



July 23, 2025

To the Board of Directors of
Williamson Central Appraisal District
Georgetown, Texas

We have audited the financial statements of Williamson Central Appraisal District as of and for the year ended December 31, 2024, and have issued our report thereon dated July 23, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated September 16, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Williamson Central Appraisal District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is described in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of its net pension liability is based on reports received from the Texas County and District Retirement System (TCDRS). The net pension liability reported by TCDRS is based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TCDRS plan were audited and received an unmodified opinion. We evaluated the audited financial statements, census data submitted by the District to TCDRS and the District's controls over the census submission process that were used to develop the estimate of its net pension asset to determine that the estimates are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the net pension liability and fund balance assignments.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Williamson Central Appraisal District financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated July 23, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Williamson Central Appraisal District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Williamson Central Appraisal District's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Williamson Central Appraisal District and is not intended to be, and should not be, used by anyone other than these specified parties.



Abilene, Texas



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December 31, 2024

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Independent Auditor's Report

To the Board of Directors
Williamson Central Appraisal District
Georgetown, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Williamson Central Appraisal District (the District) as of and for the year ended December 31, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Williamson Central Appraisal District, as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund 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 (GAAS). 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 Williamson Central Appraisal District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 4 through 9 and 35 through 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed text.

Abilene, Texas

July 23, 2025

As management of Williamson Central 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 fiscal year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

Government-Wide

- The District's net position on a government-wide basis totaled \$4,078,676 at December 31, 2024, an increase of \$835,865 (or 25.8%) from net position at December 31, 2023.

General Fund

- At the end of the current fiscal year, total fund balance for the General Fund was \$1,755,813, of which \$1,261,775 is assigned for various purposes approved by the Board. \$494,038 is available to meet the District's ongoing obligations.

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 consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required 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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 the 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, accrued personal leave).

The government-wide financial statements of the District are principally funded by monies provided from local taxing entities (governmental activities). The District does not have any business-type activities.

The government-wide financial statements can be found on pages 10 through 13 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 only a governmental fund.

Governmental fund. 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 that 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 of the general fund 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities. The governmental fund financial statements can be found on pages 10 through 13 of this report.

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 budgetary comparison schedule can be found on page 14 of this report.

Notes to the financial statements. The notes provide additional information that is essential for 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 15 through 34 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 Governmental Accounting Standards Board to be a part of the District's basic financial statements. Required supplementary information can be found on pages 35-37 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A significant portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, furniture, and equipment). The District uses these capital assets to provide services to the taxing 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.

**Williamson Central Appraisal District
Summary of Statement of Net Position**

	Governmental Activities	
	2024	2023
Current and other assets	\$ 4,910,523	\$ 5,258,838
Capital assets, net of depreciation	3,019,061	3,189,161
Right-to-use leased assets, net	34,314	50,746
Total assets	7,963,898	8,498,745
Deferred outflows of resources	2,418,739	2,844,745
Current liabilities	3,154,710	3,911,340
Noncurrent liabilities - due within one year	14,867	15,611
Noncurrent liabilities - due in more than one year	973,618	900,317
Net pension liability	2,160,766	3,273,411
Total liabilities	6,303,961	8,100,679
Net position		
Net investment in capital assets	3,016,586	3,187,507
Unrestricted	1,062,090	55,304
Total net position	\$ 4,078,676	\$ 3,242,811

GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were \$13,384,375 while total expenses were \$12,548,510. The change in net position was an increase of \$835,865. This is a \$940,155 increase over prior year change in net position. The change is due to increased appraisal assessment revenue offset by higher expenses, particularly compensation and Board of Director expenses.

**Williamson Central Appraisal District
Changes in Net Position**
For the Fiscal Year Ended December 31,

	Governmental Activities	
	2024	2023
Revenues		
Appraisal assessments	\$ 13,120,300	\$ 11,527,831
Miscellaneous income	264,075	217,290
Total revenues	13,384,375	11,745,121
Expenses		
Appraisal services	12,548,510	11,849,411
Total expenses	12,548,510	11,849,411
Change in net position	835,865	(104,290)
Net position, beginning of year	3,242,811	3,347,101
Net position, end of year	\$ 4,078,676	\$ 3,242,811

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental fund. The focus of the District's governmental fund 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 operating fund of the District. At the end of the fiscal year, the District's general fund (as presented in the government fund balance sheet on page 10) reported an ending fund balance of \$1,755,813.

Budgetary highlights. Budget basis expenditures were below budget by \$363,622, mainly due to expenditures in salaries and other various categories being lower than budgeted offset by higher expenditures in retirement, professional services and debt service than budgeted.

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATION

Capital assets. The District's net investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$3,053,375 (net of accumulated depreciation/amortization). This represents a decrease of \$186,532 from the prior fiscal year. This investment in capital assets includes land, buildings and improvements and furniture and equipment and right-to-use leased assets. Additional information on the District's capital assets can be found in Note 5 (p. 21) in the notes to the financial statements.

Capital Assets Schedule (net of depreciation)

	2024	2023
Land	\$ 403,873	\$ 403,873
Buildings and improvements	6,093,270	6,030,142
Furniture and equipment	1,311,070	1,266,187
Right-to-use leased assets being amortized	73,697	98,703
	7,881,910	7,798,905
Less accumulated depreciation/amortization	(4,828,535)	(4,558,998)
Total capital assets	\$ 3,053,375	\$ 3,239,907

Long-term obligations. As of December 31, 2024, the District had \$944,485 in long-term liabilities, which includes lease liability and compensated absences. Additional information on the District's long-term obligations can be found in Notes 6 and 7 (p. 22) in the notes to the financial statements.

Long-Term Debt

	2024	2023
Lease liability	\$ 36,789	\$ 52,400
Accrued personal leave	951,696	863,528
Total long-term debt	\$ 988,485	\$ 915,928

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and accountability. If you have any questions concerning this report, or if you need any additional information, please contact the Williamson Central Appraisal District, Alvin Lankford, 625 FM 1460, Georgetown, Texas 78626.



Williamson Central Appraisal District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2024

	<u>General Fund</u>	<u>Adjustments (Note A)</u>	<u>Statement of Net Position</u>
Assets			
Cash and cash equivalents	\$ 4,903,380	\$ -	\$ 4,903,380
Accounts receivable - appraisal assessments	7,143	-	7,143
Capital assets, net	-	3,019,061	3,019,061
Right-to-use leased assets, net	-	34,314	34,314
Total assets	<u>4,910,523</u>	<u>3,053,375</u>	<u>7,963,898</u>
Deferred outflows of resources			
Deferred outflows - pension	-	2,418,739	2,418,739
Total assets and deferred outflows of resources	<u>\$ 4,910,523</u>	<u>5,472,114</u>	<u>10,382,637</u>
Liabilities			
Accounts payable	\$ 277,774	-	277,774
Payroll liabilities	418,726	-	418,726
Unearned revenue	2,458,210	-	2,458,210
Noncurrent liabilities			
Due within one year	-	14,867	14,867
Due in more than one year	-	973,618	973,618
Net pension liability	-	2,160,766	2,160,766
Total liabilities	<u>3,154,710</u>	<u>3,149,251</u>	<u>6,303,961</u>
Fund balance/net position			
Fund balances			
Assigned	1,261,775	(1,261,775)	-
Unassigned	494,038	(494,038)	-
Total fund balances	<u>1,755,813</u>	<u>(1,755,813)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,910,523</u>	<u>1,393,438</u>	<u>6,303,961</u>
Net Position			
Net investment in capital assets		3,016,586	3,016,586
Unrestricted		1,062,090	1,062,090
Total net position		<u>\$ 4,078,676</u>	<u>\$ 4,078,676</u>

Total Fund Balances - Governmental Fund Balance Sheet	\$ 1,755,813
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the end of the year, the cost of these assets was \$7,881,910 and the accumulated depreciation/amortization was \$4,828,535. The net effect of including capital assets (net of depreciation/amortization) in the governmental activities is an increase to net position.</p>	3,053,375
<p>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.</p>	(951,696)
<p>Capital lease payable is not due and payable in the current period, and, therefore is not reported as a liability in the governmental fund. The net effect of including capital lease payable in the governmental activities is a decrease to net position.</p>	(36,789)
<p>The District recognized a net pension liability in the amount of \$2,160,766 and deferred outflow of resources of \$2,418,739. The net effect of these is an increase to net position.</p>	<u>257,973</u>
Total Net Position - Statement of Net Position	<u><u>\$ 4,078,676</u></u>

Williamson Central Appraisal District
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2024

	General Fund	Adjustments (Note B)	Statement of Activities
Revenues			
Appraisal assessments	\$ 13,120,300	\$ -	\$ 13,120,300
Miscellaneous income	264,075	-	264,075
Total revenues	<u>13,384,375</u>	<u>-</u>	<u>13,384,375</u>
Expenditures / expenses			
Current			
Salaries	6,541,310	88,168	6,629,478
Allowances	355,880	-	355,880
Group health	796,147	-	796,147
Health reimbursement account	65,314	-	65,314
Retirement	1,432,841	(686,639)	746,202
Workers compensation insurance	7,901	-	7,901
Social security and disability	96,068	-	96,068
Unemployment Insurance	-	-	-
Office supplies	11,866	-	11,866
Postage	167,632	-	167,632
Forms and printing	74,705	-	74,705
Janitorial supplies	6,033	-	6,033
Minor equipment and furniture	100,112	(44,883)	55,229
Computer supplies	7,614	-	7,614
Professional development	119,130	-	119,130
Utilities	198,968	-	198,968
Appraisal review board	190,019	-	190,019
TLO expenses	15,970	-	15,970
Publications	119,913	-	119,913
Professional services	1,400,982	-	1,400,982
Maintenance contracts	396,769	-	396,769
Business insurance	27,870	-	27,870
Lease equipment	23,395	-	23,395
Building repair and maintenance	201,810	(63,128)	138,682
Board of directors	310,827	-	310,827
Computer licenses/services	224,848	-	224,848
Debt service			
Principal on long-term debt	15,611	(15,611)	-
Interest on long-term debt	2,045	-	2,045
Capital outlay			
Equipment capital	64,480	-	64,480
Depreciation/amortization	-	294,543	294,543
Total expenditures / expenses	<u>12,976,060</u>	<u>(427,550)</u>	<u>12,548,510</u>
Change in fund balance/net position	408,315	427,550	835,865
Fund balance/net position			
Beginning of year	<u>1,347,498</u>	<u>1,895,313</u>	<u>3,242,811</u>
End of year	<u>\$ 1,755,813</u>	<u>\$ 2,322,863</u>	<u>\$ 4,078,676</u>

Williamson Central Appraisal District

Note B – Adjustments to the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund
Balance
Year Ended December 31, 2024

Net Change in Fund Balance - Governmental Fund \$ 408,315

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

Increases to liabilities for compensated absences for personal leave are not shown in the fund financial statements. The net effect of the current year's increase in the liabilities is to decrease net position. (88,168)

Repayment of lease payable principal of \$15,611 are expenditures in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position and is not an expense on the statement of activities. The net result of principal paid on capital leases payable is an increase in net position. 15,611

Current year capital outlays are expenditures in the fund financial statements but are shown as increases in capital assets in the government-wide financial statements. Total additions for the current year which were removed from fund expenditures amount to \$108,011. 108,011

Depreciation and amortization is not recognized as an expenditure in the governmental funds since it does not require the use of current financial resources. The effect of recording current year depreciation is to decrease net position. (294,543)

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$277,114. The District's share of the unrecognized deferred outflows and inflows for TCDRS as of the measurement date must be amortized and the District's pension expense must be recognized. These cause the change in net position to increase in the amount of \$409,525. The net effect is an increase in net position. 686,639

Net Change in Net Position - Statement of Activities \$ 835,865

Williamson Central Appraisal District

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended December 31, 2024

	Original Budget	Final Budget	Actual amounts Budget basis	Budget to GAAP Differences Over (Under)	Actual amounts GAAP basis
Revenues					
Appraisal assessments	\$ 13,120,300	\$ 13,120,300	\$ 13,120,300	\$ -	\$ 13,120,300
Miscellaneous income	-	-	264,075	-	264,075
Total revenues	13,120,300	13,120,300	13,384,375	-	13,384,375
Expenditures					
Current					
Salaries	6,814,700	6,814,700	6,541,310	-	6,541,310
Allowances	344,700	344,700	355,880	-	355,880
Group health	974,200	974,200	796,147	-	796,147
Health reimbursement account	-	-	-	65,314	65,314
Retirement	1,303,200	1,303,200	1,432,841	-	1,432,841
Workers compensation insurance	9,200	9,200	7,901	-	7,901
Social security and disability	105,000	105,000	96,068	-	96,068
Office supplies	13,600	13,600	11,866	-	11,866
Postage	215,100	215,100	167,632	-	167,632
Forms and printing	72,400	72,400	74,705	-	74,705
Janitorial supplies	7,800	7,800	6,033	-	6,033
Minor equipment and furniture	94,000	94,000	62,675	37,437	100,112
Computer supplies	16,500	16,500	7,614	-	7,614
Professional development	133,600	133,600	119,130	-	119,130
Utilities	232,200	232,200	198,968	-	198,968
Appraisal review board	306,319	306,319	190,019	-	190,019
TLO expenses	16,000	16,000	15,970	-	15,970
Publications	140,500	140,500	119,913	-	119,913
Professional services	1,084,400	1,084,400	1,400,982	-	1,400,982
Maintenance contracts	430,200	430,200	396,769	-	396,769
Business insurance	23,300	23,300	27,870	-	27,870
Lease equipment	42,300	42,300	23,395	-	23,395
Building repair and maintenance	185,400	185,400	166,810	35,000	201,810
Board of directors	364,900	364,900	310,827	-	310,827
Computer licenses/services	187,700	187,700	188,136	36,712	224,848
Contingency	500	500	-	-	-
Debt service					
Principal	-	-	15,611	-	15,611
Interest	-	-	2,045	-	2,045
Capital outlay	47,500	47,500	64,480	-	64,480
Fund depreciation	-	-	-	-	-
Total expenditures	13,165,219	13,165,219	12,801,597	174,463	12,976,060
Change in fund balance/net position	(44,919)	(44,919)	582,778	174,463	408,315
Fund balance					
Beginning of the year	1,347,498	1,347,498	1,347,498	-	1,347,498
End of the year	\$ 1,302,579	\$ 1,302,579	\$ 1,930,276	\$ 174,463	\$ 1,755,813

Explanation of budget to GAAP differences:

Budget basis expenditures reported above are those that are intended to be financed through the current operating budget.

Certain expenditures were budgeted to be paid for out of prior year surpluses, which for GAAP purposes represents fund balance. Thus, expenditures funded out of "reserves", or prior year surpluses, are reported as GAAP expenditures only.

Note 1 - Reporting Entity

Williamson Central Appraisal District (the District) was organized, created, and established pursuant to rules established by the Texas Property Tax Code (the Code) Section 6.01. The Code established an appraisal district in each county of the State of Texas. The District is responsible for appraising property in the District for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the District.

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.

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 of the activities of the primary government. Separate financial statements are provided for the governmental fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 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.

Interest income is considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

Fund Accounting

The District reports the following governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

Cash and Cash Equivalents

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, 2024, the District did not own any types of securities other than those permitted by statute.

The District Investment Officer shall use any or all of the following authorized investment instruments consistent with governing law and this policy:

A. Bank Investments:

1. Fully collateralized Time Deposits,
2. Fully collateralized Certificates of Deposits,
3. Fully collateralized Money Market Accounts,
4. Fully collateralized Interest-Bearing Checking Accounts.

B. Direct Investments:

5. United States Treasury Securities,
6. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act and approved by resolution of the Board.
7. Excluded in the direct investments are derivative securities including, but not limited to, Collateralized Mortgage Obligations.

Portfolio maturities will be structured to achieve the highest return of interest consistent with liquidity requirements of the District's cash needs. No investment shall have a legal stated maturity of more than twelve (12) months.

At December 31, 2024, the District had \$5,003,807 (bank balances) invested in interest-bearing checking or savings accounts. During the year ended December 31, 2024, 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, 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 acquisition value. 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:

Assets	Years
Furniture and equipment	3-15
Buildings and improvements	30

Right-to-Use Leased Assets

Right-to-use leased 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 leased assets are measured at the initial value of the lease 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 please the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using straight-line method. The amortization period is 5 years.

Compensated Absences

Compensated absences are reported as expenditures and a fund liability of the general fund only if they have matured, for example as a result of employee resignations and retirements. Compensated absences are accrued as a long-term liability in the statement of net position when incurred.

Lease Liability

Lease liabilities represent the District’s obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the estimated incremental borrowing rate or an implicit interest rate.

Use of Estimates

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

Deferred Outflows

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows 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) until then. The District has deferred outflows of resources related to its pension plan.

Deferred Inflows

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 had no deferred inflows of resources related to its pension plan in the current year.

Pensions

The fiduciary net position of the District's plan with Texas County & District Retirement System (TCDRS) has been determined using the 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 of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Appraisal Assessments

The District is primarily supported by assessments from the taxing entities in the District. These assessments are calculated using each entity's percentage of the District's operating budget based on each entity's total appraised levy within the District.

Adoption of New Accounting Standards

As of January 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Information

A budget is adopted for the general fund on a budget basis which differs from generally accepted accounting principles in that expenditures to be paid for out of prior years' surpluses are not budgeted. The operating budget was formally adopted by the Board of Directors ("the Board") at a public meeting prior to the start of the fiscal year in accordance with the Texas Property Tax Code Sections 6.06(a) and 6.06(b). The formally adopted budget may be legally amended by the Board with approval of the taxing entities in accordance with the Texas Property Tax Code Section 6.06(c). Budget transfers between expenditure line items require approval by the Board. Budgetary preparation and control is exercised at the fund level. Actual expenditures may not legally exceed appropriations at the fund level.

Note 3 - Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy.

The hierarchy is as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments subject to recurring fair value measurements at December 31, 2024.

Note 4 - Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments

Compliance with the Public Funds Investment Act: The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Custodial Credit Risk – Deposit

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's deposits on December 31, 2024, were fully secured by federal deposit insurance coverage as well as pledged securities. As such, the District has no custodial credit risk for deposits.

Custodial Credit Risk – Investments

State law limits investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The District's policy does not specifically address credit risk of investments. The District has no such investments at December 31, 2024.

Interest rate risk

The District's policy does not address interest rate risk. At year end the District was not exposed to interest rate risk.

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Additions	Retirements/ Transfers	Balance December 31, 2024
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 403,873	\$ -	\$ -	\$ 403,873
Total capital assets, not being depreciated	403,873	-	-	403,873
Capital assets, being depreciated				
Office building	5,405,867	-	-	5,405,867
Building improvement	624,275	63,128	-	687,403
Office furniture	304,705	-	-	304,705
Office equipment/computers	961,482	44,883	-	1,006,365
Total capital assets, being depreciated	7,296,329	108,011	-	7,404,340
Accumulated depreciation				
Office building	(3,108,377)	(180,196)	-	(3,288,573)
Building improvement	(218,869)	(56,856)	-	(275,725)
Office furniture	(304,705)	-	-	(304,705)
Office equipment/computers	(879,090)	(41,059)	-	(920,149)
Total accumulated depreciation	(4,511,041)	(278,111)	-	(4,789,152)
Total capital assets, being depreciated, net	2,785,288	(170,100)	-	2,615,188
Governmental activities capital assets, net	3,189,161	(170,100)	-	3,019,061
Right-of-use leased asset being amortized				
Right-to-use leased equipment	98,703	-	(25,006)	73,697
Total right-to-use assets being amortized	98,703	-	(25,006)	73,697
Less accumulated amortization				
Right-to-use leased equipment	(47,957)	(16,432)	25,006	(39,383)
Total accumulated amortization	(47,957)	(16,432)	25,006	(39,383)
Net right-to-use leased assets	50,746	(16,432)	-	34,314
Governmental activities capital assets, net	\$ 3,239,907	\$ (186,532)	\$ -	\$ 3,053,375

The District recognized depreciation and amortization expense of \$294,543 in the statement of activities.

Note 6 - Long-Term Obligations

The changes in long-term obligations for the year ended December 31, 2024, were as follows:

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024	Due Within One Year
Leases					
Equipment	\$ 52,400	\$ -	\$ (15,611)	\$ 36,789	\$ 14,867
Total leases payable	52,400	-	(15,611)	36,789	14,867
Accrued personal leave	863,528	88,168	-	951,696	-
Total long-term obligations	<u>\$ 915,928</u>	<u>\$ 88,168</u>	<u>\$ (15,611)</u>	<u>\$ 988,485</u>	<u>\$ 14,867</u>

Payment requirements for the District's leases are as follows:

Fiscal Year	Principal	Interest
2025	\$ 14,867	\$ 1,367
2026	11,181	794
2027	10,741	231
Total	<u>\$ 36,789</u>	<u>\$ 2,392</u>

Note 7 - Leases

The District entered an agreement to lease mail room equipment beginning July 2020. Under the terms of the lease, the District pays a monthly fee of \$476. The lease terminates on July 12, 2025. The District entered into another agreement to lease mail room equipment beginning November 2022. Under the terms of the lease, the District pays a monthly fee of \$502. The lease terminates on November 9, 2027. The District entered into another agreement to lease mail room equipment beginning January 2023. Under the terms of the lease, the District pays a monthly fee of \$499. The lease terminates on December 31, 2027.

At December 31, 2024, the District has recognized a right to use asset, net of accumulated amortization, of \$34,314 and a lease liability of \$36,789 related to these agreements. During the fiscal year, the District recorded \$16,432 in amortization expense and \$2,045 in interest expense for the right to use the copier and mail room equipment. The District used a discount rate of 3.00% on the equipment. The discount rates for the leases were based on the estimated incremental borrowing rate of the District.

Note 8 - Unearned Revenue

The District assesses appraisal fees for the first quarter of the following year, prior to year-end. At December 31, 2024, the District had recorded unearned revenue of \$2,458,210 for appraisal assessments received for 2024.

Note 9 - Fund Balance

The fund financial statements present fund balances classified in a hierarchy based on the strength of the constraints governing how these balances can be spent. These classifications are listed below in descending order of restrictiveness:

Nonspendable fund balance includes fund balances that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At December 31, 2024, the District had no nonspendable fund balances.

Restricted fund balance includes the amount that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At December 31, 2024, the District had no restricted fund balances.

Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At December 31, 2024, the District had no committed fund balances.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board of Directors collectively is authorized to make assignments. Fund balance assigned for specific purposes at December 31, 2024 included the following:

Assigned for:	
Buildings	\$ 149,994
TCDRS unfunded liability buydown	126,662
GIS projects	76,625
Contingency operating funds	42,995
Litigation expenses	294,605
Technology	92,914
Short-lived technology	69,325
Computer-aided mass appraisal	151,062
Device applications - debit card	679
Street level imagery	251,631
HRA- noninterest bearing acct	5,283
	<u>\$ 1,261,775</u>

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The District's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the District. The Pool's liability is limited to the coverage that the District elects as stated in the Pool's Declarations of Coverage for that fund year.

The District obtains workers compensation insurance through the Texas Association of Counties. The District has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 11 - 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 state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer public employee retirement system consisting of nearly 870 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 or at <https://www.tcdrs.org>.

Benefits Provided

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

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body 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 deposits 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 COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the District's Board within certain guidelines.

Membership

District membership in the TCDRS plan at December 31, 2023 consisted of the following:

Inactive Employees' Accounts	
Receiving benefits	53
Entitled to but not yet receiving benefits	49
Total	102
Active Employees' Accounts	83

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.

	Contribution Rates	
	2024	2023
Member	7.0%	7.0%
Employer	19.00%	19.00%
Employer Contributions	\$ 1,432,841	\$ 1,155,727
Member Contributions	468,700	425,845

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.0 years
Asset Valuation Method	5 year smoothed market
Discount Rate	7.60%
Long-term expected Investment Rate of Return*	7.50%
Salary Increases*	4.70%, average
Payroll Growth Rate	2.0%

**Includes Inflation of 2.5%*

The plan does not have an automatic cost-of-living adjustment and one is not considered to be substantively automatic under GASB No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the plan may elect an ad-hoc COLA for its retirees.

Disability rates for males and females were as follows:

<u>Age</u>	<u>Male and Female Occupational</u>	<u>Male and Female All Other Causes</u>
less than 25	0.001%	0.001%
25	0.001	0.003
26	0.001	0.006
27	0.001	0.009
28	0.001	0.011
29	0.001	0.013
30	0.001	0.014
31	0.001	0.016
32	0.001	0.018
33	0.001	0.020
34	0.001	0.023
35	0.001	0.025
36	0.001	0.028
37	0.001	0.030
38	0.001	0.034
39	0.001	0.038
40	0.001	0.042
41	0.001	0.046
42	0.001	0.050
43	0.001	0.058
44	0.001	0.066
45	0.001	0.074
46	0.001	0.082
47	0.001	0.090
48	0.001	0.099
49	0.001	0.108
50	0.001	0.117
51	0.001	0.126
52	0.001	0.135
53	0.001	0.144
54	0.001	0.153
55	0.001	0.162
56	0.001	0.171
57	0.001	0.180
58	0.001	0.189
59	0.001	0.198
60 and above	-	-

Mortality rates for depositing members were based on 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Service retirees, beneficiaries, and non-depositing members were based on 135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Disabled retirees were based on 160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Service retirement rates for males and females were as follows:

Age	Active Svc<15	Active Svc 15-24	Active Svc 25-29	Active Svc 30+	Active All Svc
40-49	5.3%	6.3%	7.7%	8.8%	0.0%
50-51	5.6	6.8	8.3	9.4	-
52-53	6.0	7.2	8.8	10.0	-
54-56	6.8	8.1	9.9	11.3	-
57-59	7.5	9.0	11.0	12.5	-
60-61	9.0	10.8	13.2	15.0	12.0
62	13.5	16.2	19.8	22.5	18.0
63-64	11.3	13.5	16.5	18.8	15.0
65-66	22.5	22.5	27.5	27.5	25.0
67	21.6	21.6	26.4	26.4	24.0
68-69	18.9	18.9	23.1	23.1	21.0
70-74	20.7	20.7	25.3	25.3	23.0
75 & Above	100.0	100.0	100.0	100.0	100.0

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017 - 2020. Assumptions were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2021.

There were no changes in methods or assumptions reflected in the December 31, 2023 actuarial valuation.

Discount Rate

The discount rate used to measure the total pension liability did not change from the rate used in the prior year valuation, 7.60%.

In order to determine the discount rate to be used, the actuary 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 the funding policy and the legal requirements under the TCDRS Act:

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

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, the actuary has used a discount rate of 7.60%, net of investment expense. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon.

Note that the valuation assumption for 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 annual for continued compliance with the relevant standards of practice. Milliman relies on the expertise of Cliffwater 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 ¹	Geometric Real Rate of Return ²
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Cappex Index	9.00%	3.65%
Direct Lending	S&P/LST A Leveraged Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ³	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index+ 33% Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁴	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁵	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

¹ Target asset allocation adopted at the March 2024 TCDRS Board meeting.

² Geometric real rates of return equal the expected return minus the assumed inflation of 2.2%, per Cliffwater's 2024 capital market assumptions.

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

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

⁵ Includes vintage years 2006 - present of quarter Pooled Horizons IRRs.

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the District reported a net pension liability of \$2,160,766 measured at December 31, 2023. For the fiscal year ended December 31, 2024, the District recognized pension expense of \$746,202.

Changes to the real rate of return, inflation, long-term investment return, and the payroll growth assumptions affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the net pension liability for the measurement year ended December 31, 2023 are as follows:

<u>Changes in Net Pension Liability (Asset)</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at December 31, 2022	\$ 35,188,706	\$ 31,915,295	\$ 3,273,411
Changes for the year			
Service cost	913,872	-	913,872
Interest on total pension liability [1]	2,684,672	-	2,684,672
Effect of plan changes [2]	-	-	-
Effect of economic/demographic gains or losses	372,162	-	372,162
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(43,139)	(43,139)	-
Benefit payments	(1,541,766)	(1,541,766)	-
Administrative expenses	-	(18,491)	18,491
Member contributions	-	425,845	(425,845)
Net investment income	-	3,507,493	(3,507,493)
Employer contributions	-	1,155,863	(1,155,863)
Other [3]	-	12,641	(12,641)
Balances as of December 31, 2023	<u>\$ 37,574,507</u>	<u>\$ 35,413,741</u>	<u>\$ 2,160,766</u>

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

[2] No plan changes valued.

[3] Relates to the allocation of system-wide items.

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 net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Total pension liability	\$ 42,543,057	\$ 37,574,507	\$ 33,384,100
Fiduciary net position	<u>35,413,741</u>	<u>35,413,741</u>	<u>35,413,741</u>
Net pension liability (asset)	<u>\$ 7,129,316</u>	<u>\$ 2,160,766</u>	<u>\$ (2,029,641)</u>

At December 31, 2024, the District's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 467,125
Changes in actuarial assumptions	-	369,008
Net difference between projected and actual investment earnings	-	149,765
Contributions paid to TCDRS subsequent to the measurement date	<u>-</u>	<u>1,432,841</u>
Total	<u>\$ -</u>	<u>\$ 2,418,739</u>

\$1,432,841 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 in the fiscal year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense</u>
2025	\$ 334,943
2026	(6,331)
2027	799,304
2028	<u>(142,018)</u>
	<u>\$ 985,898</u>

Note 12 - 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 (TCDRS). 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.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' ACFR may also be obtained by writing to the Texas County & District Retirement System, Barton Oaks Plaza IV, Suite 500, 901 South Mopac Expressway, Austin, Texas 78746, or by calling 800-823-7782.

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 years ended December 31, 2024, 2023 and 2022 were \$6,696, \$6,084, and \$6,256, respectively, which equaled the contractually required contributions each year.

Note 13 - Contingencies

In the normal course of operations, the District is 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 taxable value.

Note 14 - Commitments

The District has contracted with a company for 2025 to provide the District with valuations of oil, gas, and certain other industrial properties for \$84,660. The District has contracted with a company for imagery products and services to use in appraisal services for a total of \$1,758,154 in six installments paid annually beginning in 2020; as of December 31, 2024, \$287,159 is due in the final year. The District has contracted with a company for software services for \$78,000 in 2025.

Note 15 - Deferred Compensation Plan

The District offers its employees a deferred compensation plan ("the Plan") created in accordance with Internal Revenue Service Code Section 457. The Plan, available to all full time District employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. Plan assets are held by a trust or custodian for the exclusive benefit of the participants and beneficiaries.



Required Supplementary Information
December 31, 2024

Williamson Central Appraisal District

Williamson Central Appraisal District

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios—Texas County & District Retirement System
Year Ended December 31, 2024

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability										
Service cost	\$ 913,872	\$ 810,201	\$ 845,675	\$ 697,881	\$ 624,367	\$ 646,623	\$ 630,496	\$ 630,242	\$ 608,489	\$ 567,030
Interest on total pension liability	2,684,672	2,532,788	2,382,138	2,235,677	2,099,606	1,977,316	1,831,061	1,681,628	1,571,269	1,452,459
Effect of plan changes	-	-	135,289	-	-	-	-	75,708	(141,921)	-
Effect of assumption changes or inputs	-	-	43,921	1,790,127	-	-	128,738	-	236,165	-
Effect of economic/demographic (gains) or losses	372,162	138,298	138,336	259,165	119,533	13,998	169,993	15,852	(127,823)	87,622
Benefit payments/refunds of contributions	(1,584,905)	(1,587,990)	(1,469,473)	(1,307,338)	(1,169,603)	(1,044,679)	(899,746)	(788,378)	(782,324)	(634,259)
Net change in total pension liability	2,385,801	1,893,297	2,075,886	3,675,512	1,673,903	1,593,258	1,860,542	1,615,052	1,363,855	1,472,852
Total pension liability, beginning	35,188,706	33,295,409	31,219,523	27,544,011	25,870,108	24,276,850	22,416,308	20,801,256	19,437,401	17,964,549
Total pension liability, ending (a)	<u>\$ 37,574,507</u>	<u>\$ 35,188,706</u>	<u>\$ 33,295,409</u>	<u>\$ 31,219,523</u>	<u>\$ 27,544,011</u>	<u>\$ 25,870,108</u>	<u>\$ 24,276,850</u>	<u>\$ 22,416,308</u>	<u>\$ 20,801,256</u>	<u>\$ 19,437,401</u>
Fiduciary Net Position										
Contributions - Employer	\$ 1,155,863	\$ 990,618	\$ 1,062,504	\$ 930,642	\$ 816,552	\$ 697,702	\$ 675,586	\$ 710,915	\$ 604,153	\$ 580,824
Contributions - Member	425,845	364,964	336,078	342,868	304,546	296,534	293,368	275,529	262,349	252,208
Net investment income	3,507,493	(1,982,293)	6,158,881	2,633,793	3,605,654	(419,133)	2,854,556	1,331,463	(322,420)	1,128,797
Benefit payments/refunds of contributions	(1,584,905)	(1,587,990)	(1,469,473)	(1,307,338)	(1,169,603)	(1,044,679)	(899,746)	(788,378)	(782,324)	(634,259)
Administrative expenses	(18,491)	(18,702)	(18,477)	(20,544)	(19,429)	(17,635)	(14,936)	(14,463)	(13,014)	(13,506)
Other	12,641	(3,047)	5,724	1,525	1,892	(15,257)	788	69,457	50,178	(1,166)
Net change in fiduciary net position	3,498,446	(2,236,450)	6,075,237	2,580,946	3,539,612	(502,468)	2,909,616	1,584,523	(201,078)	1,312,898
Fiduciary net position, beginning	31,915,295	34,151,745	28,076,508	25,495,562	21,955,950	22,458,418	19,548,802	17,964,279	18,165,357	16,852,459
Fiduciary net position, ending (b)	<u>\$ 35,413,741</u>	<u>\$ 31,915,295</u>	<u>\$ 34,151,745</u>	<u>\$ 28,076,508</u>	<u>\$ 25,495,562</u>	<u>\$ 21,955,950</u>	<u>\$ 22,458,418</u>	<u>\$ 19,548,802</u>	<u>\$ 17,964,279</u>	<u>\$ 18,165,357</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 2,160,766</u>	<u>\$ 3,273,411</u>	<u>\$ (856,336)</u>	<u>\$ 3,143,015</u>	<u>\$ 2,048,449</u>	<u>\$ 3,914,158</u>	<u>\$ 1,818,432</u>	<u>\$ 2,867,506</u>	<u>\$ 2,836,977</u>	<u>\$ 1,272,044</u>
Fiduciary net position as a percentage of total pension liability	94.25%	90.70%	102.57%	89.93%	92.56%	84.87%	92.51%	87.21%	86.36%	93.46%
Covered payroll	\$ 6,083,494	\$ 5,213,775	\$ 4,801,111	\$ 4,898,112	\$ 4,350,654	\$ 4,236,199	\$ 4,190,977	\$ 3,936,133	\$ 3,747,845	\$ 3,602,966
Net pension liability/(asset) as a percentage of covered payroll	35.52%	62.78%	-17.84%	64.17%	47.08%	92.40%	43.39%	72.85%	75.70%	35.31%

Williamson Central Appraisal District
Schedule of Employer Contributions – Texas County & District Retirement System
December 31, 2024

<u>Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015	\$ 566,299	\$ 604,153	\$ (37,854)	\$ 3,747,845	16.12%
2016	566,016	710,915	(144,899)	3,936,133	18.06%
2017	656,726	675,586	(18,860)	4,190,977	16.12%
2018	682,875	697,702	(14,827)	4,236,199	16.47%
2019	704,371	816,553	(112,182)	4,350,654	18.77%
2020	861,088	930,642	(69,554)	4,898,112	19.00%
2021	912,212	1,065,546	(153,334)	4,801,111	22.19%
2022	990,618	991,037	(419)	5,213,775	19.01%
2023	1,155,863	1,155,727	136	6,083,495	19.00%
2024	1,432,841	1,432,841	-	6,695,711	21.40%

Note A: Net Pension Liability – Texas County & District Retirement System

Assumptions

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

Valuation date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	11.0 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service, 4.7% average, including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in plan provisions	No changes in plan provisions were reflected in the Schedule.

Changes in Assumptions

There were no changes of assumptions that affected measurement of the total pension asset during the measurement period.

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension asset during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.