WHEELER CENTRAL APPRAISAL DISTRICT

Annual Financial Report

For the Year Ended December 31, 2024

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WHEELER CENTRAL APPRAISAL DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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Board of Directors
Wheeler Central Appraisal District
Wheeler, Texas

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the business-type activities of the Wheeler 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 Wheeler Central Appraisal District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Wheeler Central Appraisal District, as of December 31, 2024, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Wheeler Central Appraisal District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wheeler 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wheeler Central Appraisal District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wheeler 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 schedule of changes in net pension liability and related ratios – TCDRS and the schedule of employer contributions – TCDRS on pages 22 – 24 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 context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Wheeler Central Appraisal District has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented 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. The independent auditors' opinion is not affected by the omission of the MD&A.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Schedule of Revenues and Expenses – Budget and Actual – Budget Basis – Proprietary Fund, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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. In our opinion, the Schedule of Revenues and Expenses – Budget and Actual – Budget Basis – Proprietary Fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Doshier, Pickens & Francis, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
Amarillo, Texas
July 1, 2025

BASIC FINANCIAL STATEMENTS

WHEELER CENTRAL APPRAISAL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

ASSETS		
Current assets:		
Cash and cash equivalents	$	509,533
Investments		206,946
Accounts receivable		237,271
Accrued interest receivable		9,310
Total current assets		963,060
Non-current assets:		
Capital assets:		
Building		56,597
Equipment		45,047
Leased equipment		39,677
Subscription assets		70,012
Less accumulated depreciation		(126,623)
Total non-current assets		84,710
Total assets		1,047,770
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions		19,255
Pension actuarial losses		7,525
Pension deficient earnings		1,022
Total deferred outflows of resources		27,802

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

WHEELER CENTRAL APPRAISAL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

LIABILITIES		
Current liabilities:		
Accounts payable	$	10,899
Deferred revenues		237,271
Leases - current		15,684
SBITAs - current		35,811
Total current liabilities		299,665
Noncurrent liabilities:		
Leases		8,396
Net pension liability		17,069
Total noncurrent liabilities		25,465
Total liabilities		325,130
NET POSITION		
Net investment in capital assets		24,819
Unrestricted:		
Board designated		725,623
Total net position	$	750,442

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

WHEELER CENTRAL APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES:	
Tax appraisal fees	$ 922,599
Other income	690
Total operating revenues	923,289
OPERATING EXPENSES:	
Personnel	192,274
Contract and professional services	574,337
Supplies and other operating	40,262
Depreciation	50,090
Total operating expenses	856,963
Operating income	66,326
NON-OPERATING REVENUES / (EXPENSES)	
Interest income	40,640
Interest expense	(2,031)
Total non-operating revenues / (expenses)	38,609
CHANGE IN NET POSITION	104,935
NET POSITION - BEGINNING	645,507
NET POSITION - ENDING	$ 750,442

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

WHEELER CENTRAL APPRAISAL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from participating entities	$	922,599
Cash received from miscellaneous revenues		690
Cash payments for employee services and benefits		(205,318)
Cash payments for supplies and services		(624,370)
Net cash provided by operating activities		93,601
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets		(1,593)
Principal paid on leases and SBITAs		(47,849)
Interest paid on leases and SBITAs		(2,031)
Net cash used by capital and related financing activities		(51,473)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments - reinvested interest		(5,440)
Cash received from interest earned		36,427
Net cash provided by investing activities		30,987
NET INCREASE IN CASH AND CASH EQUIVALENTS		73,115
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		436,418
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	509,533
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$	66,326
Adjustment to reconcile operating income to net cash flows from operating activities:		
Depreciation		50,090
(Increase) decrease in operating assets and deferred outflows of resources:		
Accounts receivable		(6,621)
Deferred outflows of resources - contributions		(2,466)
Deferred outflows of resources - deficient earnings		9,250
Deferred outflows of resources - economic/demographic losses		6,563
Increase (decrease) in operating liabilities and deferred inflows of resources:		
Accounts payable		(9,771)
Deferred revenues		6,621
Deferred inflows of resources - assumption changes		(4,422)
Net pension liability		(21,969)
Net cash provided by operating activities	$	93,601

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Wheeler Central Appraisal District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the District are described in the following notes to the financial statements.

A. Financial Reporting Entity

The District was formed by virtue of voter action in the State of Texas on a proposed constitutional amendment to create central appraisal districts in 1980, and the subsequent enabling legislation approved by the Texas Legislature. The local appraisal districts are governed by both state laws that dictate the duties and functions of such districts and a board of directors elected by the various local taxing units. The purpose of establishing the appraisal district is to increase efficiency and accuracy by having only one office which utilizes modern methods of appraisal to establish uniform values within the appraisal district's boundaries.

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting

The accounts of the District are organized on the basis of funds, which consider a fund as a separate accounting entity. The operation of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

The District accounts for all operations in one proprietary fund. The District operates as an internal service fund which, by definition, accounts for activities financed by charges to members for services provided.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to taxing entities for appraisal fees. Operating expenses for the District include the costs of personnel, contract services, supplies and materials, other operating expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Use of Restricted Assets

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple net position classifications, net position is depleted in the order of restricted and then unrestricted funds.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

1. Deposits and Investments

For the purpose of the Statement of Cash Flows the District's cash and cash equivalents are considered to be cash on hand, demand deposits and deposits within public fund investment pools and purchases of certificates of deposit with original maturities of three months or less. Statutes authorize the District to keep funds in demand deposits, time deposits, or securities of the United States. The District's custodial banks are required to pledge for the purpose of securing District funds, securities of the following kind, in an amount equal to the amount of such District funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes.

The District is required by Government Code Chapter 2256, the Public Funds Investment Act ("Act"), to adopt, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management and include a list of the types of authorized investments in which the investing District's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the District.

The Act requires an annual audit of investment policies. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that in the area of investment practices, management has established and reports appropriate policies. The District adheres to the requirements of the Act. Additionally, investment practices of the District are in accordance with local policies.

2. Receivables and Payables

Receivables consist of payments owed from taxing jurisdictions for services billed for the fourth quarter of the current year that were paid subsequent to year end.

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements. The District uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed.

4. Capital Assets

Capital assets, which include buildings and improvements and furniture and equipment, are reported in the proprietary fund financial statements. According to the District's capitalization policy, capital assets, such as equipment, are defined as individual assets (or systems of assets) having a cost of $250 or more and an estimated useful life in excess of two years. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

4. Capital Assets – Continuation

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated lives:

Building and improvements	10 - 50 years
Furniture and equipment	5 - 10 years

5. Compensated Absences

A liability for unused vacation and sick time for all full-time employees is calculated and reported in the basic financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered.
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the basic financial statements.

Regular full-time employees are entitled to vacation of up to ten working days for the first five years, twelve working days for the sixth to eighth years, and fifteen working days for nine years of employment or more. Vacation time earned, but not taken, is not paid upon termination, and cannot be accumulated beyond one calendar year. Sick leave accrues at ten working days per year with a maximum of 28 days that can be carried over from one year to the next. Sick time is only paid out upon retirement from active duty with the District, or upon death during active duty. No accrual for vacation or sick time at year end has been recorded in the financial statements.

6. 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, *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 or resources (expense/expenditure) until then. The District has multiple items that qualify for reporting in this category. They are the contributions and other items related to the District's pension plan reported in the statement of net position.

In addition to liabilities, the statement of financial position 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 multiple items that qualify for reporting in this category. Pension excess earnings and assumption changes are related to the changes in the District's pension plan and are reported in the statement of net position.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

7. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's Texas County and District Retirement System Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Net Position

In the proprietary fund financial statements, equity is classified as net position and displayed in three categories.

Net Investment in Capital Assets – This amount 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.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Unrestricted Net Position – This amount includes all net position amounts that do not meet the definition of "net investment in capital assets" or "restricted net position."

9. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The proposed budget is prepared by the Board.

2. The Board provides for a public hearing on the District's budget.

3. Prior to October 1, the budget is legally adopted by decision of the Board.

4. No expenditure of the District may exceed the budget unless the original budget is amended by decision of the Board.

Continued

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation

Budgetary Information – Continuation

5. The budget for the Proprietary Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) on the accrual basis of accounting except that the District does not budget depreciation.

6. All appropriations lapse at the end of the year and may be re-budgeted the next year.

NOTE 3 – DEPOSITS AND INVESTMENTS

Following is a reconciliation of the District's cash and deposit balances as of December 31, 2024:

Cash and deposit balances consist of:	
Bank deposits	$ 509,533
Total	$ 509,533
Cash and deposit balances are reported in the basic financial statements as follows:	
Proprietary Fund Statement of Net Position:	
Designated	$ 509,533
Total	$ 509,533

As of December 31, 2024, the District had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Governmental Activities		
Certificates of deposit (interest rate 4.69%)	$ 206,946	365
Total fair value	$ 206,946	
Portfolio weighted average maturity		365

Custodial credit risk – deposits. As of December 31, 2024 the carrying amount of the District's deposits with financial institutions was $716,479 and the bank balance was $718,426. Of the bank balance, $250,000 was insured through the Federal Depository Insurance Corporation (FDIC) and the remaining $468,426 was collateralized with securities held by the pledging institution's agent in the District's name.

Interest rate risk is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The District manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts, or in certificates of deposit with weighted average maturities of one year or less.

Continued

NOTE 3 – DEPOSITS AND INVESTMENTS – Continuation

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and District policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single insurer. As of December 31, 2024, 100% of the District's carrying value of cash was deposited with the District's depository bank and was secured as described above.

NOTE 4 – CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classifications by function.

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 56,597	$ -	$ -	$ 56,597
Furniture and equipment	43,454	1,593	-	45,047
Leased equipment	6,688	32,989	-	39,677
Subscription assets	-	70,012	-	70,012
Total capital assets, being depreciated	106,739	104,594	-	211,333
Less accumulated depreciation for:				
Buildings and improvements	(31,080)	(1,079)	-	(32,159)
Furniture and equipment	(43,446)	(8)	-	(43,454)
Leased equipment	(2,007)	(13,997)	-	(16,004)
Subscription assets	-	(35,006)	-	(35,006)
Total accumulated depreciation	(76,533)	(50,090)	-	(126,623)
Total capital assets, being depreciated, net	30,206	54,504	-	84,710
Business-type activities capital assets, net	$ 30,206	$ 54,504	$ -	$ 84,710

NOTE 5 – RETIREMENT PLAN

Plan Description: Wheeler Central Appraisal District provides retirement and death benefits for all of its employees, except temporary employees through 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 several nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 and is available at www.tcdrs.org.

Benefits Provided: The plan provisions are adopted by the governing body of the District (employer), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years 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 the District.

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 District 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.

Employees Covered by Benefit Terms: At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	2
Active employees	3

Contributions: The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually.

The District contributed using the actuarially determined rate of 13.38% for the accounting year 2024. The contribution rate payable by the employee members is 7.00% for fiscal year 2024 as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Continued

NOTE 5 – RETIREMENT PLAN – Continued

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2023. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

TCDRS system-wide economic assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

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.

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	0.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

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

Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Continued

NOTE 5 – RETIREMENT PLAN – Continued

The target allocation and best estimates of arithmetic real rates of 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%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg 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 Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Funds 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 2.2%, per Cliffwater's 2024 capital market assumptions.
(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.
(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Continued

NOTE 5 – RETIREMENT PLAN – Continuation

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 benefit payments equal to the total of the following:

1. 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.

2. The actuarial present value of projected benefit payments not included in (1), calculated using the 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 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.

The funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act are such that a depletion is not projected to occur.

Since the 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. For GASB 68 this long-term assumed rate of return is net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 7.60% which 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.

Continued

NOTE 5 – RETIREMENT PLAN – Continuation

Changes in the Net Pension Liability / (Asset):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2022	$ 798,739	$ 759,701	$ 39,038
Changes for the year:			
Service cost	20,799	-	20,799
Interest on total pension liability (1)	60,359	-	60,359
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	5,248	-	5,248
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	(51,629)	(51,629)	-
Administrative expenses	-	(426)	426
Member contributions	-	9,721	(9,721)
Net investment income	-	83,243	(83,243)
Employer contributions	-	16,789	(16,789)
Other (3)	-	(952)	952
Balances as of December 31, 2023	$ 833,516	$ 816,447	$ 17,069

(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.

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	$ 912,257	$ 833,516	$ 764,299
Fiduciary net position	816,447	816,447	816,447
Net pension liability / (asset)	$ 95,810	$ 17,069	$ (52,148)

Continued

NOTE 5 – RETIREMENT PLAN – Continuation

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

Pension Expense / (Income):

	January 1, 2023 to December 31, 2023
Service cost	$ 20,799
Interest on total pension liability (1)	60,359
Effect of plan changes	-
Administrative expenses	426
Member contributions	(9,721)
Expected investment return net of investment expenses	(56,749)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	11,811
Recognition of assumption changes or inputs	(4,422)
Recognition of investment gains or losses	(17,245)
Other (2)	952
Pension expense / (income)	$ 6,210

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
(2) Relates to allocation of system-wide items.

Deferred Inflows / Outflows of Resources: As of December 31, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ -	$ 7,525
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	1,022
Contributions made subsequent to measurement date	N/A	19,255

Continued

NOTE 5 – RETIREMENT PLAN – Continuation

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense in actuarial valuation years as follows:

Year ended December 31:		
2024	$	779
2025		(3,469)
2026		16,536
2027		(5,299)
2028		-
Thereafter		-

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in subsequent fiscal period.

NOTE 6 – DESIGNATED NET POSITION

All of the unrestricted net position amounts have been designated for specific purposes by the District's Board of Directors. The designations are established by actions of the Board of Directors and can be increased, reduced or eliminated by similar actions. As of December 31, 2024, designations of unrestricted net position are described below:

Contingencies – $725,623 – The Board has been operating under a continuing policy of retaining all unspent budget items for unanticipated contingencies that might arise.

NOTE 7 – CONTRACTUAL OBLIGATIONS

Appraisal Services:

In 2024, the District entered into a contract for the reappraisal of real property and industrial, utility and minerals including the personal properties related to the production and transmission of these minerals to market. The contract is for three years, 2025 through 2027 with future minimum commitments under this contract of $330,500 for 2025, $340,415 for 2026, and $350,627 for 2027.

NOTE 8 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into subscription-based information technology arrangements (SBITAs) for the computer and mapping software necessary for the preparation and maintenance of tax appraisal and assessment records. For the year ended December 31, 2024 liability payments amounted to $34,201. The SBITAs have an interest rate of 3.579% each, with terms ending on December 31, 2025.

NOTE 9 – LONG-TERM LIABILITIES

The District has entered into leases for equipment. The copy machine lease has maturity date of December 10, 2029 and an interest rate of 3.508%. The postage machine lease has a maturity date of June 30, 2027 and an interest rate of 2.552%. And, the tax hardware lease in the District office has a maturity date of December 31, 2025 and an interest rate of 3.579%

Changes in long-term obligations for the year ended December 31, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Leases	$ 4,739	$ 32,989	$ (13,648)	$ 24,080	$ 15,684
SBITAs	-	70,012	(34,201)	35,811	35,811
	$ 4,739	$ 103,001	$ (47,849)	$ 59,891	$ 51,495

Debt service requirements at December 31, 2024, are as follows:

		Leases					
		Copy Machine		Postage Machine		Tax Hardware	
Fiscal Year	Total	Interest	Principal	Interest	Principal	Interest	Principal
2025	$ 52,914	$ 250	$ 1,478	$ 75	$ 1,345	$ 289	$ 12,861
2026	3,148	197	1,531	40	1,380	-	-
2027	2,438	143	1,585	7	703	-	-
2028	1,728	86	1,642	-	-	-	-
2029	1,582	27	1,555	-	-	-	-
	$ 61,810	$ 703	$ 7,791	$ 122	$ 3,428	$ 289	$ 12,861

SBITAs			
Tax Software		Mapping Software	
Interest	Principal	Interest	Principal
$ 607	$ 27,023	$ 198	$ 8,788
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
$ 607	$ 27,023	$ 198	$ 8,788

The District paid interest expense of $2,031 during the year ended December 31, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

WHEELER CENTRAL APPRAISAL DISTRICT
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years

	Year Ended December 31,			
	2023	2022	2021	2020
Total Pension Liability:				
Service cost	$ 20,799	$ 19,989	$ 19,692	$ 17,565
Interest on total pension liability	60,359	57,190	55,395	53,823
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	-	(13,264)	32,650
Effect of economic/demographic (gains) or losses	5,248	14,705	12,857	10,561
Benefit payments/refunds of contributions	(51,629)	(50,379)	(52,301)	(52,301)
Net change in total pension liability	34,777	41,505	22,379	62,298
Total pension liability, beginning	798,739	757,234	734,855	672,557
Total pension liability, ending (a)	$ 833,516	$ 798,739	$ 757,234	$ 734,855
Fiduciary Net Position:				
Employer contributions	$ 16,789	$ 17,069	$ 12,248	$ 10,878
Member contributions	9,721	9,393	9,150	8,803
Investment income net of investment expenses	83,243	(46,825)	152,975	69,852
Benefit payments/refunds of contributions	(51,629)	(50,379)	(52,301)	(52,301)
Administrative expenses	(426)	(445)	(451)	(521)
Other	(952)	(2,670)	(679)	(898)
Net change in fiduciary net position	56,746	(73,857)	120,942	35,813
Fiduciary net position, beginning	759,701	833,558	712,616	676,803
Fiduciary net position, ending (b)	$ 816,447	$ 759,701	$ 833,558	$ 712,616
Net pension liability / (asset), ending = (a) - (b)	$ 17,069	$ 39,038	$ (76,324)	$ 22,239
Fiduciary net position as a % of total pension liability	97.95%	95.11%	110.08%	96.97%
Pensionable covered payroll	$ 138,868	$ 134,188	$ 130,717	$ 125,758
Net pension liability / (asset) as a % of covered payroll	12.29%	29.09%	-58.39%	17.68%

Year Ended December 31,

2019	2018	2017	2016	2015	2014
$ 17,016	$ 17,050	$ 16,255	$ 16,403	$ 15,028	$ 14,602
51,646	49,658	47,334	45,008	43,810	45,573
-	-	-	-	(2,868)	-
-	-	7,793	-	9,277	-
9,964	10,175	8,810	11,391	4,312	(24,160)
(52,301)	(52,301)	(52,301)	(52,301)	(52,301)	(69,594)
26,325	24,582	27,891	20,501	17,258	(33,579)
646,232	621,650	593,759	573,258	556,000	589,579
$ 672,557	$ 646,232	$ 621,650	$ 593,759	$ 573,258	$ 556,000
$ 8,576	$ 8,267	$ 8,106	$ 7,735	$ 7,496	$ 65,964
8,576	8,267	8,106	7,735	7,496	6,833
100,685	(12,749)	88,644	44,023	3,239	38,710
(52,301)	(52,301)	(52,301)	(52,301)	(52,301)	(69,594)
(516)	(492)	(440)	(477)	(437)	(463)
(1,111)	(999)	(488)	9,327	5,027	3,198
63,909	(50,007)	51,627	16,042	(29,480)	44,648
612,894	662,901	611,274	595,232	624,712	580,064
$ 676,803	$ 612,894	$ 662,901	$ 611,274	$ 595,232	$ 624,712
$ (4,246)	$ 33,338	$ (41,251)	$ (17,515)	$ (21,974)	$ (68,712)
100.63%	94.84%	106.64%	102.95%	103.83%	112.36%
$ 122,508	$ 118,100	$ 115,800	$ 110,501	$ 107,081	$ 97,617
-3.47%	28.23%	-35.62%	-15.85%	-20.52%	-70.39%

WHEELER CENTRAL APPRAISAL DISTRICT
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years

Year Ending December 31:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 5,632	$ 7,496	$ (1,864)	$ 107,081	7.00%
2016	4,597	7,735	(3,138)	110,501	7.00%
2017	6,094	8,110	(2,016)	115,800	7.00%
2018	6,732	8,267	(1,535)	118,100	7.00%
2019	8,370	8,553	(183)	122,184	7.00%
2020	10,878	10,878	-	125,758	8.65%
2021	12,248	12,248	-	130,717	9.37%
2022	17,069	17,069	-	134,188	12.72%
2023	16,789	16,789	-	138,868	12.09%
2024	19,255	19,255	-	143,908	13.38%

WHEELER CENTRAL APPRAISAL DISTRICT
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates (Dec. 31, 2021 valuation for 2023 contributions):

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.9 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: No changes in plan provisions were reflected in the Schedule.

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

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OTHER SUPPLEMENTARY INFORMATION

WHEELER CENTRAL APPRAISAL DISTRICT
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL - BUDGET BASIS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
OPERATING REVENUES:				
Tax appraisal fees	$ 922,599	$ 922,599	$ 922,599	$ -
Other income	-	-	690	690
Total operating revenues	922,599	922,599	923,289	690
Operating expenses:				
Personnel services:				
Salaries	143,207	143,207	144,255	(1,048)
Payroll taxes	10,225	10,225	11,207	(982)
Employee benefits	51,620	51,620	36,811	14,809
Total personnel services	205,052	205,052	192,273	12,779
Contract and professional services:				
Legal fees	300,500	300,500	254,554	45,946
Audit and accounting	6,080	6,080	6,100	(20)
Appraisal services	313,500	313,500	313,500	-
Mapping	8,986	8,986	182	8,804
Hardware expense	200	200	-	200
Software expense	39,330	39,330	-	39,330
Total contract and professional services	668,596	668,596	574,336	94,260
Supplies and other operating:				
Building and office supplies	4,500	4,500	3,331	1,169
Insurance and bonds	2,361	2,361	7,184	(4,823)
Computer supplies	-	-	2,015	(2,015)
Postage	7,000	7,000	2,027	4,973
Equipment expenses	4,500	4,500	1,995	2,505
Building and equipment maintenance	1,000	1,000	875	125
Utilities	7,650	7,650	8,408	(758)
Travel and training	11,485	11,485	4,214	7,271
Appraisal Review Board	950	950	750	200
Dues	3,905	3,905	1,625	2,280
Printing	5,250	5,250	7,839	(2,589)
Total supplies and other operating	48,601	48,601	40,263	8,338
Capital outlay	350	350	-	350
Total operating expenditures	922,599	922,599	806,872	115,727
Operating income (loss)	-	-	116,417	116,417

Continued

BUDGET AND ACTUAL - BUDGET BASIS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			
Continuation	Original	Final	Actual	Variance with Final Budget
NON-OPERATING REVENUES / (EXPENSES)				
Interest income	$ -	$ -	$ 40,639	$ 40,639
Interest expense	-	-	(2,031)	(2,031)
Total non-operating revenues / (expenses)	-	-	38,608	38,608
CHANGE IN NET POSITION	$ -	$ -	$ 155,025	$ 155,025

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WHEELER CENTRAL APPRAISAL DISTRICT
NOTES TO OTHER SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

The Statement of Revenues and Expenses – Budget and Actual – Budget Basis – Proprietary Fund is prepared on a basis which differs from the basis used to prepare the basic financial statements. The District budgets as an expenditure the addition of capital assets as a current period expenditure while depreciation is not budgeted as an expense. The difference in the excess of revenues and expenses and change in net position are:

Change in Net Position per Statement of Revenues, Expenses and Changes in Net Position - page 6	$	104,935
Net Revenues Over (Under) Expenses per Statement of Revenues and Expenses - page 26	$	155,025
Less: Depreciation		(50,090)
	$	104,935