

**BOSQUE CENTRAL
APPRAISAL DISTRICT**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2024

BOSQUE CENTRAL APPRAISAL DISTRICT

TABLE OF CONTENTS

DECEMBER 31, 2024

	<u>Page Number</u>
Independent Auditor’s Report.....	1 – 2
Management’s Discussion and Analysis.....	3 – 5
Basic Financial Statements	
Statement of Net Position and Governmental Fund Balance Sheet	6
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance	7
Notes to Financial Statements	8 – 18
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes In Fund Balance Budget and Actual – General Fund	19
Schedule of Changes in Net Pension Liability and Related Ratios.....	20
Schedule of Employer Contributions	21
Notes to Schedule of Employer Contributions.....	22
Compliance Section	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23 – 24

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Bosque Central Appraisal District
Meridian, Texas

Report on the Audit Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Bosque Central Appraisal District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Bosque Central Appraisal District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Bosque Central Appraisal District as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Bosque 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

Bosque Central Appraisal District's 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 Bosque Central Appraisal District's ability to continue as a going concern for one year after the date that the financial statements are issued.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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 Bosque 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 Bosque 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 required supplementary information, such as management's discussion and analysis, budgetary comparison information, the schedule of changes in net pension liability and related ratios, and the schedule of contributions, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Bosque Central Appraisal District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bosque Central Appraisal District's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
December 15, 2025

Management's Discussion and Analysis

2024 FINANCIAL AUDIT

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the Bosque Central Appraisal District (the "District") for the fiscal year ended December 31, 2024. Readers should use the additional required notes included in the standard financial audit of the District along with this information.

FINANCIAL HIGHLIGHTS

On December 31, 2024, the assets of the District exceeded its liabilities by \$820,041. Of this amount, \$777,644 was unrestricted net position which could be used to meet the District's ongoing obligations. The District's total net position increased \$203,972 from the prior year.

The resources available for appropriations were \$94,688 more than budgeted for the General Fund.

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 comprise two components: (1) government-wide financial statements, which include the fund financial statements, and (2) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

The statement of net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods (e.g. uncollected appraisal assessments).

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 are governmental types. Governmental fund financial statements focus on current sources and uses 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.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Additional information such as accounting policies, the retirement system, sources of revenue, activity in property and equipment, long-term debt activity and risk management are included in the notes to the financial statements.

On page 19 of this report a Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual is presented to demonstrate compliance with the annual appropriated budget.

FINANCIAL ANALYSIS

Our analysis focuses on the net position and changes in net position of the District’s governmental fund activities.

DISTRICT’S NET POSITION

	<u>2024</u>	<u>2023</u>
Assets		
Current and other assets	\$ 1,027,430	\$ 941,285
Capital assets	<u>62,072</u>	<u>90,259</u>
Total assets	<u>1,089,502</u>	<u>1,031,544</u>
Total deferred outflows of resources	<u>236,213</u>	<u>176,079</u>
Liabilities		
Accounts payable	36,271	61,287
Accrued liabilities	56,316	41,844
Unearned revenue	310,818	293,954
Net pension liability	79,255	150,812
Noncurrent liabilities	<u>19,675</u>	<u>35,919</u>
Total liabilities	<u>502,335</u>	<u>583,816</u>
Total deferred inflows of resources	3,339	7,738
Net position		
Net investment in capital assets	42,397	54,340
Unrestricted net position	<u>777,644</u>	<u>561,729</u>
Total net position	<u>\$ 820,041</u>	<u>\$ 616,069</u>

DISTRICT’S CHANGE IN NET POSITION

	<u>2024</u>	<u>2023</u>
Revenues:		
Program:		
Charges for services	\$ <u>1,175,818</u>	\$ <u>1,046,488</u>
Total program	<u>1,175,818</u>	<u>1,046,488</u>
General:		
Interest	<u>15,920</u>	<u>11,418</u>
Total general	<u>15,920</u>	<u>11,418</u>
Total revenues	<u>1,191,738</u>	<u>1,057,906</u>
Expenses:		
Tax appraisal - operations	<u>987,766</u>	<u>1,065,364</u>
Total expenses	<u>987,766</u>	<u>1,065,364</u>
Change in net position	203,972	(7,458)
Net position, beginning	<u>616,069</u>	<u>623,527</u>
Net position, ending	<u>\$ 820,041</u>	<u>\$ 616,069</u>

Capital Assets

At the end of 2024, the District had \$62,072 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for administration and maintenance. More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

	2023	Additions	Deletions	2024
Office equipment	\$ 21,519	\$ -	\$ -	\$ 21,519
Computer and mapping systems and equipment	160,643	-	-	160,643
Right-of-use assets	<u>82,965</u>	<u>-</u>	<u>-</u>	<u>82,965</u>
Total capital assets	265,127	-	-	265,127
Less: accumulated depreciation	<u>(174,868)</u>	<u>(28,187)</u>	<u>-</u>	<u>(203,055)</u>
Total capital assets, net	<u>\$ 90,259</u>	<u>\$(28,187)</u>	<u>\$ -</u>	<u>\$ 62,072</u>

Economic Factors and Next Year's Budget

The 2025 adopted budget for the District is \$1,243,285, which is a \$67,471 increase from the prior year. Within budget categories, the expenses for salaries, employee benefits, auto expenses and maintenance contracts were the primary reasons for the increase.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's business office at Bosque Central Appraisal District, P.O. Box 393, Meridian, Texas, 76665.

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BASIC FINANCIAL STATEMENTS

BOSQUE CENTRAL APPRAISAL DISTRICT

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

DECEMBER 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 1,016,354	\$ -	\$ 1,016,354
Prepays	11,076	-	11,076
Capital assets (net)	<u>-</u>	<u>62,072</u>	<u>62,072</u>
Total assets	<u>1,027,430</u>	<u>62,072</u>	<u>1,089,502</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	<u>-</u>	<u>236,213</u>	<u>236,213</u>
Total deferred outflows of resources	<u>-</u>	<u>236,213</u>	<u>236,213</u>
LIABILITIES			
Accounts payable	36,271	-	36,271
Accrued liabilities	16,256	40,060	56,316
Net pension liability	-	79,255	79,255
Unearned revenue	310,818	-	310,818
Noncurrent liabilities:			
Due within one year	-	16,245	16,245
Due in more than one year	<u>-</u>	<u>3,430</u>	<u>3,430</u>
Total liabilities	<u>363,345</u>	<u>138,990</u>	<u>502,335</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	<u>-</u>	<u>3,339</u>	<u>3,339</u>
Total deferred inflows of resources	<u>-</u>	<u>3,339</u>	<u>3,339</u>
FUND BALANCE/NET POSITION			
Fund balance:			
Committed	539,253	(539,253)	-
Unassigned	<u>124,832</u>	<u>(124,832)</u>	<u>-</u>
Total fund balance	<u>664,085</u>	<u>(664,085)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,027,430</u>		
Net position:			
Net investment in capital assets		42,397	42,397
Unrestricted		<u>777,644</u>	<u>777,644</u>
Total net position		\$ <u>820,041</u>	\$ <u>820,041</u>

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

BOSQUE CENTRAL APPRAISAL DISTRICT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Current:			
Tax appraisal - operations	\$ 1,097,050	\$(109,284)	\$ 987,766
Total expenditures	<u>1,097,050</u>	<u>(109,284)</u>	<u>987,766</u>
PROGRAM REVENUES			
Charges for services	<u>1,175,818</u>	<u>-</u>	<u>1,175,818</u>
Total program revenues	<u>1,175,818</u>	<u>-</u>	<u>1,175,818</u>
GENERAL REVENUES			
Other revenue	<u>15,920</u>	<u>-</u>	<u>15,920</u>
Total general revenues	<u>15,920</u>	<u>-</u>	<u>15,920</u>
NET CHANGE IN FUND BALANCE	<u>94,688</u>	<u>(94,688)</u>	<u>-</u>
CHANGE IN NET POSITION	-	203,972	203,972
FUND BALANCE/NET POSITION, BEGINNING	<u>569,397</u>	<u>46,672</u>	<u>616,069</u>
FUND BALANCE/NET POSITION, ENDING	\$ <u>664,085</u>	\$ <u>155,956</u>	\$ <u>820,041</u>

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

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BOSQUE CENTRAL APPRAISAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Board of Directors (the "Board"), a six (6) member group, is the level of government which has governance responsibilities to determine the Bosque Central Appraisal District's (the "District") goals and serves as the decision making body for the operations of the District. The Board received funding from the various taxing entities which it serves. Because the Board of Directors are elected by the taxing entities which it serves, the District has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

In evaluating how to define the entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Codification. The basic, but not the only, criterion for including a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no additional component units are included in defining the District's reporting entity.

In 1979, Central Tax Appraisal Districts were voted into existence by the Texas Legislature. Effective August 14, 1981, House Bill 30 made revisions to the Property Tax Code that governs the operations of Central Tax Appraisal Districts.

The management of Bosque Central Appraisal District is responsible for the accuracy and internal consistency of the preparation of the financial statements and notes contained in this annual report.

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 nonfiduciary activities of the District. Governmental activities are supported by tax appraisal services and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenue are reported instead as general revenue.

The government-wide and fund financial statements are provided for the governmental fund of the District with a column for adjustments between the two statements.

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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Tax appraisal services are recognized as revenue in the year for which they are performed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is 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 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. However, debt service expenditures, are recorded only when payment is due.

The District reports the following major governmental fund:

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position or Fund Balance

Cash and Investments

Cash consists of demand deposit accounts. The District currently has no investments.

Capital Assets

Capital assets, which include land, infrastructure, buildings and improvements, machinery and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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:

<u>Asset</u>	<u>Years</u>
Computer and equipment	5-10
Right-of-Use, building	5-10
Right-of-Use, equipment	3-5

Compensated Absences

All full-time employees are granted vacation and sick leave benefits in varying amounts.

The District allows employees to accumulate unused vacation leave and pays employees in good standing unused vacation leave of up to 625 hours. All unused sick time may carry over to the next year. Employees may not be reimbursed for sick leave upon retirement, resignation or termination of service.

The District had a liability of \$40,060 for accrued compensated absences as of December 31, 2024. This balance is included in accrued liabilities in the statement of net position.

Fund Balance Classification

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 purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** 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. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the Board of Directors, the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **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 Board of Directors.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors or laws or regulations of other governments.

Deferred Outflows/Inflows of resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that qualify for reporting in this category.

- The difference in expected and actual economic experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Changes in actuarial assumptions – This difference is deferred and amortized over a closed five-year period.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category.

- The difference in expected and actual economic experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

Leases

The District is a lessee for two noncancellable leases of building and equipment. The District recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Accounting Policies

Program revenues consist of taxes levied and remitted by entities within the District’s jurisdiction.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue and expenses. Accordingly, actual results may differ from estimated amounts.

Implementation of New Standard

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this standard did not result in a restatement of beginning fund balance or net position.

2. BUDGETARY DATA

The Board adopted 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 on page 20.

3. LONG-TERM LIABILITIES

Lease Liabilities

A summary of the District’s leases payable as of December 31, 2024 are as follows:

<u>Purpose of Lease</u>	<u>Interest Rate</u>	<u>Initial Year of Lease</u>	<u>Amount of Initial Liability</u>	<u>Interest Current Year</u>	<u>Amounts Outstanding 12/31/2024</u>	<u>Amounts Due Within One Year</u>
Governmental activities:						
Right to use						
Equipment - Building	3.0%	2017	\$ 71,642	\$ 420	\$ 15,146	\$ 13,980
Equipment - Copier	3.0%	2022	<u>11,323</u>	<u>68</u>	<u>4,529</u>	<u>2,265</u>
Total governmental activities			<u>\$ 82,965</u>	<u>\$ 488</u>	<u>\$ 19,675</u>	<u>\$ 16,245</u>

The future debt service requirements for the District’s leases payable are as follows:

<u>Fiscal Year Ended December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 16,245	\$ 487
2026	<u>3,430</u>	<u>103</u>
Total	<u>\$ 19,675</u>	<u>\$ 590</u>

4. DEPOSITS AND CASH EQUIVALENTS

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. As of December 31, 2024, all of the District’s deposit balances were covered by Federal Deposit Insurance Corporation (FDIC) insurance and pledged governmental securities.

Interest Rate Risk. This is the risk that changes in the interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

5. DUE TO ENTITIES

During 1989, the Texas Legislature passed legislation, which requires all appraisal districts in Texas to refund excess fund balances (except restricted fund balances) to the entities at the year end. As of December 31, 2024, the District issued refunds in the amount of \$0 for the year 2024.

6. DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All eligible employees of the District are required to participate in TCDRS.

Benefits Provided

TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 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 ten 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. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>10</u>
	<u><u>27</u></u>

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, 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. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the District were required to contribute 7% of their annual gross earnings during the fiscal year. The required contribution rate for the District was 17.94% in calendar year 2024. The District's contributions to TCDRS for the year ended December 31, 2024, were \$184,893.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Real rate of return	5.00% per year
Long-term investment return	7.50% net of administrative and investment expense, including inflation

The District has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the District may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing member	135% of the 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 member	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	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.

The actuarial assumptions that determined the total pension liability as of December 31, 2023 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

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 below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 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 long-term time horizon; the most recent analysis was performed in March 2021. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus Inflation) (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%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P 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 and 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 rate of 2.20%, per Cliffwater's 2024 capital market assumptions

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

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

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%, no change from the discount rate used in the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.60%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.6%) in measuring the 2024 Net Pension Liability:

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
Total pension liability	\$ 2,419,275	\$ 2,180,978	\$ 1,976,197
Fiduciary net position	<u>2,101,723</u>	<u>2,101,723</u>	<u>2,101,723</u>
Net pension liability/(asset)	<u>\$ 317,552</u>	<u>\$ 79,255</u>	<u>\$ (125,526)</u>

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/2022	\$ 2,087,633	\$ 1,936,821	\$ 150,812
Changes for the year:			
Service cost	70,812	-	70,812
Interest on total pension liability ⁽¹⁾	158,302	-	158,302
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	18,106	-	18,106
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(18,559)	(18,559)	-
Benefit payments	(135,316)	(135,316)	-
Administrative expenses	-	(1,097)	1,097
Member contributions	-	28,688	(28,688)
Net investment income	-	212,414	(212,414)
Employer contributions	-	80,245	(80,245)
Other ⁽³⁾	-	<u>(1,473)</u>	<u>1,473</u>
Balance at 12/31/2023	<u>\$ 2,180,978</u>	<u>\$ 2,101,723</u>	<u>\$ 79,255</u>

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

(2) No plan changes valued.

(3) Relates to allocation of system-wide items.

Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2024, the District recognized pension expense of \$48,801. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 48,585	\$ 1,418
Changes in actuarial assumptions	-	1,921
Difference between projected and actual investment earnings	2,735	-
Contributions subsequent to the measurement date	<u>184,893</u>	<u>-</u>
Total	<u>\$ 236,213</u>	<u>\$ 3,339</u>

\$184,893 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31,	
2025	\$(3,137)
2026	4,436
2027	56,458
2028	(9,776)
2029	-
Thereafter	-

7. CAPITAL ASSETS

Capital asset activity for the District was as follows:

	December 31, 2023	Additions	Disposals	December 31, 2024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Office equipment	\$ 7,901	\$ -	\$ -	\$ 7,901
Equipment	13,618	-	-	13,618
Computer and mapping system	153,684	-	-	153,684
Maps and other equipment	6,959	-	-	6,959
Right-of-use, building	71,642	-	-	71,642
Right-of-use, equipment	<u>11,323</u>	<u>-</u>	<u>-</u>	<u>11,323</u>
Total capital assets	265,127	-	-	265,127
Less: accumulated depreciation				
Capital assets	(127,822)	(11,943)	-	(139,765)
Right-of-use assets	<u>(47,046)</u>	<u>(16,244)</u>	<u>-</u>	<u>(63,290)</u>
Total net capital assets	<u>\$ 90,259</u>	<u>\$(28,187)</u>	<u>\$ -</u>	<u>\$ 62,072</u>

Depreciation expense for the year ended December 31, 2024 was \$11,943.

8. ASSESSMENTS TO TAXING AUTHORITIES

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, 2024 is as follows:

Taxing Authority	Tax Levy in Thousands	Percent	Assessment
Bosque County	\$ 10,876	30.24%	\$ 355,521
Bosque Cty Hosp. Dist.	3,052	8.48%	99,767
Emergency Serv. Dist. #1	993	2.76%	32,469
Middle Trinity GCD	190	0.53%	6,227
Clifton ISD	7,306	20.31%	238,810
Cranfills Gap ISD	726	2.02%	23,738
Iredell ISD	1,330	3.70%	43,469
Kopperl ISD	1,887	5.24%	61,668
Meridian ISD	2,564	7.13%	83,824
Morgan ISD	862	2.40%	28,180
Valley Mills ISD	2,396	6.66%	78,329
Walnut Springs ISD	1,123	3.12%	36,719
Hico ISD	105	0.29%	3,433
China Spring ISD	416	1.16%	13,609
Jonesboro ISD	10	0.03%	335
City of Clifton	968	2.69%	31,652
City of Cranfills Gap	47	0.13%	1,523
City of Iredell	76	0.21%	2,496
City of Meridian	469	1.31%	15,344
City of Morgan	81	0.22%	2,637
City of Valley Mills	312	0.87%	10,192
City of Walnut Springs	179	0.50%	5,872
	<u>\$ 35,968</u>	<u>100.00%</u>	<u>\$ 1,175,814</u>

9. PROPERTY TAXES

Property taxes are collected and remitted to the District by the 22 entities. Taxes are levied annually October 1 and are due by December 31.

10. UNEARNED REVENUE

The balance of \$310,818 in unearned revenues is comprised of payments received from the taxing entities for the first quarter of 2025. Since these represent payments from the taxing entities for a future fiscal year, the District categorizes these payments as unearned revenue. In fiscal year 2025, these balances will be recognized as revenue in the financial statements.

11. RISK MANAGEMENT

The District has insurable risks in various areas, including property, casualty, automobile, comprehensive liability, public officials and employee liability, and workmen’s compensation. During the year, the District obtained insurance against risks through commercial carriers and Texas Municipal League Intergovernmental Risk Pool for workmen’s compensation. Management believes the amount and types of coverage are adequate to protect the District from losses which could reasonably be expected to occur.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

BOSQUE CENTRAL APPRAISAL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance Positive or (Negative)
REVENUES				
Entity payment	\$ 1,175,814	\$ 1,175,814	\$ 1,175,818	\$ 4
Other	-	-	15,920	15,920
Total revenues	<u>1,175,814</u>	<u>1,175,814</u>	<u>1,191,738</u>	<u>15,924</u>
EXPENDITURES				
Salaries	448,554	448,554	436,726	11,828
Employee benefits	166,346	166,346	257,299	(90,953)
Auto expenses	50,494	50,494	57,190	(6,696)
Membership dues	3,500	3,500	3,537	(37)
Education and seminars	9,000	9,000	12,314	(3,314)
Office rent	15,000	15,000	14,400	600
Postage and supplies	14,000	14,000	20,965	(6,965)
Utilities	10,600	10,600	9,414	1,186
Janitorial services and interior building maintenance	7,400	7,400	6,883	517
Office supplies	12,720	12,720	19,287	(6,567)
Appraisal services	18,000	18,000	22,815	(4,815)
Maintenance contracts	241,500	241,500	89,027	152,473
Insurance	3,700	3,700	6,728	(3,028)
Legal fees	58,500	58,500	18,160	40,340
Accounting fees	7,250	7,250	11,000	(3,750)
Records management and retention	26,000	26,000	55,446	(29,446)
Contingencies	2,000	2,000	844	1,156
Dues and subscriptions	13,000	13,000	14,437	(1,437)
Equipment leases	3,500	3,500	3,682	(182)
Printing notices	17,000	17,000	11,253	5,747
Contract labor	3,600	3,600	3,600	-
Furniture and equipment replacement	14,000	14,000	963	13,037
Board and related cost	30,150	30,150	21,080	9,070
Total expenditures	<u>1,175,814</u>	<u>1,175,814</u>	<u>1,097,050</u>	<u>78,764</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	94,688	94,688
FUND BALANCE, BEGINNING	<u>569,397</u>	<u>569,397</u>	<u>569,397</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 569,397</u>	<u>\$ 569,397</u>	<u>\$ 664,085</u>	<u>\$ 94,688</u>

BOSQUE CENTRAL APPRAISAL DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2024

Plan Year Ended December 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 30,814	\$ 41,265	\$ 39,538	\$ 38,349	\$ 34,479	\$ 38,083	\$ 34,576	\$ 37,818	\$ 37,202	\$ 70,812
Interest on total pension liability	114,343	120,781	105,749	114,536	122,775	130,203	135,183	137,492	140,023	158,302
Effect of plan changes	-	(2,013)	-	-	-	-	-	-	121,403	-
Effect of assumption changes or inputs	-	12,445	-	6,433	-	-	88,406	(7,684)	-	-
Effect of economic/demographic (gains) or losses	15,675	(287,163)	7,073	19,330	17,449	(4,827)	(6,995)	(156)	52,679	18,106
Benefit payments/refunds of contributions	(106,936)	(75,618)	(53,825)	(72,237)	(73,919)	(99,787)	(97,095)	(131,898)	(135,274)	(153,875)
Net change in total pension liability	53,896	(190,303)	98,535	106,411	100,784	63,672	154,075	35,572	216,033	93,345
Total pension liability - beginning	<u>1,448,958</u>	<u>1,502,854</u>	<u>1,312,551</u>	<u>1,411,086</u>	<u>1,517,497</u>	<u>1,618,281</u>	<u>1,681,953</u>	<u>1,836,028</u>	<u>1,871,600</u>	<u>2,087,633</u>
Total pension liability - ending (a)	<u>\$ 1,502,854</u>	<u>\$ 1,312,551</u>	<u>\$ 1,411,086</u>	<u>\$ 1,517,497</u>	<u>\$ 1,618,281</u>	<u>\$ 1,681,953</u>	<u>\$ 1,836,028</u>	<u>\$ 1,871,600</u>	<u>\$ 2,087,633</u>	<u>\$ 2,180,978</u>
Plan Fiduciary Net Position										
Employer contributions	\$ 31,187	\$ 30,091	\$ 26,127	\$ 22,253	\$ 23,768	\$ 21,744	\$ 23,438	\$ 24,185	\$ 42,728	\$ 80,245
Member contributions	17,379	19,114	18,307	17,308	18,486	16,912	17,234	17,783	23,617	28,688
Investment income net of investment expenses	101,848	(7,285)	98,451	206,843	(30,037)	251,256	177,219	392,620	(119,222)	212,414
Benefit payments/refunds of contributions	(106,936)	(75,618)	(53,825)	(72,237)	(73,919)	(99,787)	(97,095)	(131,898)	(135,274)	(153,875)
Administrative expenses	(1,184)	(1,039)	(1,069)	(1,060)	(1,229)	(1,308)	(1,342)	(1,155)	(1,135)	(1,097)
Other	<u>7,376</u>	<u>(188,711)</u>	<u>(8,501)</u>	<u>(448)</u>	<u>(783)</u>	<u>(1,854)</u>	<u>(1,499)</u>	<u>(2,041)</u>	<u>(7,921)</u>	<u>(1,473)</u>
Net change in plan fiduciary net position	49,670	(223,448)	79,490	172,659	(63,714)	186,963	117,955	299,494	(197,207)	164,902
Plan fiduciary net position - beginning	<u>1,514,959</u>	<u>1,564,629</u>	<u>1,341,181</u>	<u>1,420,671</u>	<u>1,593,330</u>	<u>1,529,616</u>	<u>1,716,579</u>	<u>1,834,534</u>	<u>2,134,028</u>	<u>1,936,821</u>
Plan fiduciary net position - ending (b)	<u>1,564,629</u>	<u>1,341,181</u>	<u>1,420,671</u>	<u>1,593,330</u>	<u>1,529,616</u>	<u>1,716,579</u>	<u>1,834,534</u>	<u>2,134,028</u>	<u>1,936,821</u>	<u>2,101,723</u>
Net pension liability(asset) - ending (a)-(b)	<u>\$(61,775)</u>	<u>\$(28,630)</u>	<u>\$(9,585)</u>	<u>\$(75,833)</u>	<u>\$ 88,665</u>	<u>\$(34,626)</u>	<u>\$ 1,494</u>	<u>\$(262,428)</u>	<u>\$ 150,812</u>	<u>\$ 79,255</u>
Fiduciary net position as a percentage of total pension liability/asset	104.11%	102.18%	100.68%	105.00%	94.52%	102.06%	99.92%	114.02%	92.78%	96.37%
Pensionable covered payroll	\$ 273,060	\$ 273,060	\$ 261,528	\$ 247,257	\$ 264,086	\$ 241,598	\$ 246,205	\$ 254,047	\$ 337,386	\$ 409,833
Net pension liability/asset as a percentage of covered payroll	-22.62%	-10.48%	-3.66%	-30.67%	33.57%	-14.33%	0.61%	-103.30%	44.70%	19.34%

BOSQUE CENTRAL APPRAISAL DISTRICT

SCHUEDLE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 31,187	\$ 31,187	\$ -	\$ 248,269	12.6%
2015	30,091	30,091	-	273,060	11.0%
2016	26,127	26,127	-	261,528	10.0%
2017	15,998	22,253	(6,255)	247,257	9.0%
2018	18,909	23,768	(4,859)	264,086	9.0%
2019	19,014	21,744	(2,730)	241,598	9.0%
2020	23,438	23,438	-	246,205	9.5%
2021	22,763	24,185	(1,422)	254,047	9.5%
2022	42,728	42,728	-	337,386	12.7%
2023	80,245	80,245	-	409,833	19.6%

- (1) *TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statemetn No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.*

BOSQUE CENTRAL APPRAISAL DISTRICT

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

DECEMBER 31, 2024

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 (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	15.9 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: Employer contributions reflect that the current service matching rate was increased to 250%.

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

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COMPLIANCE SECTION

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
of Bosque Central Appraisal District
Meridian, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Bosque 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 Bosque Central Appraisal District’s basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
December 15, 2025