

JONES COUNTY APPRAISAL DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



Roberts & McGee CPA

JONES COUNTY APPRAISAL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Jones 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 Jones 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 Jones 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 opinions.

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, budgetary comparison information, and pension related information on pages 3-7 and 30-34 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,
December 5, 2024

JONES COUNTY APPRAISAL DISTRICT

Management Discussion and Analysis

December 31, 2023

As management of Jones 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 Statement Highlights

- The District's total combined net position decreased by \$20,104 from current year operations. Total net position at year end was \$63,149.
- At the end of the current fiscal year, total fund balance for the General Fund was \$90,000 and is committed or assigned for technology, buildings repairs and maintenance, and litigation.

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 funds.

JONES COUNTY APPRAISAL DISTRICT

Management 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, expenditures, 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 custodian, 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 statements 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 14-29 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 30-34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position provide an indication of the District's financial condition and also indicate that the financial condition of the District increased the last fiscal year. The District's net position reflect the difference between assets and liabilities.

An increase in net positions over time typically indicates an improvement in financial condition. Our analysis focuses on the net position and changes in net positions of the District's governmental activities.

Net position of the District's governmental activities increased from \$83,253 to \$163,801. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$97,698 at December 31, 2023. This increase in net position of \$80,548 was the result of the district's operating activities.

JONES COUNTY APPRAISAL DISTRICT

Management Discussion and Analysis

December 31, 2023

Jones County Appraisal District
Summary of Statements of Net Position
Governmental Activities

	2023	2022
	2023	Restated
Current and other assets	\$ 374,178	\$ 248,870
Capital assets, net	71,137	264,326
Total assets	445,315	513,196
Deferred outflows of resources	363,741	131,849
Current liabilities	115,361	158,870
Long-term liabilities	253,370	143,670
Total liabilities	368,731	302,540
Deferred inflows of resources	377,176	259,252
Net position:		
Net investment in capital assets	66,103	185,920
Unrestricted	(2,954)	(102,667)
Total net position	\$ 63,149	\$ 83,253

GOVERNMENTAL ACTIVITIES

Revenues for the Jones County Appraisal District's governmental activities were \$702,226 while total expenses from operations was \$649,002. Other financing sources and uses were a net decrease of \$73,286 which included a refund to the taxing entities of \$100,652.

JONES COUNTY APPRAISAL DISTRICT

Management Discussion and Analysis

December 31, 2023

	<u>2023</u>	<u>2022</u> Restated
Revenues		
Appraisal and collection income	\$ 642,013	\$ 615,934
Interest and other income	<u>60,171</u>	<u>54,259</u>
Total revenues	<u>702,184</u>	<u>670,193</u>
Expenses		
Appraisal and collection office expenses	<u>649,002</u>	<u>634,254</u>
Total expenses	<u>649,002</u>	<u>634,254</u>
 Excess revenues over expenditures	 53,182	 35,939
 Other financing sources and uses		
Refund to the taxing entities	(100,652)	
Transfer from custodial fund	<u>27,366</u>	<u>-</u>
Total other financing sources uses	<u>(73,286)</u>	<u>-</u>
 Change in net position	 (20,104)	 35,939
 Net position, beginning	 <u>83,253</u>	 <u>47,314</u>
 Net position, ending	 <u>\$ 63,149</u>	 <u>\$ 83,253</u>

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 \$90,000.

General Fund Budgetary Highlights

The original budget presented a surplus budget of \$863. There were no budget amendments during the year, but there were line-item transfers. Actual revenues were \$21,085 more than the final budget, actual expenses were \$41,653 less than budgeted and other financing sources were \$63,601 less than budgeted. The District experienced an overall favorable budget deficit of \$99,789 before it's refund to the entities and a surplus of \$863 when the refund was given to the entities.

JONES COUNTY APPRAISAL DISTRICT

Management Discussion and Analysis

December 31, 2023

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 \$71,137 (net of accumulated depreciation). This investment in capital assets includes buildings improvements, furniture and equipment, right of use assets and subscription assets.

Capital Assets Schedule (net of depreciation)

	Governmental Activities	
	2023	2022
Land	\$ 2,100	\$ 2,100
Buildings and improvements	150,716	150,716
Furniture and Fixtures	33,401	33,401
Office equipment	245,533	245,533
Subscription assets	235,836	226,151
Total depreciable assets	<u>667,586</u>	<u>657,901</u>
Less: accumulated depreciation and amortization	<u>(596,449)</u>	<u>(471,980)</u>
Total capital assets, net	<u>\$ 71,137</u>	<u>\$ 185,921</u>

Additional information on the District's capital assets can be found in Note 7 on page 19 of this report.

Long-term debt. At the end of the current fiscal year, the Jones County Appraisal District had long-term debt consisting of subscription liabilities.

Economic Factor and Next Year's Budget and Assessments

The board of Directors adopted the District's final 2024 budget during 2023 after a public hearing. The approval of a budget provides funding for the district's operating and capital costs for the year 2024. This funding comes from assessments for appraisal and collection services provided to the various taxing entities served by the District. The District's 2024 adopted budget is \$727,412 for appraisal and collection services.

Requests for Information

This financial report is designed to provide the District's taxing entities and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Jones County Appraisal District at 1137 E. Court Plaza, Anson, Texas 79501.

BASIC FINANCIAL STATEMENTS

JONES 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	\$ 350,118	\$	\$ 350,118
Accounts receivable	24,060		24,060
Capital assets, net		71,137	71,137
Total Assets	<u>374,178</u>	<u>71,137</u>	<u>445,315</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension		358,789	358,789
Deferred outflows - OPEB		4,952	4,952
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 374,178</u>	<u>434,878</u>	<u>809,056</u>
LIABILITIES			
Accounts payable	\$ 110,327		110,327
Noncurrent liabilities			
SBITA liability due in one year		5,034	5,034
Accrued compensated absences		9,500	9,500
Net pension liability		223,690	223,690
OPEB liability		20,180	20,180
Total Liabilities	<u>110,327</u>	<u>258,404</u>	<u>368,731</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	173,851		173,851
Deferred inflows - pension		199,215	199,215
Deferred inflows - OPEB		4,110	4,110
Total Deferred Inflows of Resources	173,851	203,325	377,176
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>284,178</u>	<u>461,729</u>	<u>745,907</u>
FUND BALANCE/NET POSITION		(26,851)	
Fund balances			
Committed for:			
Technology	14,000	(14,000)	
Building repairs and maintenance	25,000	(25,000)	
Litigation	15,000	(15,000)	
Surplus fund distribution to TCDRS	20,000	(20,000)	
Fees and mandates	16,000	(16,000)	
Total Fund Balance	<u>90,000</u>	<u>(90,000)</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 374,178</u>		
Net Position			
Net investment in capital assets		66,103	66,103
Unrestricted		(2,954)	(2,954)
Total Net Position		<u>\$ 63,149</u>	<u>\$ 63,149</u>

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

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

Total Fund Balances - Governmental Funds \$ 90,000

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. The cost of these assets was \$596,449 and the accumulated depreciation and amortization was \$573,545. The net effect of capital assets (net of depreciation) in the governmental activities is an increase to net position. 71,137

Accrued liabilities for compensated absences for personal leave are not due and payable in the current period and therefore have not been included in the fund financial statements. The net effect of including the accrual for compensated absences in the governmental activities is a decrease to net position. (9,500)

Accrued liabilities for subscription based information technology arrangements (SBITA) are not due and payable in the current period and therefore have not been included in the fund financial statements. The net effect of including the accrual for SBITA in the governmental activities is a decrease to net position. (5,034)

Included in the items related to debt is the recognition of the District's net pension liability of \$223,690, deferred inflows of resources of \$199,215 deferred outflows of resources of \$358,789 which is a decrease in net position. (64,116)

Included in the items related to debt is the recognition of the District's net OPEB liability of \$20,180, deferred inflows of resources of \$4,110 deferred outflows of resources of \$4,952 which is a decrease in net position. (19,338)

Net Position of Governmental Activities \$ 63,149

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

JONES COUNTY APPRAISAL DISTRICT
Statements of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2023

	General Fund	Adjustments (Note B)	Statement of Activities
REVENUES:			
Appraisal income	\$ 506,496	\$	\$ 506,496
Collection income	135,517		135,517
Postage income	39,084		39,084
Other services	7,930		7,930
Interest income	128		128
Miscellaneous	13,029		13,029
Total Revenues	702,184	-	702,184
EXPENDITURES:			
Current:			
Salaries	329,139	9,500	338,639
Payroll tax	23,563		23,563
Employee Benefits	54,223	8,535	62,758
Appraisal engineers	-		-
Board of review	3,053		3,053
Dues and subscriptions	915		915
Insurance and agreements	6,893		6,893
Miscellaneous	6,945		6,945
Office maintenance	4,449		4,449
Office supplies and postage	39,564		39,564
Professional services	13,670		13,670
Telephone and utilities	8,948		8,948
Travel, training and tuition	8,553		8,553
Capital outlay	9,685	(9,685)	-
Debt service principal	122,400	(122,400)	-
Debt service interest	6,583		6,583
Depreciation and amortization		124,469	124,469
Total Expenditures	638,583	10,419	649,002
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	63,601	(10,419)	53,182
OTHER FINANCING SOURCES AND USES			
Refund to the taxing entities	(100,652)		(100,652)
Issuance of leases	9,685	(9,685)	-
Transfer from custodial fund	27,366		27,366
Total Other Financing Sources and Uses	(63,601)	(9,685)	(73,286)
CHANGE IN FUND BALANCE	-		
CHANGE IN NET POSITION		(20,104)	(20,104)
FUND BALANCE/NET POSITION BEGINNING OF YEAR - RESTATED	90,000	(6,747)	83,253
FUND BALANCE/NET POSITION END OF YEAR	\$ 90,000	\$ (26,851)	\$ 63,149

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

JONES COUNTY APPRAISAL DISTRICT
Adjustments to the Governmental Fund Revenues, Expenditures,
And Changes in Fund Balance – Note B
For the Year Ended December 31, 2023

Net Change in Fund Balances - Governmental Funds \$

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

Depreciation and amortization 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 and amortization. The net effect of the current year depreciation and amortization expense is to decrease net position.	(124,469)
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. The effect is an increase in net position.	9,685
Liabilities for compensated absences are reported in the fund financial statements. The net effect of the current year's decrease in the liability is to increase net position.	(9,500)
The issuances of long-term liabilities is an increase to fund balance in the governmental funds but is an increase to liabilities in the government-wide financial statements. This is a decrease to net positions.	(9,685)
Payments on SBITA are reported in the fund financial statements as expenditures. The net effect of the current year's decrease in the liability is to increase net position.	122,400
Certain expenditures for the pension benefits that are recorded to the fund financial statements must be recorded as deferred outflows of resources. The District's unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the District's pension and OPEB must be recognized. These cause the change in net position to decrease.	<u>(8,535)</u>
Change in Net Position of Governmental Activities	<u>\$ (20,104)</u>

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

JONES COUNTY APPRAISAL DISTRICT
Statement of Fiduciary Net Position
December 31, 2023

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ <u>1,744,604</u>
Total Assets	<u>1,744,604</u>
LIABILITIES	
Amount due to taxing authorities	<u>1,744,604</u>
Total Liabilities	<u>1,744,604</u>
NET POSITION	
Restricted for individual organizations, and other governments	<u>-</u>
Total Net Position	<u>\$ -</u>

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

JONES COUNTY APPRAISAL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2023

	<u>Custodial Fund</u>
<u>Additions</u>	
Ad valorem tax collections for other governments	\$ 22,209,437
Auto Dealership Escrow collections	326,446
Interest Income	<u>72</u>
Total additions	<u>22,535,955</u>
<u>Deductions</u>	
Ad valorem tax disbursements to other governments	24,455,151
Refunds for overpayments	124,203
Lawyer fees	210,406
Other disbursements	<u>18,885</u>
Total deductions	<u>24,808,645</u>
Deficiency of additions from deductions	(2,272,690)
Net transfers	(27,366)
Net position - beginning - restated	<u>2,300,056</u>
Net position - ending	<u>\$ -</u>

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

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

Note 1: Reporting Entity

The District was organized as a result of the constitutional mandate from the sixty-sixth Texas Legislature's enactment of the Property Tax Code in 1979. Senate Bill 621 created the Consolidated Tax Appraisal District concept and was later amended by House Bill 30. The District consists of a five member board of directors, six member review board, and the chief appraiser. The board members are appointed by the taxing entity and the chief appraiser is appointed by the board of directors. The District's responsibility is to appraise all taxable property in the District for ad valorem tax purposes for all taxing units.

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: Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all 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.

Note 3: Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide fund 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 timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 revenue 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.

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

Note 3: Measurement Focus, Basis of Accounting, and Financial Statement Presentation – continued

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.

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 4: 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.

State 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.

Accounts Receivable

Receivables are recorded for amounts billed to the taxing entities for appraisal and collections fees. The receivables are considered all collectible and no allowance has been recorded.

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 \$5,000 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 and Improvements	25 years
Furniture and Fixtures	10 years
Office Equipment	5-10 years

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

Note 4: Assets, Liabilities, and Net Position or Fund Balance - continued

Right to use subscription based information technology arrangement assets (SBITA assets) are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use SBITA assets are measured at the initial value of the lease liability and SBITA liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right to use leased assets and SBITA assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period for the equipment leases range from 3 years.

Compensated Absences

It is the District's policy to allow employees to accumulate a limited amount of earned vacation which, if not used, will be paid to the employees upon separation from the District's service. The compensated absences balance is \$9,500 at December 31, 2023.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will report a separate section for deferred outflows of resources and the deferred inflows of resources. These separate financial statement elements, deferred outflows and inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then or an acquisition of net position that applies to a 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 the pension and OPEB plans. 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. The District also has deferred inflows related to prepayments of appraisal assessments.

Pension Liabilities

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 TCERS's fiduciary net position. Benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Note 4: Assets, Liabilities, and Net Position or Fund Balance - continued

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 no 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.
- *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 has total committed funds of \$90,000 as of December 31, 2023:
- *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 as of 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.

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

Note 4: Assets, Liabilities, and Net Position or Fund Balance - continued

Appraisal 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 December 5, 2024, the date the financial statements were available to be issued.

Note 5: Stewardship, Compliance and Accountability

Budgetary Information

The District maintains control over expenditures in the General Fund by the establishment of an annual budget. The annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget, as formally adopted by the Board of Directors prior to the beginning of the year, establishes the maximum authorization of operating funds to be expended by any fund. Any subsequent amendment thereto must be approved by the Board. Unused appropriations for all of the budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Note 6: 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 and pledged securities.

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, however the District does not have a formal investment policy.

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

Note 7: Capital Assets

Capital Assets

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

	January 1, 2023	Additions	Retirements	December 31, 2023
Capital assets not being depreciated				
Land	\$ 2,100	\$ -	\$ -	\$ 2,100
Total capital assets not being depreciated	<u>2,100</u>	<u>-</u>	<u>-</u>	<u>2,100</u>
Depreciable assets:				
Building and improvements	\$ 150,716	\$ -	\$ -	\$ 150,716
Furniture and fixtures	33,401	-	-	33,401
Equipment	245,533	-	-	245,533
Subscription assets	226,151	9,685	-	235,836
Total depreciable assets	<u>655,801</u>	<u>9,685</u>	<u>-</u>	<u>665,486</u>
Less: accumulated depreciation and amortization				
Building and improvements	(83,756)	(6,029)	-	(89,785)
Furniture and fixtures	(29,616)	(522)	-	(30,138)
Equipment	(245,533)	-	-	(245,533)
Subscription assets	(113,075)	(117,918)	-	(230,993)
Total accumulated depreciation and amortization	<u>(471,980)</u>	<u>(124,469)</u>	<u>-</u>	<u>(596,449)</u>
Total capital assets, net	<u>\$ 185,921</u>	<u>\$ (114,784)</u>	<u>\$ -</u>	<u>\$ 71,137</u>

The District recognized depreciation and amortization expense of \$124,469 during the year ended December 31, 2023.

Note 8: Right of use 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 contract 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 contract, 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.

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

Note 8: Right of use subscription liabilities – continued

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

Description	Date	Payment Terms	Payment Amount	Imputed Interest Rate	Balance at December 31, 2023
Mineral Contract	1/1/2022	Quarterly	14,074	2.00%	-
GIS Mapping	1/1/2023	Quarterly	1,322	2.00%	5,034
Computers & Equipment	1/1/2022	Quarterly	16,850	2.00%	-

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

Year Ending December 31	Principal	Interest	Total
2024	\$ 5,034	\$ 254	\$ 5,288
	<u>\$ 5,034</u>	<u>\$ 254</u>	<u>\$ 5,288</u>

Note 9: Unearned Revenue

Prior to year-end, the District assesses appraisal and collections fees for the first quarter of the following fiscal year. At December 31, 2023, the District had recorded unearned revenue of \$173,851.

Note 10: Retirement Plan

Plan Description

The District provides retirement, disability and death 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.

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.

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

Note 10: Retirement Plan - continued

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		6
Inactive Employees Not Yet Receiving Benefits		0
Current Employee's Accounts		6
Active Employee Accounts		6

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	7.00%	7.00%
Employer	16.03%	17.02%
Employer Contributions	\$ 52,021	\$ 52,209
Member Contributions	\$ 22,681	\$ 21,473

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

Note 10: Retirement Plan – continued

Actuarial Assumptions

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

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	18.1 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	0%

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.

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

Note 10: Retirement Plan - continued

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability 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 Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan 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%

JONES 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 \$223,690 measured at December 31, 2022. For the year ended December 31, 2023, the District recognized pension expense of \$62,120.

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	\$ 2,420,961	\$ 2,200,044	\$ 2,008,647
Fiduciary Net Position	1,976,353	1,976,354	1,976,353
Net Pension Liability/ (Asset)	\$ 444,608	\$ 223,690	\$ 32,294

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

Changes in Net Pension Liability	Increases (Decreases)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Ass et) (a)-(b)
Balance at December 31, 2022	\$ 2,111,931	\$ 2,190,337	\$ (78,406)
Changes for the year:			
Service Cost	30,823		30,823
Interest on total pension liability	157,017		157,017
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	56,613		56,613
Effect of assumptions changes or inputs	-		-
Refunds of contributions	(22,548)	(22,548)	-
Benefit payments	(133,792)	(133,792)	-
Administrative expenses		(1,158)	1,158
Member contributions		22,682	(22,682)
Net investment income		(121,432)	121,432
Employer contributions		51,940	(51,940)
Other		(9,675)	9,675
Balance as of December 31, 2023	<u>\$ 2,200,044</u>	<u>\$ 1,976,354</u>	<u>\$ 223,690</u>

JONES 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	\$ 50,297	\$ 1,482
Changes in actuarial assumptions	26,672	4,496
Differences between projected and actual investment earnings	227,556	193,237
Contributions subsequent to the measurement date	54,264	
Total	\$ 358,789	\$ 199,215

\$54,264 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	\$ 17,046
2024	12,032
2025	19,343
2026	56,889
2027	-
Thereafter	-
	\$ 105,310

Note 11: Postemployment Benefits Other Than Pensions

Plan Description: The District participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TDCRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for \$5,000.

Contributions made to the retiree GTL program are held in the GTL Fund. The GTL Fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.

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

Note 11: Postemployment Benefits Other Than Pensions – continued

Employees covered by benefit terms

At December 31, valuation and measurement date, the following employees were covered by the GTLF:

Inactive Employees Receiving Benefits	6	
Inactive Employees Not Yet Receiving Benefits	0	
	6	
 Active Employee Accounts		 5

OPEB Liability

The District's total OPEB liability of \$20,180 was measured as of December 31, and was determined by an actuarial valuation as of that date.

All actuarial assumptions and methods that determined the OPEB liability as of December 31, were based on the results of an actuarial experience study for the period January 1, 2017 to December 31, 2020, except where required to be different by GASB 75.

Actuarial assumptions:

The OPEB liability in the December 31, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Level percent of Salary
Amortization Method	Straight-Line amortization
Remaining Amortization Period	Expected Working Life
Asset Valuation Method	Does not apply
Discount Rate *	3.72%
Inflation Rate	Does not apply
Long-term expected Investment Rate of Return	Does not apply
Salary Increases	Does not apply
Payroll Growth Rate	Does not apply

* 20 Year Bond GO Index published by bondbuyer.com as of December 30, 2022

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.72%, as well as what the District's OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percent point higher (4.72%) than the current rate.

	1% Decrease in Discount Rate (2.72%)	Discount Rate (3.72%)	1% Increase in Discount Rate (4.72%)
Total OPEB Liability	\$ 23,139	\$ 20,180	\$ 17,802

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

Note 11: Postemployment Benefits Other Than Pensions – continued

Changes in total OPEB liability for the District’s year ended December 31, are as follows:

	<u>OPEB Liability</u>
Changes in OPEB Liability	
Balance at December 31, 2021	\$ 25,921
Changes for the year:	
Service Cost	665
Interest on total pension liability	533
Change of benefit terms	-
Effect of economic/demographic gains or losses	(171)
Effect of assumptions changes or inputs	(5,310)
Benefit payments	(1,458)
Other	-
Balance as of December 31, 2022	<u>\$ 20,180</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, , the District recognized OPEB expense (benefit) of \$1,934.

At December 31, , the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Recourses</u>	<u>Deferred Inflows of Recourses</u>
Differences between expected and actual economic experience	\$ 1,086	\$ 128
Changes in actuarial assumptions	1,811	3,982
Differences between projected and actual investment earnings		
Contributions subsequent to the measurement date	2,055	-
Total	<u>\$ 4,952</u>	<u>\$ 4,110</u>

The deferred outflows balance includes contributions subsequent to the measurement date of \$2,055. This amount will be recognized as a reduction of the OPEB liability for the year ending December 31, .

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

Note 11: Postemployment Benefits Other Than Pensions – continued

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2023	\$ 790
2024	(635)
2025	(1,368)
2026	-
2027	-
Thereafter	-
	<u>\$ (1,213)</u>

Funding Policy: Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The District’s contributions to the GTLF for the year ended December 31, was \$2,055, which equaled the contractually required contributions each year.

TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. The report is available at www.tcdrs.org. TCDRS’ CAFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 78768-2034 or by calling 800-823-7782.

Note 12: 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 13: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors and omissions. The District has purchased commercial insurance from independent third parties to insure against these losses. The District also uses Texas Municipal League (TML) Intergovernmental Employee Benefits Pool, a public entity risk pool for the benefit of 2,800 individual governmental units located within the state of Texas, for its employees’ health insurance. TML Intergovernmental Employee Benefits Pool is considered a self-sustaining risk pool that will provide coverage for its members. Settled claims have not exceeded insurance coverage limits for the past three years.

Note 14: 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.

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

Note 14: Prior Period Adjustment – continued

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

	<u>Governmental Activities</u>
Net Position at December 31, 2022	\$ 87,926
Adjustments:	
Net Book Value Subscription-Based Asset	113,076
SBITA Liability	<u>(117,749)</u>
Restated Net Position at December 31, 2022	<u>\$ 83,253</u>

REQUIRED SUPPLEMENTARY INFORMATION

JONES COUNTY APPRAISAL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Appraisal income	\$ 506,496	\$ 506,496	\$ 506,496	\$ -
Collection income	135,516	135,516	135,517	1
Postage income	39,087	39,087	39,084	(3)
Other services	-	-	7,930	7,930
Interest income	-	-	128	128
Miscellaneous	-	-	13,029	13,029
Total Revenues	681,099	681,099	702,184	21,085
EXPENDITURES				
Current				
Salaries	351,187	351,187	329,139	22,048
Payroll tax	28,756	28,756	23,563	5,193
Employee Benefits	67,393	67,393	54,223	13,170
Board of review	2,500	2,500	3,053	(553)
Dues and subscriptions	3,000	3,000	915	2,085
Insurance and agreements	5,000	5,000	6,893	(1,893)
Miscellaneous	-	-	6,945	(6,945)
Office maintenance	4,500	4,500	4,449	51
Office supplies and postage	37,000	37,000	39,564	(2,564)
Professional services	10,000	10,000	13,670	(3,670)
Telephone and utilities	13,000	13,000	8,948	4,052
Travel, training and tuition	4,000	4,000	8,553	(4,553)
Capital outlay	22,000	22,000	9,685	12,315
Debt service principal	131,900	131,900	122,400	9,500
Debt service interest	-	-	6,583	(6,583)
Total Expenditures	680,236	680,236	638,583	41,653
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	863	863	63,601	62,738
OTHER FINANCING SOURCES AND USES				
Refund to the taxing entities			(100,652)	(100,652)
Issuance of leases	-	-	9,685	9,685
Transfer from custodial fund	-	-	27,366	27,366
Total Other Financing Sources and Uses	-	-	(63,601)	(63,601)
CHANGE IN FUND BALANCE	863	863		(863)
Fund Balance at January 1 - restated	90,000	90,000	90,000	-
Fund Balance at December 31	<u>\$ 90,863</u>	<u>\$ 90,863</u>	<u>\$ 90,000</u>	<u>\$ (863)</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 30,823	\$ 36,601	\$ 33,237	\$ 31,802	\$ 31,394	\$ 31,224	\$ 31,519	\$ 28,922	\$ 28,005
Interest (on the Total Pension Liability)	157,017	152,740	143,180	132,712	123,361	113,570	104,499	97,441	90,570
Effect of plan changes	-	-	-	-	-	-	-	(5,900)	-
Effect of assumption changes or inputs	-	(13,488)	106,685	-	-	16,306	-	21,870	-
Effect of economic/demographic (gains) losses	56,613	(4,446)	15,731	19,529	16,519	15,865	16,432	7,607	14,216
Benefit payments, including refunds of employee contributions	(156,340)	(64,049)	(56,246)	(56,246)	(56,246)	(56,246)	(56,246)	(56,246)	(56,246)
Net Change in Total Pension Liability	88,113	107,358	242,587	127,797	115,028	120,719	96,204	93,694	76,545
Total Pension Liability - Beginning	2,111,931	2,004,573	1,761,986	1,634,189	1,519,161	1,398,442	1,302,238	1,208,544	1,131,999
Total Pension Liability - Ending (a)	\$ 2,200,044	\$ 2,111,931	\$ 2,004,573	\$ 1,761,986	\$ 1,634,189	\$ 1,519,161	\$ 1,398,442	\$ 1,302,238	\$ 1,208,544
Plan Fiduciary Net Position									
Contributions - Employer	\$ 51,940	\$ 37,360	\$ 36,614	\$ 32,046	\$ 27,743	\$ 26,178	\$ 23,930	\$ 23,319	\$ 22,589
Contributions - Employee	22,681	19,415	19,431	19,355	18,530	18,343	17,839	17,310	16,575
Net Investment Income	(121,432)	395,251	168,973	231,572	(27,096)	185,967	87,963	4,587	77,319
Benefit payments, including refunds of employee contributions	(156,340)	(64,049)	(56,246)	(56,246)	(56,246)	(56,246)	(56,246)	(56,246)	(56,246)
Administrative Expense	(1,158)	(1,185)	(1,319)	(1,246)	(1,133)	(963)	(955)	(855)	(891)
Other	(9,674)	289	156	61	(151)	(166)	12,710	10,224	7,592
Net Change in Plan Fiduciary Net Position	(213,983)	387,081	167,609	225,542	(38,353)	173,113	85,241	(1,661)	66,938
Plan Fiduciary Net Position - Beginning	2,190,337	1,803,256	1,635,647	1,410,105	1,448,458	1,275,345	1,190,104	1,191,765	1,124,827
Plan Fiduciary Net Position - Ending (b)	\$ 1,976,354	\$ 2,190,337	\$ 1,803,256	\$ 1,635,647	\$ 1,410,105	\$ 1,448,458	\$ 1,275,345	\$ 1,190,104	\$ 1,191,765
Net Pension Liability - Ending (a)-(b)	\$ 223,690	\$ (78,406)	\$ 201,317	\$ 126,339	\$ 224,084	\$ 70,703	\$ 123,097	\$ 112,134	\$ 16,779
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.83%	103.71%	89.96%	92.83%	86.29%	95.35%	91.20%	91.39%	98.61%
Covered Employee Payroll	\$ 324,019	\$ 277,353	\$ 277,587	\$ 276,494	\$ 264,719	\$ 262,037	\$ 254,847	\$ 247,285	\$ 236,781
Net Pension Liability as a Percentage of Covered Employee Payroll	69.04%	-28.27%	72.52%	45.69%	84.65%	26.98%	48.30%	45.35%	7.09%

JONES 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	\$ 22,589	\$ 22,589	\$ -	\$ 236,781	9.54%
2015	23,319	23,319	-	247,285	9.43%
2016	23,930	23,930	-	254,847	9.39%
2017	26,178	26,178	-	262,037	9.99%
2018	27,743	27,743	-	264,719	10.48%
2019	32,046	32,046	-	276,494	11.59%
2020	36,614	36,614	-	277,587	13.19%
2021	37,360	37,360	-	277,353	13.47%
2022	51,940	51,940	-	324,019	16.03%
2023	52,209	52,209	-	306,752	17.02%

JONES COUNTY APPRAISAL DISTRICT
Notes to Schedule of Employer Contributions
For the Year Ended December 31, 2023

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	18.1 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	2015: No changes in plan provisions were reflected in the schedule 2016: No changes in plan provisions were reflected in the schedule 2017: New annuity purchase rates were reflected for benefits earned after 2017. 2018: Employer contributions reflect that the prior service matching rate was increased to 35%. 2019: Employer contributions reflect that the prior service matching rate was increased to 60%. 2020: Employer contributions reflect that the prior service matching rate was increased to 90%. 2021: No changes in plan provisions were reflected in the schedule 2022: No changes in plan provisions were reflected in the schedule

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

JONES COUNTY APPRAISAL DISTRICT
Schedule of Changes in OPEB Liability and Related Ratios
Texas County & District Retirement System
For the Year Ended December 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 665	\$ 679	\$ 580	\$ 359	\$ 421	\$ 373
Interest on total OPEB liability	533	515	561	654	586	599
Effect of plan changes	-	-	-	-	-	-
Effect of assumption changes or inputs	(5,310)	435	2,306	3,707	(1,615)	557
Effect of economic/demographic (gains)losses	(171)	1,259	1,366	596	509	477
Benefit payments, including refunds of employee contributions	<u>(1,458)</u>	<u>(1,137)</u>	<u>(1,083)</u>	<u>(940)</u>	<u>(874)</u>	<u>(865)</u>
Net Change in Total OPEB Liability	(5,741)	1,751	3,730	4,376	(973)	1,141
Total OPEB Liability - Beginning	<u>25,921</u>	<u>24,170</u>	<u>20,440</u>	<u>16,064</u>	<u>17,037</u>	<u>15,896</u>
Total OPEB Liability - Ending (a)	<u>\$ 20,180</u>	<u>\$ 25,921</u>	<u>\$ 24,170</u>	<u>\$ 20,440</u>	<u>\$ 16,064</u>	<u>17,037</u>
Covered Employee Payroll	\$ 324,019	\$ 277,353	\$ 277,587	\$ 276,494	\$ 264,719	262,037
Net Pension Liability as a Percentage of Covered	6.23%	9.35%	8.71%	7.39%	6.07%	6.50%