues and expenditures. Appropriations lapse at year end.

Note 5: Deposits and Investments

Deposits and Investments

Custodial credit risk: Deposits in financial institutions are carried at cost which approximates fair value. At December 31, 2023, the District had cash and cash investments, which represents cash on hand, demand deposits and savings accounts at federally insured local banks. At year end, the District's deposits were fully secured by FDIC coverage.

Statutes authorize the District to invest in obligation of the U.S. Treasury or the State of Texas, certain repurchase agreements, common trust funds, certificates of deposit that are guaranteed or insured by the Federal Deposit Insurance Corporation, and other investments specifically authorized by Chapter 2256 Public Funds Investment Act (PFIA) and Chapter 2257 Collateral for Public Funds of the Texas Government Code. The District is in compliance with the requirements of PFIA.

Note 6: Capital Assets

Capital asset activity for the year ended December 31, 2023 is as follows:

<u>Governmental Activities</u>	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023
Depreciable assets:				
Building improvements	\$ 148,877	\$ 3,942	\$	\$ 152,819
Mapping equipment	7,701			7,701
Office equipment	47,415			47,415
Right of use assets	-	26,710		26,710
Subscription assets	11,713	52,601		64,314
Total depreciable assets	<u>215,706</u>	<u>83,253</u>	<u>-</u>	<u>298,959</u>
Less accumulated depreciation and amortization				
Building improvements	56,883	4,696		61,579
Mapping equipment	7,701			7,701
Office equipment	41,550	1,437		42,987
Right of use assets	-	10,466		10,466
Subscriptions assets	1,301	31,506		32,807
Total accumulated depreciation	<u>107,435</u>	<u>48,105</u>	<u>-</u>	<u>155,540</u>
Total capital assets, net	<u>\$ 108,271</u>	<u>\$ 35,148</u>	<u>\$ -</u>	<u>\$ 143,419</u>

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

Note 6: Capital Assets – continued

The District recognized depreciation expense of \$6,133 and amortization expense of \$41,972 during the year ended December 31, 2023.

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The District has purchased commercial insurance to insure against these losses. The District workers' compensation, property, liability, and automobile physical damage losses are covered under joint self-funded insurance pools managed by Texas Political Subdivisions and the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of 2,800 individual governmental units located within the state of Texas. TML Intergovernmental Risk Pool is considered a self-sustaining risk pool that will provide coverage for its members.

Note 8: Right of use liabilities and subscription liabilities

Leases Liabilities

The District is a lessee in noncancelable operating leases for the right to use office equipment. The District has recorded a right to use asset and liability at the lease commencement date based on the present value of the future lease payments over the expected lease terms. The right of use asset is amortized on a straight-line basis over the life of the lease, and the asset is recognized on the statement of net position with the depreciable capital assets. The lease liability is calculated based on the present value of the non-cancelable payments over the term of the lease and is recognized as a right to use liability on the statement of net position.

The details of the lease agreements are as follows:

Description	Beginning Lease Date	Payment Terms	Payment Amount	Imputed Interest Rate	Balance at December 31, 2023
Cannon Copier	4/14/2023	60 Months	\$ 160	6.00%	\$ 7,169
Computer Equipment	1/1/2023	24 Months	2,478	5.50%	9,578
					<u>\$ 16,747</u>

Subscription Liabilities

The District entered into long-term agreements to utilize software. The software agreements met the requirements from Governmental Accounting Standards Board (GASB) No. 96, *Subscription-Based Technology Arrangements*. The District has recorded a subscription asset and a subscription liability at the lease commencement date based on the present value of the future payments over the expected agreement terms. The subscription asset is amortized on a straight-line basis over the life of the lease, and the asset is recognized on the statement of net position with the depreciable capital assets. The subscription liability is calculated based on the present value of the non-cancelable payments over the term of the agreements and is recognized as a subscription liability on the statement of net position.

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

Note 8: Right of use liabilities and subscription liabilities – continued

The details of the subscription-based technology arrangements are as follows:

Description	Date of Agreement	Payment Terms	Payment Amount	Imputed Interest Rate	Balance at December 31, 2023
Various Software	1/1/2023	24 Months	\$ 6,843	5.50%	\$ 27,614
GIS Mapping Software	10/1/2022	24 Months	1,393	5.50%	5,384
					<u>\$ 32,998</u>

Annual requirements to amortize the lease liability and subscription liability are as follows:

Year Ending December 31	Principal	Interest	Total
2024	\$ 44,103	\$ 1,862	\$ 45,965
2025	1,621	294	1,915
2026	1,721	194	1,915
2027	1,826	89	1,915
2028	474	5	479
	<u>\$ 49,745</u>	<u>\$ 2,444</u>	<u>\$ 52,189</u>

Note 9: Commitments and Contingencies

In the normal course of operations, the District could be named as a defendant in various lawsuits regarding appraised values. The District's exposure is limited to attorney fees for the parties contesting their appraised value.

Note 10: Retirement Plan

Plan Description

The District provides retirement benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nearly 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing the TCDRS (TCDRS Act). Members can retire at age 60 and above with ten 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 80 or more. Members are vested after ten years of employment but must leave their accumulated contributions in the plan to receive any employer-financed benefits. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

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

Note 10: Retirement Plan - continued

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 board of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLA's. Ad hoc post-employment benefit changes, including ad hoc COLA's, can be granted by the District's Board within certain guidelines.

Membership

District membership in the TCDRS plan at December 31, 2022 consisted of the following:

Inactive Employees Receiving Benefits	0
Inactive Employees Not Yet Receiving Benefits	<u>0</u>
Total	0
 Active Employee Accounts	 3

Contributions

The District has elected the annually determined contribution rate (Variable-Rate) 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 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.

The rate the District contributed for the months of the accounting year in 2022 and 2023 were:

	Contribution Rates and Amounts	
	2022	2023
Member	6.00%	6.00%
Employer	10.39%	10.39%
 Employer Contributions	 \$ 12,143	 \$ 31,486
Employee Contributions	\$ 7,012	\$ 9,520

For calendar year 2023, the Board allocated an additional contribution to the retirement plan above the calculated required contribution. During calendar 2023, this additional payment was \$15,000 and is included in the employer contributions noted above.

Actuarial Assumptions

The total pension liability at the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

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

Note 10: Retirement Plan - continued

Valuation Timing	Actuarially determined contributions rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method:	Straight line amortization over Expected Working Life
Remaining Amortization Period	14 years
Asset Valuation Method	5 year smoothed market
Discount Rate	7.60%
Inflation	2.50%
Salary Increases	4.70% average
Investment Rate of Return	7.50%
Payroll Growth Rate	1.50%

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by the actuaries and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by the actuaries 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.

Refer to the most recent ACFR issued by TCDRS for a complete discussion of all assumptions.

Discount Rate

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our 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 TCRDS 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 cost-of-living adjustment 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.

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

Note 10: Retirement Plan - continued

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 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. 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 .10% to be gross of administrative expenses.

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's investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10 year time horizon.

Note that the valuation assumptions for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon. The 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. The actuary relies on the expertise of Cliffwater LLC in this assessment.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones US Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities – Developed	MSCI Work (net) Index Ex USA	5.00%	4.95%
International Equities – Emerging	MSCI EM Standard (net) index	6.00%	4.95%
Investment Grade Bonds	Bloomberg Barclays 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	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REIT's Index + 33% FRSE EPRA/NAREIT Global Rate Estate Index	2.00%	4.15%
Master Limited Partnerships (MLP's)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. treasury	2.00%	0.20%

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

Note 10: Retirement Plan - continued

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

At December 31, 2023, the District reported a net pension liability of \$25,494 measured at December 31, 2022. For the year ended December 31, 2023, the District recognized pension expense of \$35,650.

There were no changes of the benefit terms that affected measurement of the total pension liability during the measurement period. There were no changes in plan provisions reflected in the December 31, 2022 actuarial valuation.

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total Pension Liability	\$ 55,648	\$ 45,700	\$ 37,843
Fiduciary Net Position	20,206	20,206	20,206
Net Pension Liability/ (Asset)	\$ 35,442	\$ 25,494	\$ 17,637

Changes in the net pension liability for the District's year ended December 31, 2022 are as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asse t) (a)-(b)
Changes in Net Pension Liability			
Balance at December 31, 2021	\$ -		\$ -
Changes for the year:			
Service Cost	42,444		42,444
Interest on total pension liability	3,226		3,226
Effect of plan changes	-		-
Effect of economic/demographic gains or	30		30
Effect of assumptions changes or inputs	-		-
Refunds of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses		(12)	12
Member contributions		7,012	(7,012)
Net investment income		(1,633)	1,633
Employer contributions		12,143	(12,143)
Other		2,696	(2,696)
Balance as of December 31, 2022	\$ 45,700	\$ 20,206	\$ 25,494

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

Note 10: Retirement Plan - continued

At December 31, 2023, the District reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Recourses	Deferred Inflows of Recourses
Differences between expected and actual economic experience	\$ 26	\$ -
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings	1,958	-
Contributions subsequent to the measurement	31,486	-
Total	\$ 33,470	\$ -

\$31,486 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:		
2023	\$	492
2024		492
2025		492
2026		490
Thereafter		18
	\$	1,984

Note 11: Prior Year Misappropriation of Funds

During the year ended December 31, 2020, the District determined that cash had been fraudulently taken from the District by an employee. A fraud investigation was conducted by an independent firm who determined that a total of \$168,356 was taken from both the General Fund and the Custodial Funds August 2018 through November 2020.

During the year ended December 31, 2021, the 32nd Judicial District Court of Fisher County Texas ruled in favor of the District and has ordered the former employee to make restitution to the District in the amount of \$168,339. The agreement calls for monthly payments of \$1,537 beginning March 15, 2022. The District recorded a receivable for the amount owed by the employee, but also recorded an allowance equal to the receivable due to the uncertainty of collectability of the judgement. During the year ended December 31, 2023, The District received a total of \$4,060 towards the judgment. This amount was recognized as an other financing source on the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance.

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

Note 12: Prior Period Adjustment

For the year ended December 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. This new standard requires the District to recognize a subscription asset and a subscription liability for all technology arrangements that have a term greater than 12 months. These changes were incorporated in the District's financial statements and had an effect on the beginning net position.

In addition the net position was adjusted to recognize the deferred outflows of resources that should have been reported at December 31, 2022. The District began participating in the TCDRS pension plan at January 1, 2022 and made contributions to the plan before their first pension liability valuation at December 31, 2022. These contributions made prior to the pension liability valuation should have been recorded as a deferred outflows of resources.

The beginning net position was adjusted to reflect the changes above as follows:

		Governmental Activities
Net Position at December 31, 2022	\$	360,623
Deferred outflows of resources - pension		12,143
Capital assets: subscription asset		11,713
Accumulated amortization: Subscription asset		(1,301)
Subscription liabilities		(10,481)
Restated Net Position at December 31, 2022	\$	372,697

REQUIRED SUPPLEMENTARY INFORMATION

FISHER COUNTY APPRAISAL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2023

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Amended Budget	Actual GAAP Basis	
REVENUES:				
Appraisal income	\$ 313,438	\$ 313,438	\$ 313,438	\$ -
Collections income	187,502	187,502	187,502	-
Interest income	-	-	3,570	3,570
Miscellaneous income	-	-	2,460	2,460
Total Revenues	500,940	500,940	506,970	6,030
EXPENDITURES:				
Current:				
Appraisal:				
Payroll costs	98,665	110,664	94,192	16,472
Office expenditures	40,954	40,954	14,220	26,734
Professional services	36,222	36,222	11,152	25,070
Contracted services	113,292	113,292	135,054	(21,762)
Other costs	18,305	18,305	15,588	2,717
Collections:				
Payroll costs	133,875	133,875	131,058	2,817
Office expenditures	15,775	15,775	11,378	4,397
Professional services	8,000	8,000	5,410	2,590
Contracted services	21,352	21,352	8,979	12,373
Other costs	5,000	5,000	8,367	(3,367)
Equipment	3,500	3,500	585	2,915
Debt Service			44,086	(44,086)
Capital Outlay	6,000	6,000	83,253	(77,253)
Total Expenditures	500,940	512,939	563,322	(50,383)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	(11,999)	(56,352)	(44,353)
OTHER FINANCING SOURCES (USES)				
Financing proceeds - right of use assets			26,710	26,710
Financing proceeds - subscription assets			52,601	52,601
Restitution collections	-	-	4,060	4,060
Total other financing Sources (Uses)	-	-	83,371	83,371
CHANGE IN FUND BALANCE	\$ -	\$ (11,999)	\$ 27,019	\$ 39,018

FISHER COUNTY APPRAISAL DISTRICT
Schedule of Employer Contributions
Texas County & District Retirement System
For Fiscal Year 2023

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a Percentage of Covered Payroll
2014	\$	\$	\$ -	\$	
2015			-		
2016			-		
2017			-		
2018			-		
2019			-		
2020			-		
2021			-		
2022	12,153	12,143	10	116,868	10.4%
2023	16,486	31,486	(15,000)	158,675	19.8%

FISHER COUNTY APPRAISAL DISTRICT
Notes to Schedule of Employer Contributions
For the Year Ended December 31, 2022

Net Pension Liability - Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date

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

Actuarial cost method

Entry age (level percentage of pay)

Amortization method

Level percentage of payroll, closed

Remaining amortization period

19.9 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 age 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 Reflect in the Schedule of Employer Contributions

2015: New inflation, mortality and other assumptions were reflected.
 2017: New mortality assumptions were reflected.
 2019: New Inflation, mortality and other assumptions were reflected.
 2022: New investment return and inflation assumptions were reflected.

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions

2016: No changes in plan provisions were reflected in the Schedule
 2017: 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: No changes in plan provisions were reflected in the Schedule
 2022: No changes in plan provisions were reflected in the Schedule

FISHER COUNTY APPRAISAL DISTRICT
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County & District Retirement System
Years Ended December 31

	2022
Total Pension Liability	
Service cost	\$ 42,444
Interest (on the Total Pension Liability)	3,226
Effect of plan changes	-
Effect of assumption changes or inputs	30
Effect of economic/demographic (gains) losses	
Benefit payments, including refunds of employee contributions	
Net Change in Total Pension Liability	45,700
Total Pension Liability - Beginning	-
Total Pension Liability - Ending (a)	\$ 45,700
Plan Fiduciary Net Position	
Contributions - Employer	\$ 12,143
Contributions - Employee	7,012
Net Investment Income	(1,633)
Benefit payments, including refunds of employee contributions	-
Administrative Expense	(12)
Other	2,696
Net Change in Plan Fiduciary Net Position	20,206
Plan Fiduciary Net Position - Beginning	-
Plan Fiduciary Net Position - Ending (b)	\$ 20,206
 Net Pension Liability - Ending (a)-(b)	 \$ 25,494
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 44.21%
Covered Employee Payroll	\$ 116,868
 Net Pension Liability as a Percentage of Covered Employee Payroll	 21.81%

The District began participation in TDCRS in 2022, therefore, only that year is presented.

ROBERTS & MCGEE, CPA

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May 31, 2024

To Board of Directors of
Fisher County Appraisal District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fisher County Appraisal District for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fisher County Appraisal District are described in Note 3 to the financial statements. The District implemented Governmental Accounting Standards Board (GASB) No. 96, Subscription Based Technology Agreements for the year ended December 31, 2023. The new standard recognizes a subscription asset and subscription liability valued at the present value of the payments over the term of the agreement. The application of existing policies was not changed during the current year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the estimate of the accumulated depreciation on the District's property and equipment. Management's estimate of accumulated depreciation is based on reasonable assigned lives of the assets applied on a straight-line basis. We evaluated the key factors and assumptions used to develop the accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit engagement.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The proposed audit adjustments were provided to management to be recorded in the financial statements of the District. The corrected misstatements of the financial statements have been determined to be material, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 31, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information on page 20 in the audit report, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board and management of the Fisher County Appraisal District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


Roberts & McGee, CPA