Burnet Central Appraisal District

Annual Financial Report

For the Year Ended December 31, 2023

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**BURNET CENTRAL APPRAISAL
DISTRICT ANNUAL FINANCIAL
REPORT
December 31, 2023**

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S. NOEL SNEDEKER, II

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Report on Basic Financial Statements Accompanied by Required Supplementary Information, Supplementary Information, and Other Information

To the Board of Directors
Burnet Central Appraisal District
Burnet, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burnet Central Appraisal 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 my 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 Burnet Central Appraisal District, as of December 31, 2023 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Burnet Central Appraisal District and to meet my ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Management's Responsibility 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 Burnet 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 Responsibility for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Burnet 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 my judgement, there are conditions, or events, considered in the aggregate, that raise substantial doubt about Burnet Central Appraisal District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burnet Central Appraisal District's basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

S. Noel Snedeker, II
Certified Public Accountant
October 21, 2024

BURNET CENTRAL APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As management of the Burnet Central Appraisal District, we offer readers of the district's financial statements this narrative overview and analysis of the district's financial activities for the fiscal year ended December 31, 2023.

The District is a consolidated tax office that does all tax appraisal and collection functions for all taxing entities in Burnet County. Though the appraisal and collection functions are consolidated, each function has its own budget and accounting records.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was $2,547,582 at December 31, 2023.

- During the year, the District's expenses (including depreciation of capital assets) were $670,499 less than the $2,760,132 generated in assessments from local jurisdictions and other revenues for governmental activities.

- The general fund reported a fund balance of $1,260,674, an increase of $436,151 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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, using accounting methods similar to a private-sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid. The statement of net position presents information on all of the district's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating. 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. unused vacation leave).

The government-wide financial statements should distinguish functions of the district that are principally supported by the district's taxing units and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the district's activities are governmental. The district is the primary government and has no component units.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the District's most significant funds - not the District as a whole.

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's funds consist only of the governmental fund.

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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds 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 district's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The district maintains one governmental fund, its general fund. This fund is presented in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in 'fund balances.

The district adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. The District utilizes a fiduciary fund to account for property taxes collected for the benefit of local taxing jurisdictions. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. The fiduciary activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

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 19-34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the district's case, assets exceeded liabilities by $2,547,582 at fiscal year ended on December 31, 2023. The district's capital assets represent investments in furniture, office equipment, computers peripherals, geographical information system and leasehold improvements. The district uses these capital assets to provide services to the taxing units and the citizens and property owners of Burnet County; consequently, these assets are not available for future spending.

The unrestricted category of net position, with a balance of $2,008,892 at year end, may be used to meet the district's ongoing obligations to citizens and creditors.

BURNET CENTRAL APPRAISAL DISTRICT'S NET POSITION

	Governmental Activities			
Assets	**2023**	**2022**	**Change**	
Current Assets	$ 1,949,819	$ 1,444,227	$ 505,592	26%
Capital Assets, Net	538,689	488,819	49,870	9%
Net Pension Asset	-	483,195	(483,195)	
Total Assets	2,488,508	2,416,241	72,267	3%
Deferred Outflow Related to Resources	458,056	218,647	239,409	52%
Liabilities				
Current Liabilities	136,905	20,674	116,231	85%
Non-Current Liabilities	412,538	79,094	333,444	81%
Total Liabilities	549,443	99,768	449,675	82%
Total Deferred Inflows	3,558	658,037	(654,479)	
Net Position				
Net Investment in Capital Assets	538,690	488,819	49,871	9%
Restricted	-	-		
Unrestricted	2,008,892	1,388,264	620,628	31%

A portion of the District's net position $538,690 reflects its investment in capital assets (e.g., furniture, computers, office equipment, maps, and peripherals). The remaining balance of unrestricted net position $2,008,892 may be used to meet the District's ongoing obligations and contingencies

Governmental activities. As the district has no business-type activities, governmental activities were responsible for increasing the district's net position.

Increases in expenses closely paralleled inflation and growth in the demand for services. However, the increase in net position can be attributable to the District being short staffed, which cascaded into additional funds that would normally be expended with the additional staff. Funds affected were the appraisal staff payroll, workman's compensation, retirement, staff mileage and staff training.

BURNET CENTRAL APPRAISAL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities			
	2023	2022	Change	
Revenues				
Program Revenues				
Charges for Services	$ 2,760,132	$ 2,720,134	$ 39,998	1%
Other Revenues	$ 357,365	$ 94,208	263,157	74%
Total Revenues	3,117,497	2,814,342	303,155	10%
Expenses				
General Government	2,446,998	1,654,699	792,299	32%
Change in Net Position	670,499	1,159,643	(489,144)	-73%
Net Position, Beginning	1,877,083	717,440	1,159,643	62%
Prior Period Adjustment	-	-	-	
Net Position, Ending	$ 2,547,582	$ 1,877,083	$ 670,499	26%

The District's total revenues were $3,117,497. A significant portion, approximately 88.54% of the Districts revenue comes from assessments against local jurisdictions. The remaining portion come from the interest income and other miscellaneous income.

Financial Analysis of the District's Funds

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, *unreserved 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 district's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,260,674.

General Fund Budgetary Highlights

The District did not amend its general fund budget during the year. Although the District is required to formally adopt an annual budget, its expenditures are not limited to the budget.

The variance in the budget can be attributed to additional cost for software conversion and additional receptionist. Other funds affected were office supplies, building maintenance and furniture and equipment.

Capital Assets

At the end of 2023, the district's investment in capital assets for its governmental activities was $1,011,886. This investment in capital assets includes furniture, office equipment, computers and peripherals.

	Governmental Activities		Change	
	2023	2022	2021-2022	
Building	507,756	507,756	$ -	0%
Building Improvements	80,880	71,205	9,675	12%
Furniture and Equipment	423,250	330,926	92,324	22%
Totals at Historical Cost	1,011,886	909,887	101,999	10%
Less Accumlated Depreciation	473,196	421,069	52,127	11%
Capital Assets, Net	538,690	488,818	$ 49,872	9%

Long-Term Debt

At the year end the District had no long-term debt. The District does not anticipate any long-term borrowings in the near future.

ECONOMIC FACTORS

The 2024 approved budget indicates an overall increase in salaries of 10% and an increase in other operating expenditures of 13%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Burnet Central Appraisal District's finances for all those with an interest in the district's finances. Questions concerning this report or requests for additional financial information should be directed to the District's Administrative Office.

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BASIC FINANCIAL STATEMENTS

BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 873,795
Investments - Current	1,076,024
Capital Assets:	
Buildings, Net	418,048
Furniture and Equipment, Net	120,641
Total Assets	2,488,508
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	458,056
Total Deferred Outflows of Resources	458,056
LIABILITIES	
Accounts Payable	31,222
Wages and Salaries Payable	8,216
Compensated Absences Payable	97,467
Noncurrent Liabilities:	
Net Pension Liability	412,538
Total Liabilities	549,443
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	3,558
Total Deferred Inflows of Resources	3,558
NET POSITION	
Net Investment in Capital Assets	538,690
Unrestricted	2,008,892
Total Net Position	$ 2,547,582

The notes to the financial statements are an integral part of this statement.

BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT B-1

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
				Primary Gov.
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
Financial Administration	$ 2,447,418	$ 2,760,132	$ -	$ 312,714
TOTAL PRIMARY GOVERNMENT	$ 2,447,418	$ 2,760,132	$ -	312,714
General Revenues:				
Interest Revenue				313,362
Miscellaneous Revenue				44,423
Total General Revenues				357,785
Change in Net Position				670,499
Net Position-- Beginning				1,877,083
Net Position - Ending				$ 2,547,582

The notes to the financial statements are an integral part of this statement.

BURNET CENTRAL APPRAISAL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

		General Fund
ASSETS		
Cash and Cash Equivalents	$	873,795
Investments - Current		1,076,024
Total Assets	$	1,949,819
LIABILITIES		
Accounts Payable	$	31,222
Wages and Salaries Payable		8,216
Unearned Revenues		649,707
Total Liabilities		689,145
FUND BALANCE		
Unassigned Fund Balance		1,260,674
Total Fund Balance		1,260,674
Total Liabilities and Fund Balance	$	1,949,819

The notes to the financial statements are an integral part of this statement.

BURNET CENTRAL APPRAISAL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Total Fund Balances - Governmental Funds	$	1,260,674
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		409,724
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements,but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase (decrease) net position.		83,626
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TES included a deferred resource outflow in the amount of $458,056, a deferred resource inflow in the amount of $3,558, a net pension liability in the amount of $412,538. This resulted in an increase (decrease) in net position.		195,979
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(52,128)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		649,707
Net Position of Governmental Activities	$	2,547,582

The notes to the financial statements are an integral part of this statement.

EXHIBIT C-3

BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund
REVENUES:	
Charges for Services	$ 2,396,122
Other Revenue	357,785
Total Revenues	2,753,907
EXPENDITURES:	
Current:	
General Government:	
Financial Administration	2,317,756
Total Expenditures	2,317,756
Net Change in Fund Balance	436,151
Fund Balance - January 1 (Beginning)	824,523
Fund Balance - December 31 (Ending)	$ 1,260,674

The notes to the financial statements are an integral part of this statement.

BURNET CENTRAL APPRAISAL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Total Net Change in Fund Balances - Governmental Funds	$	436,151
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to increase (decrease) the change in net position.		83,626
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. This contribution made after the measurement date of the plan caused the change in ending net position to increase by $157,661. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net pension liability. This caused a decrease in net position totaling ($154,019). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net pension by ($164,802). The net result is an increase (decrease) in the change in net position.		(161,160)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(52,128)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		364,010
Change in Net Position of Governmental Activities	$	670,499

The notes to the financial statements are an integral part of this statement.

BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Charges for Services	$ 2,671,909	$ 2,671,909	$ 2,396,122	$ (275,787)
Other Revenue	-	-	357,785	357,785
Total Revenues	2,671,909	2,671,909	2,753,907	81,998
EXPENDITURES:				
Current:				
General Government:				
Financial Administration	2,671,909	2,671,909	2,317,756	354,153
Total Expenditures	2,671,909	2,671,909	2,317,756	354,153
Net Change	-	-	436,151	436,151
Fund Balance - January 1 (Beginning)	824,523	824,523	824,523	-
Fund Balance - December 31 (Ending)	$ 824,523	$ 824,523	$ 1,260,674	$ 436,151

The notes to the financial statements are an integral part of this statement.

BURNET CENTRAL APPRAISAL DISTRICT **EXHIBIT C-6**
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Custodial Fund
ASSETS	
Cash, Tax Collection Account	$ 30,414,834
Due from Jurisdictions	-
Total Assets	$30,414,834
LIABILITIES	
Accounts Payable	$ -
Due to Taxing Authorities	$26,119,741
Total Liabilities	$26,119,741
NET POSITION	$ 4,295,093

BURNET CENTRAL APPRAISAL DISTRICT **EXHIBIT C-7**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2023

	Custodial Fund
ADDITIONS:	
Property tax collections for other governments	$ 137,484,927
Other Revenue	493,884
Total additions	$ 137,978,811
DEDUCTIONS:	
Property tax distributions to other governments	$0
Other Distributions	133,683,718
Total deductions	$133,683,718
Net increase (decrease) in fiduciary net position	$4,295,093
Net position, January 1, 2022	$0
Net position, December 31, 2023	$ 4,295,093

The accompanying notes are an integral part of this statements.

Notes to the Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Burnet Central Appraisal District (the District) is an independent agency created in 1979 when Central Tax Appraisal Districts were voted into existence by the Texas Legislature. Effective August 14, 1981, House Bill 30 revised the Property Tax Code that governs the operations of Central Tax Appraisal Districts. The District provides appraisal and collection services for the twenty-three entities within Burnet County. It has a Chief Appraiser and five board members. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources.

REPORTING ENTITY

The Board of Directors, a five-member group, is the level of government which has governance responsibilities related to appraising property and collecting ad valorem taxes within the jurisdiction of the Burnet Central Appraisal District (the District). The Board receives funding from the various taxing entities which it serves. Because the Board of Directors are elected by the taxing entities which it serves; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

In accordance with generally accepted accounting principles, the District's financial statements include all funds, account groups, agencies, boards, commissions and other organizations over which the Board are financially accountable. In addition, component units which may be included are organizations for which the nature and the significance of their operational or financial relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. As a result of applying the entity definition criteria noted above, no organizations (component units) have been included or excluded from the District's financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflow of resources and net position. The Provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The District implemented this statement during fiscal year 2012.

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all the District's non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by entity payments and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column include payments made by parties that directly benefit from services provided by the District.

Implementation of New Standards

For the year ended December 31, 2023, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities,* which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the District's fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to custodial or government funds, as applicable.

The fund financial statements provide reports on the financial condition and results of operations for the governmental fund. Since the resources in the fiduciary funds cannot be used for Districts, they are not included in the government wide statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011 and was implemented by the District in fiscal year 2012. The adoption of GASB No. 62 does not have any impact on the District's financial statements.

Restricted Resources: The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. If restricted assets are used, they should be used in the following order, assigned, committed then restricted.

FUND ACCOUNTING

The District reports the following funds:

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

Fiduciary Fund - The Fiduciary fund is used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Governmental fund equity is classified as fund balance. The governmental 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 the specific purpose for which the amounts in the respective governmental funds can be spent. The District adopted Governmental Accounting Standards Board (GASB) statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* effective January 1, 2011. The classifications used in governmental fund financial statements are as follows:

Nonspendable — This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. As of December 31, 2023, there were no nonspendable funds.

Restricted — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. As of December 31, 2023, there were no restricted funds.

Committed — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District. These amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual requirements. As of December 31, 2023, there were no committed funds.

Assigned — This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except the General Fund. As of December 31, 2023, there were no assigned funds.

Unassigned — This classification includes the residual fund balance for the General Fund.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

OTHER ACCOUNTING POLICIES

The District allows employees to accumulate unused sick leave up to ninety (90) days, however an employee will be only compensated for a maximum of sixty (60) days once eligible for retirement. The employee will receive payment for the accumulated hours at their current rate of pay, only when eligible for retirement under the District's retirement plan. All full-time employees are permitted to accumulate up to 192 hours of accrued vacation. Upon retirement or termination, the employee is paid for accumulated, unpaid vacation at their then current rate of pay. Under GASB 34 Reporting, which the District has adopted, no provision is required for the accumulated unused sick leave; however, one is required for the eventual liability for the accumulated unused vacation hours. This is reported as a noncurrent liability on December 31, 2023 totaling $97,467 and is estimated to be due in more than one year.

Capital assets which include buildings and improvements, computers and equipment are reported in the applicable governmental activity's columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $1,000 and an estimated useful life more than one year. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements, and computers and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Cash equivalents consist of money market funds held with a quality financial institution.

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined necessary. Actual results could differ from the estimates.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY BUDGETARY DATA

The Board adopts an "appropriated budget" for the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit E-1.

Asset	Years
Buildings and Improvements	40
Computers and equipment	5-10

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements.

Prior to the end of their current fiscal year the District prepares a budget for the next succeeding fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.

The Board adopts the budget and then it is presented to the taxing entities for their approval. The entities have thirty (30) days to approve or disapprove the budget. If a majority of the entities that have the right to vote on the board of directors disapprove the budget, it is then sent back to the District's Board for review and changes. The approved budget must be in place prior to the beginning of their fiscal year.

The Chief Appraiser monitors the budget during the year and if necessary, amendments are required by law, to be made before the fact and prior to the end of their fiscal year. Budget amendments are required to be presented at a meeting of the Board of Directors and must be approved by a majority of the Board Members and should be reflected in the official minutes of the Board.

All budget appropriations lapse at year end.

DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

DEPOSITS AND INVESTMENTS

Policies and Legal and Contractual Provisions Governing Deposits

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law.** The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

Custodial Credit Risk for Deposits

Burnet Central Appraisal District's policy regarding types of deposits allowed and collateral requirements were not exposed to custodial credit risk for its deposits as the deposit were covered by depository insurance and pledged securities at year end.

Policies and Legal and Contractual Provisions Governing Investments

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.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) Mutual funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of December 31, 2023, Burnet Central Appraisal District's Agency Fund deposits had a carrying amount of $2,427,946 and the bank balance was $5,679,239. The District's General Fund has a carrying amount of $1,948,769 and the bank balance was $2,015,946. The District's cash deposits on December 31, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agency bank in the District's name.

As of December 31, 2023, Burnet Central Appraisal District did not have accounts categorized as investments.

DUE TO ENTITIES

During 1989, the Texas Legislature passed legislation which requires all appraisal districts in Texas to refund excess fund balances (except reserved fund balances) to the entities at year-end unless carry over is approved by the entities. As of December 31, 2023, the District held zero funds to be refunded.

TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM PLAN DESCRIPTION

The Burnet Central Appraisal District participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 575 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual report (CAFR) on a calendar year basis. The most recent comprehensive annual financial report for TCDRS can be found at the following link, *www.tcdrs.com.*

BENEFITS PROVIDED

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act).

Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by 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 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership. The plan provides retirement, disability, and survivor benefits.

TCDRS is a savings-based plan. For the District's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity. The plan is funded by monthly contributions from both employee members and the employer, based on the covered payroll of the employee members.

Employees covered by benefit terms

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

	2022
Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	13
Active employees	19
	49

CONTRIBUTIONS

Actuarially determined contribution 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. The District’s contribution rate is based on TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rate is set by the District. The District made contributions at a rate of 15.9% for the year ended December 31, 2023.

The contribution rate payable by the employee members for calendar year 2023 is the rate of 7 % as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

NET PENSION LIABILITY

The District's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

Inflation	2.50% per year
Overall payroll growth	4.70% per year
Investment rate of return expense, including inflation	7.50% net of pension plan investment

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

Mortality rates for depositing members were based on the gender-distinct RP-2014 Healthy Annuitant Mortality Table for males with a two-year set-forward and the RP-2014 Healthy Annuitant Mortality Table for females with a four-year setback, both projected to 2021 with scale AA and then projected with 110% of the MP-2021 Ultimate scale after that. For 1, 2000 Combined Mortality Table projected to 2021 with scale AA and then projected with 120% of the MP-2021 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females. For disabled retirees the mortality rates are based on the RP-2000 Disabled Mortality Table projected to 2021 with scale AA and then projected with 120% of the MP-2021 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2013 — December 31, 2016, except where required to be different by GASB 68.

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 TECRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 7-10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

Long-term Expected Real Rate of Return

Asset Class	Target Allocation	(Arithmetic)
US Equities	11.50%	4.95%
Cash Equivalents	2.00%	0.20%
Private Equity	25.00%	7.95%
Global Equities	2.50%	4.95%
International Equities — Developed	5.00%	4.95%
International Equities - Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Hedge Funds	6 00%	2.90%
Total	100.00%	

Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected payments equal to the total of the following:

The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.

The actuarial present value of projected benefit payments not included in (1), calculated using municipal bond rate.

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

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

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

TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent over 20-year closed layered periods.

Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

The employer's assets are projected to exceed its accrued liabilities in 20 years of less. When this point is reached, the employer is still required to contribute at least the normal cost.

Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

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

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

Sensitivity of the Set Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the Burnet Central Appraisal District net pension liability would be if 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	Current Discount Rate	1° Increase	
	6.60%	7.60%	8.60%	
Total pension liability	$8,200,466	$7,417,326	$6,724,395	
Fiduciary net position	7,004,788	7,004,788	7,004,788	
Net pension liability/(asset)	$1,206,678	$412,538	($280,393)	

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of December 31, 2021	$6,966,949	$7,450,144	($483,195)
Changes for the Year Service Cost	154,624		154,624
Interest on TPL	532,585		532,585
Effect of Plan Changes	0		0
Effect of Gains or Losses	(4,832)		(4,832)
Effect of Assumption Changes	0		0
Refund of Contributions	0	0	0
Benefit Payments	(232,000)	(232,000)	0
Administrative Expenses		(4,105)	4,105
Member Contribution		67,807	(67,807)
Net Investment Income		(435,871)	435,871
Employer Contributions		154,019	(154,019)
Other	0	4,794	(4,794)
Balances as of December 31, 2022	$7,417,326	$7,004,788	$412,538

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TCDRS financial report. This report may be obtained on the internet at www.tcdrs.com.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2023, the District recognized pension expense of $204,310.
As of December 31, 2022, the deferred inflows and outflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$17,858	$3,221
Changes in assumptions	0	4,233
Net difference between projected and actual earnings	143,619	0
Contributions made subsequent to the measurement date	N/A	Employer Determined

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions.

Year ended December 31:	
2023	(68,643)
2024	(2,120)
2025	24,442
2026	200,344
2027	0
Thereafter	0

Actuarial Valuation Information	
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period in Years	20
Asset Valuation Method	SAF: 10-Year Smoothed Value

TCDRS FUNDING OVERVIEW

The funding policy governs how the TCDRS determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employee's careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system fund its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.

Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rate are determined annually and approved by the TCDRS Board of Trustees.

Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their own liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

BONDING

The Chief Appraiser is bonded for $75,000 and the District has a commercial crime policy for its employees for $50,000 through American States Insurance Company.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element 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.

CAPITAL ASSET ACTIVITY

Capital asset activity for the District was as follows:

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Building	$507,756	-	-	$507,756
Building Improvements	71,205	9,675	-	80,880
Furniture and Equipment	330,926	92,324	0	423,250
Total	909,887	101,999	-	1,011,886
Less Accumulated Depreciation	421,069	52,128	-	473,197
Capital Assets, Net	$488,818	$52,128		$538,689

Depreciation expense for the year ended December 31, 2023, was $52,128.

GENERAL LONG-TERM DEBT

Governmental activities debt consists of the following:

Accrued Compensated Absences	$97,467
Accounts Payable/ Wages Payable	$39,438
Net Pension Liability	$412,538

LEASES

The District's commitments under operating (noncapitalized) lease agreements are as follows: The District leases office space on a month to month basis. The lease payments are $1,255 monthly plus the allocated share of utilities. The District had lease expense of $21,452 for the year ended December 31, 2023.

ENTITY PAYMENTS

Assessments to each taxing authority for its proportionate share of the District's budget are based on a ratio calculation made by the District prior to January 1 of each new calendar year. This ratio reflects the total tax levy of each taxing unit as a fraction of the total taxes levied within the entire District. These ratios are then applied to the approved budget of the District and billed to the taxing authorities on a quarterly basis. A summary of the Assessments for the year ended December 31, 2023, as follows:

Entity	Allocation
Burnet County	$ 536,170
City of Burnet	60,924
City of Marble Falls	103,626
Burnet CISD	626,048
Marble Falls ISD	834,047
City of Bertram	11,088
City of Granite Shoals	71,353
City of Cottonwood Shores	13,152
City of Meadowlakes	12,336
City of Highland Haven	3,508
City of Horseshoe Bay	12,368
City of Double Horn	1,168
Central Texas Water District	8,653
Greg Ranch MIA PID	471
Greg Ranch NIA PID	432
Lampasas ISD	23,478
Kingsland MUD	14,292
City of Marble Falls-La Ventana	45
Thousand Oaks PID	62
Thunder Rock IA #1 PID	2,072
Thunder Rock MIA PID	128
Highway 71 MUD	42
Burnet CES Dist. #1	766
Burnet CES Dist. #2	5,316
Burnet CES Dist. #3	4,686
Burnet CES Dist. #4	10,607
Burnet CES Dist. #5	3,578
Burnet CES Dist. #6	4,184
Burnet CES Dist. #7	12,032
Burnet CES Dist. #8	4,852
Burnet CES Dist. #9	14,637
Total	**$ 2,396,122**

DEFERRED INFLOW OF RESOURCES

Deferred inflow of resources in the governmental fund balance sheet represents the advance collection of first quarter tax revenue collected from entity payments. The total deferred inflows of resources at December 31, 2023, in the governmental fund is $3,558.

NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 72, entitled, *Fair Value measurement and Application',* Statement No. 73, entitled, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68;* GASB Statement No. 74, entitled, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* GASB Statement No. 75, entitled, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* GASB Statement No. 76, entitled, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government,* and GASB Statement No. 77, entitled, *Tax Abatement Disclosures,* which will require adoption in the future, if applicable. These statements may or may not have a material effect on the District's financial statements. The District analyzes the effects of these pronouncements and adopts them as applicable to their financial reporting.

The GASB issued Statement No. 87, entitled, ***Leases.*** The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting base on the foundational principle that leases are financings of the right to use a underlying asset, and a lessor is required to recognize a Ease receivable and a deferred inflow of resources. This standard is effective for fiscal years beginning after June 15, 2021, and for all reporting periods thereafter. Early implementation is allowed. The District has not implemented this standard as of December 31, 2023.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 21, 2024, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board, but not considered a part of the basic financial statements.

BURNET CENTRALAPPRAISAL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

		General Fund		
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Levies From Taxing Units	$ 2,671,909	2,671,909	$ 2,396,122	$ 275,787
Tax Certificates			` 23,420	23,420
Copies, Reimbursements, etc.	-	-		0
Business Personal Property	-	-		0
Miscellaneous Revenue	-	-	21,003	21,003
Interest			313,362	313,362
Total Revenues:	$ 2,671,909	$ 2,671,909	$ 2,753,907	$ 633,572
Expenditures:				
Salaries & Fringe Benefits	$ 1,203,130	$ 1,203,130	$ 1,130,095	$ 73,035
Payroll Cost & Benefits	538,837	538,837	500,480	38,357
Auto Mileage/Travel	17,000	17,000	8,166	8,834
Appraisal Notices	26,000	26,000	34,575	(8,575)
Operations	161,014	161,014	109,063	51,951
Insurance	5,365	5,365	8,681	(3,316)
Professional Services	245,626	245,626	249,796	(4,170)
Maintenance Contracts	137,150	137,150	121,363	15,787
Leases	20,600	20,600	21,453	(853)
Telephone	18,000	18,000	20,332	(2,332)
Utilities	16,000	16,000	12,150	3,850
Building Operating Expenses	20,000	20,000	20,569	(569)
Supplies	10,100	10,100	7,437	2,663
Office Supplies	7,800	7,800	6,116	1,684
Postage	24,000	24,000	30,606	(6,606)
Deed Records	2,000	2,000	-	2,000
Capital Outlay Expense	219,287	219,287	36,874	182,413
Total Expenditures	$ 2,671,909	$ 2,671,909	$ 2,317,756	$ 171,740
Excess (Deficiency) of Revenues Over Expenditures	$ -	$ -	$ 436,151	$ 461,832
Fund Balance - beginning of year	824,523	824,523	824,523	
Prior period adjustment	$ -	$ -	$ -	
Fund balance - end of year	$ 824,523	$ 824,523	$ 1,260,674	

The notes to the financial statements are an integral part of this statement.

Budgetary Data

The chief appraiser has the responsibility of preparing the District's budget. A proposed budget for operations of the District for the following tax years is submitted to each taxing unit participating in the District and to the District board of directors.

The board of directors holds a public hearing to consider the budget. The board completes its hearings, makes any amendments it desires to the proposed budget, and finally approves a budget before September 15. If governing bodies of a majority of the taxing units entitled to vote on the appointment of board members adopt resolutions disapproving the budget and file them with the secretary of the board within thirty days after its adoptions, the budget does not take effect and the board adopts a new budget within thirty days of the disapproval.

The board may amend the approved budget at any time, but the secretary of the board must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit participating in the District not later than the 30th day before the date the board acts on it.

Amendments were not made to the budget during the year. The budget for the General Fund is on a basis in conformity with generally accepted accounting principles (GAAP).

GASB 87

The District implemented GASB 87 for reporting leases during the reporting period. A right-to-use lease is defined as a contract that conveys control of another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a "long term" lease provided in GASB 87 and must meet the capitalization level set by the Board. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

With GASB 87, the initial measure of a new right-to-use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

The right-to-use lease asset capitalization level is determined by the Board of Trustees. The term of the lease must be the noncancelable period during which the District has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made. This statement had.no significant impact to the District.

Burnet Central Appraisal District

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Plan Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 154,624	$ 145,232	$ 121,304	$ 119,486	$ 119,212	$ 117,818	$ 112,138	$ -	$ -
Interest (on the total pension liability)	532,585	498,145	471,178	458,594	431,432	422,664	396,641	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(4,832)	53,572	43,016	(190,263)	10,181	(243,030)	(6,421)	-	-
Change of assumputions	-	(12,697)	324,348	-	-	39,779	-	-	-
Benefit payments, including refunds of employee contributions	(232,000)	(248,655)	(243,672)	(225,236)	(226,261)	(234,341)	(253,145)	-	-
Net Change in Total Pension Liability	450,377	435,597	716,174	162,581	334,564	102,890	249,213	-	-
Total Pension Liability - Beginning	6,966,949	6,531,352	5,815,178	5,652,597	5,318,033	5,215,144	4,965,931	-	-
Total Pension Liability - Ending (a)	$ 7,417,326	$ 6,966,949	$ 6,531,352	$ 5,815,178	$ 5,652,597	$ 5,318,034	$ 5,215,144	$ -	$ -
Plan Fiduciary Net Position									
Contributions - employer	$ 154,019	$ 153,404	$ 173,500	$ 149,281	$ 168,047	$ 165,304	$ 138,580	$ -	$ -
Contributions - employee	67,807	66,450	62,862	58,805	55,882	55,445	49,951	-	-
Net investment income	(435,871)	1,344,762	575,722	789,122	(91,355)	626,403	299,601	-	-
Benefit payments, including refunds of employee contributions	(232,000)	(248,655)	(243,672)	(225,236)	(226,261)	(234,341)	(253,145)	-	-
Administrative expense	(4,105)	(4,031)	(4,491)	(4,247)	(3,860)	(3,260)	(3,259)	-	-
Other	4,794	874	336	189	423	(213)	11,126	-	-
Net Change in Plan Fiduciary Net Position	(445,356)	1,312,804	564,257	767,914	(97,124)	609,338	242,854	-	-
Plan Fiduciary Net Position - Beginning	7,450,144	6,137,341	5,573,083	4,805,168	4,902,292	4,292,955	4,050,101	-	-
Plan Fiduciary Net Position - Ending (b)	$ 7,004,788	$ 7,450,145	$ 6,137,340	$ 5,573,082	$ 4,805,168	$ 4,902,293	$ 4,292,955	$ -	$ -
Net Pension Liability - Ending (a) - (b)	$ 412,538	$ (483,196)	$ 394,012	$ 242,096	$ 847,429	$ 415,741	$ 922,189	$ -	$ -
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.44%	106.94%	93.97%	95.84%	85.01%	92.18%	82.32%		
Covered Payroll	$ 968,673	$ 949,279	$ 898,035	$ 840,075	$ 798,321	$ 792,065	$ 713,592		$ -
Net Pension Liability as a Percentage of Covered Payroll	42.59%	-50.90%	43.87%	28.82%	106.15%	52.49%	129.23%		

Burnet Central Appraisal District
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Fiscal Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 157,661	$ 154,019	$ 153,404	$ 173,500	$ 149,281	$ 168,047	$ 165,304	$ 138,580	$ 140,266
Contributions in relation to actuarially determined contribution	(157,661)	(154,019)	(153,404)	(173,500)	(149,281)	(168,047)	(165,304)	(138,580)	(140,266)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,027,740	$ 968,676	$ 949,279	$ 898,035	$ 840,075	$ 798,321	$ 792,065	$ 713,592	$ 737,079
Contributions as a percentage of covered payroll	15.34%	15.90%	16.16%	19.32%	17.77%	21.05%	20.87%	19.42%	19.03%

Burnet Central Appraisal District
NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information:	There were no benefit changes during the year.