

RUSK COUNTY APPRAISAL DISTRICT

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2024

**Rusk County Appraisal District
Annual Financial Report
For the Year Ended December 31, 2024**

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Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

November 3, 2025

Board of Directors
Rusk County Appraisal District
PO Box 7
Henderson, Texas 75653

Members of the Board:

We have audited the accompanying financial statements of the governmental activities of Rusk County Appraisal District (District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the 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.

Emphasis of Matter

As described in Note D to the financial statements, Rusk County Appraisal District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The implementation of this standard resulted in a restatement of beginning net position. Our opinion is not modified with respect to this matter.

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,

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 generally accepted auditing standards and *Government 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 and *Government 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 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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-8 and 31 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 November 3, 2025, on our consideration of the 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in dark ink that reads "Morgan LaGrone". The signature is written in a cursive, flowing style.

Morgan LaGrone
Certified Public Accountant

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RUSK COUNTY APPRAISAL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

This section of Rusk County Appraisal District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended December 31, 2024. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s net position was \$1,027,262 at December 31, 2024.
- During the year, the District’s expenses were \$153,464 less than the \$1,760,468 generated in revenues for governmental activities.
- The general fund reported a fund balance this year of \$650,034, of which \$283,482 is committed, \$8,735 is nonspendable, and \$357,817 is unassigned.

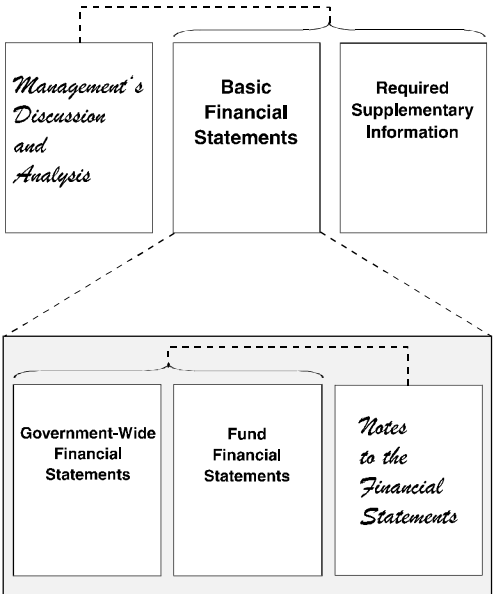
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District’s operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

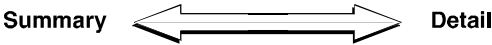
The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the District’s Annual Financial Report



Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.



The two government-wide statements report the District’s net position and how they have changed. Net position—the difference between the District’s assets and liabilities—is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider non-financial factors as well.
- The government-wide financial statements of the District include the governmental activities. All of the District’s basic services are included here, such as general government and public safety. Property taxes finance all of the District’s activities.

RUSK COUNTY APPRAISAL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has the following kinds of funds:

- Governmental funds—All of the District’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District’s net position was \$1,027,262 at December 31, 2024.

Table A-1 Rusk County Appraisal District Net Position				
	<u>2024</u>	<u>2023</u>	Increase/ (Decrease) <u>2023-2024</u>	Percentage Change <u>2023-2024</u>
Current and Other Assets	\$ 1,067,100	\$ 873,696	\$ 193,404	22.14%
Capital Assets	637,732	208,609	429,123	205.71%
Total Assets	1,704,832	1,082,305	622,527	57.52%
Deferred Outflow Related to Pensions	276,610	265,618	10,992	4.14%
Non-Current Liabilities Outstanding	514,222	116,987	(631,209)	(539.55%)
Other Liabilities	2,777	11	2,766	25145.45%
Total Liabilities	516,999	116,998	400,001	341.89%
Deferred Inflow Related to Pensions	437,181	318,420	118,761	37.30%
Net Position:				
Net Investment in Capital Assets	166,855	186,450	(19,595)	(10.51%)
Unrestricted	860,407	726,055	134,352	18.50%
Total Net Position	\$ 1,027,262	\$ 912,505	\$ 114,757	12.58%

The \$860,407 of unrestricted net position represents resources available to fund the programs of the District next year.

Change in net position. The District’s total revenues were \$1,760,468. Virtually all the District’s revenue comes from tax jurisdiction assessments.

The total cost of all programs and services was \$1,607,004.

RUSK COUNTY APPRAISAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

Governmental Activities

Table A-2
Rusk County Appraisal District
Change in Net Position

			Increase/ (Decrease)	Percentage Change
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>	<u>2023-2024</u>
Program Revenues:				
Charges for Services	\$ 1,712,539	\$ 1,624,716	\$ 87,823	5.41%
General Revenues:				
Other	47,929	40,392	7,537	18.66%
Total Revenues	<u>\$ 1,760,468</u>	<u>\$ 1,665,108</u>	<u>\$ 95,360</u>	<u>5.73%</u>
Functions/Programs:				
General Government	\$ 1,577,363	\$ 1,638,801	\$ (61,438)	-3.75%
Debt Service	29,641	-	29,641	N/A
Total Expenses	<u>\$ 1,607,004</u>	<u>\$ 1,638,801</u>	<u>\$ (31,797)</u>	<u>-1.94%</u>
Increase/(Decrease) in Net Position	<u>\$ 153,464</u>	<u>\$ 26,307</u>	<u>\$ 127,157</u>	<u>483.36%</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$1,760,468, which was an increase of \$95,361. Interest revenue increased \$7,537 due to an increase in interest rates.

Expenditures from governmental fund types totaled \$1,607,004 a decrease of \$61,438 from the preceding year. This decrease is primarily attributable to a decrease in insurance and salaries.

General Fund Budgetary Highlights

Over the course of the year, the District did not revise its budget. Actual expenditures were \$17,589 below budget amounts. Fund balance in the General Fund increased \$65,803, as a result of the factors discussed above.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the District had invested \$637,731 in capital assets consisting of equipment, land, building, and improvements. (See Table A-3.)

Table A-3
Rusk County Appraisal District
Capital Assets

			Increase/ (Decrease)	Percentage Change
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>	<u>2023-2024</u>
Land	\$ 50,000	\$ 50,000	\$ -	0.00%
Building and Improvements	267,004	267,004	-	0.00%
Furniture and Equipment	34,955	34,955	-	0.00%
Right-to-Use Assets	921,637	34,500	887,137	2571.41%
Total Capital Assets	<u>1,273,596</u>	<u>386,459</u>	<u>887,137</u>	<u>229.56%</u>
Less: Accumulated Depreciation	<u>(635,864)</u>	<u>(177,850)</u>	<u>(458,014)</u>	<u>(257.53%)</u>
Net Capital Assets	<u>\$ 637,732</u>	<u>\$ 208,609</u>	<u>\$ 429,123</u>	<u>205.71%</u>

RUSK COUNTY APPRAISAL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

More detailed information about the District’s capital assets is presented in Note III (B) to the financial statements.

Long Term Debt

During the year, the District entered into Subscription-Based Information Technology Agreements (SBITA) for Right-to-Use Subscription Assets.

Compensated absences activity for the year is shown below. At year-end, total long-term debt for the District was \$543,890.

	Rusk County Appraisal District			
	Long-Term Debt			
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital Financing Activities	\$ 22,159	\$ 921,637	\$ 428,600	\$ 515,196
Compensated Absences	38,707	-	10,013	28,694
Total	60,866	921,637	438,613	543,890

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The District’s 2025 budget includes \$1,768,444 in proposed expenditures, which is an increase of 3.28% over the final 2024 budget. The District uses that amount to determine the total amount of tax jurisdiction assessments. The tax jurisdiction assessments are allocated to County taxing entities in proportion to the amount of property taxes levied by each of the entities.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT STAFF

This financial report is designed to provide residents residing within Rusk County, creditors, and the general public with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the District.

Basic Financial Statements

Rusk County Appraisal District
Statement of Net Position
December 31, 2024

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 1,058,365
Prepaid Expenses	8,735
Capital Assets (net of accumulated depreciation)	
Land	50,000
Buildings and Improvements	124,570
Furniture and Equipment	2,344
Right To Use SBITA Asset	460,818
Total Assets	\$ 1,704,832
<u>Deferred Outflows of Resources</u>	
Deferred Outflows Related to Pensions	\$ 276,610
Total Deferred Outflows of Resources	\$ 276,610
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 2,777
Total Current Liabilities	\$ 2,777
Noncurrent Liabilities	
Net Pension Liability	\$ 14,651
Due Within One Year	470,877
Due in More Than One Year	28,694
Total Noncurrent Liabilities	\$ 514,222
Total Liabilities	\$ 516,999
<u>Deferred Inflows of Resources</u>	
Deferred Inflows Related to Pensions	\$ 22,892
Unearned Revenue	414,289
Total Deferred Inflows of Resources	\$ 437,181
<u>Net Position</u>	
Net Position, Investment in Capital Assets	\$ 166,855
Unrestricted	860,407
Total Net Position	\$ 1,027,262

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

Rusk County Appraisal District
Statement of Activities
For the Year Ended December 31, 2024

		<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
<u>Functions/Programs:</u>			
Governmental activities:			
General Government	\$ 1,577,363	\$ 1,712,539	\$ 135,176
Debt Service	29,641	-	(29,641)
Total governmental activities	<u>\$ 1,607,004</u>	<u>\$ 1,712,539</u>	<u>\$ 105,535</u>
General Revenues:			
Interest			<u>\$ 47,929</u>
Total general revenues			<u>47,929</u>
Change in Net Position			153,464
Net Position - Beginning			912,505
Restatement (see note III. E.)			(38,707)
Net Position - Beginning, as restated			<u>873,798</u>
Net Position - Ending			<u>\$ 1,027,262</u>

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

Rusk County Appraisal District
Balance Sheet - Governmental Funds
December 31, 2024

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 1,058,365
Prepaid Expenditure	<u>8,735</u>
Total Assets	<u><u>\$ 1,067,100</u></u>
<u>Liabilities</u>	
Accounts Payable	<u>\$ 2,777</u>
Total Liabilities	<u>\$ 2,777</u>
<u>Deferred Inflows of Resources</u>	
Unearned Revenue	<u>\$ 414,289</u>
Total Deferred Inflows of Resources	<u>\$ 414,289</u>
<u>Fund Balances</u>	
Nonspendable - Prepaids	\$ 8,735
Committed	283,482
Unassigned	<u>357,817</u>
Total Fund Balance	<u>\$ 650,034</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 1,067,100</u></u>

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

Rusk County Appraisal District
Reconciliation of the Balance Sheet-Governmental Funds
to the Statement of Net Position
December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position
are Different Because:

Total Fund Balances-Total Governmental Funds (Page 12)	\$ 650,034
Net Pension Liability and the related deferred outflows and deferred inflows of resources are not reported in the funds	239,067
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	637,732
Payables for right-to-use subscriptions which are not due in the current period are not reported in the funds.	(470,877)
Payables for compensated absences, which are not due in the current period are not reported in the funds.	<u>(28,694)</u>
Net Position of Governmental Activities (Page 10)	<u><u>\$ 1,027,262</u></u>

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

Rusk County Appraisal District
Statement of Revenues, Expenditures and
Changes in Fund Balances-Governmental Funds
For the Year Ended December 31, 2024

Revenues:	
Tax Jurisdiction Assessments	\$ 1,712,254
Interest	47,929
Miscellaneous	285
Total Revenues	\$ 1,760,468
Expenditures:	
Current:	
General Government:	
Auto Allowances	\$ 59,246
Dues, Memberships & Subscriptions	26,547
Insurance	140,588
Legal, Audit, Board of Review	55,706
Office Expense	2,888
Maintenance Building	23,425
Postage & Freight	29,330
Retirement	131,063
Salaries	561,534
Supplies	17,853
Employment Taxes	47,777
Contractual Services	90,150
Telephone	9,923
Travel	5,665
Utilities	12,445
Equipment	921,761
Debt Service	
Principal	450,759
Interest	29,641
Total Expenditures	\$ 2,616,301
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (855,833)
Other Financing Sources and (Uses):	
Issuance of Right-to-Use Subscription Asset	921,636
Net Change in Fund Balance	\$ 65,803
Fund Balance, January 1, 2024	584,231
Fund Balance, December 31, 2024	\$ 650,034

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

Rusk County Appraisal District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances-Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Change in Fund Balances-Total Governmental Funds (Page 14)	\$ 65,803
Negative pension expense related to GASB 68 is recorded in the statement of activities but not in the funds.	97,243
Capital outlays are not reported as expenses in the statement of activities.	921,637
Proceeds of long-term debt for SBITA is recognized as other financing resources in the funds but not revenue in the funds.	(921,637)
Losses on cancelation of SBITA is reported in the statement of activities.	(841)
The change in compensated absences is reported as an expense in the statement of activities.	10,013
Depreciation of capital assets is not reported in the funds but is an expense in the Statement of Activities	(469,513)
Repayment of right-to-use subscription principal is an expenditure in the funds but is not an expense in the Statement of Activities	<u>450,759</u>
Changes in Net Position of Governmental Activities (Page 11)	<u><u>\$ 153,464</u></u>

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

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RUSK COUNTY APPRAISAL DISTRICT

Notes to Financial Statements

December 31, 2024

I. Summary of Significant Accounting Policies

Rusk County Appraisal District, ("District") operates in accordance with the laws of the State of Texas, Property Tax Code, Chapter 6, to provide property tax appraisal services for the taxing authorities located within Rusk County, Texas. There were twenty-four (24) taxing authorities during the year.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial burden on the District. Additionally, the District is required to consider other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the application of those criteria, the District has no component units.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. Any interfund activity is removed from these statements. Governmental activities, which normally are supported by service fee revenues, are to be reported separately from business-type activities. Rusk County Appraisal District has no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers, citizens, 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. Interest and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the year, except for Tax Jurisdiction Assessments, which are recognized in the period for which assessed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District reports the following major Governmental fund:

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities and Net position or Equity

1. Deposits and Investments

Cash includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash equivalents are defined as short-term, certificates of deposit that are both readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

State statutes and the District's investment policy authorize the District to invest in certificates of deposit with the District's depository bank, direct obligations of the United States Government, its agencies and instrumentalities, direct obligations of the State of Texas or its agencies, and money market accounts.

2. Capital Assets

Capital assets, which include equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost where records are available or at an estimated fair market value at the date of acquisition where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

Equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Furniture and Equipment	5-10
SBITA Assets	2

3. *Compensated Absences*

Compensated vacations are granted to all full-time permanent employees of the District. The number of days range from ten (10) days to twenty (20) days, depending upon length of continuous service. Vacations do not accumulate from year to year unless authorized by the Board of Directors or the Chief Appraiser. At termination, payment for unused, accrued vacation determined to be due to an employee will be included in the employee's final pay. No accrual has been provided for in the financial statements.

All permanent employees of the District are eligible to accrue one (1) working day (8 hours) of paid sick leave per month of service. Sick leave may be carried over from year to year to a maximum of ninety (90) days or 720 hours. Employees are not entitled to payment for unused sick leave upon termination. Employees who retire from service with the District and begin receiving retirement and/or Social Security payments, that employee will be paid for up to thirty (30) days of accumulated sick leave days.

4. *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 position 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 deferred outflows of resources related to pensions.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Unearned Revenue-Tax Jurisdiction Assessments which is reported both in the Statement of Net Position and the governmental fund Balance Sheet.

5. *Fund Balances – Governmental Funds*

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the Board of Directors. Committed amounts cannot be used for any other purpose unless the Board of Directors removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Directors. Commitments are accomplished through a resolution of the Board. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

6. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 101, Compensated Absences

In the current fiscal year, the District implemented GASB Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – should not be recognized until the leave commences. A liability for specific types of compensated absences should not be recognized until the leave is used.

This Statement also established guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for the leave that has been used not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and for all reporting periods thereafter.

E. Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

II. Stewardship, Compliance and Accountability

Budgetary Information

Prior to June 15th, the Chief Appraiser prepares a proposed budget for the operation of the District for the following year and submits copies to each taxing unit participating in the District and the District's Board of Directors. He includes in the budget a list showing each proposed position, the proposed salary for the position, all benefits proposed for the position, each proposed capital expenditure, and an estimate of the amount of the budget that will be allocated to each taxing unit. Each taxing unit entitled to vote on the appointment of Board members shall maintain a copy of the proposed budget for public inspection at its principal administrative office.

The Board holds a public hearing to consider the budget. Not later than the 10th day before the date of the hearing, the District shall provide the presiding officer of the governing body of each taxing unit participating in the District a written notice of the date, time, and place fixed for the hearing. The Board shall approve a budget before September 15th. If governing bodies of a majority of the taxing units entitled to vote on the appointment of board members adopt resolutions disapproving a budget and file them with the secretary of the Board within 30 days after its adoption, the budget does not take effect, and the Board shall adopt a new budget within 30 days of the disapproval.

The Board may amend the approved budget at any time, but must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit participating in the District not later than the 30th day before the date the Board acts on it. The budget was not amended during the year. Actual expenditures exceeded budgeted expenditures due to a Board approved expenditure being paid from the legal reserve committed fund balance.

Each taxing unit participating in the District is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the District by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the District by each participating unit for that year.

All budget appropriations lapse at year-end.

III. Detailed Notes on All Funds

A. Deposits and Investments

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

The District's cash deposits at December 31, 2024 with the contracted depository bank were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank. The cash deposits at December 31, 2024 were collateralized in accordance with Texas Law.

Cash deposits were properly secured at all times during the year ended December 31, 2024.

Investments: The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

- **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. The District's investment policy limits its investments to certificates of deposit in its depository bank or banks domiciled in the State of Texas. The District was not exposed to credit risk.

- Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. The District was not exposed to custodial credit risk.

- Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As discussed above, the District's investment policy limits its investments to certificates of deposit in its depository bank or banks domiciled in the State of Texas. The District was not exposed to concentration of credit risk.

- Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District was not exposed to interest rate risk.

- Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. The District does not engage in foreign currency transactions. The District was not exposed to foreign currency risk.

B. Capital Assets

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

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Capital Assets Not Being Depreciated	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Capital Assets Being Depreciated:				
Buildings	\$ 175,325	\$ -	\$ -	\$ 175,325
Building Improvements	91,679	-	-	91,679
Furniture & Equipment	34,955	-	-	34,955
Right-to-Use SBITA Asset	34,500	921,636	34,500	921,636
Total Capital Assets Being Depreciated	<u>\$ 336,459</u>	<u>\$ 921,636</u>	<u>\$ 34,500</u>	<u>\$ 1,223,595</u>
Less Accumulated Depreciation for:				
Buildings	\$ 91,495	\$ 4,383	\$ -	\$ 95,878
Building Improvements	43,151	3,405	-	46,556
Furniture & Equipment	31,704	907	-	32,611
Right-to-Use SBITA Asset	11,500	460,819	11,500	460,819
Total Accumulated Depreciation	<u>\$ 177,850</u>	<u>\$ 469,514</u>	<u>\$ 11,500</u>	<u>\$ 635,864</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 158,609</u>	<u>\$ 452,122</u>	<u>\$ 23,000</u>	<u>\$ 587,731</u>
Governmental Activities Capital Assets, Net	<u>\$ 208,609</u>	<u>\$ 452,122</u>	<u>\$ 23,000</u>	<u>\$ 637,731</u>

C. Unearned Revenue

Tax assessments were paid early by 23 entities in the amount of \$414,289. This deferred inflow of resources is reflected both in the Government-wide financial statements and the Fund Financial Statements, since the revenue has not been earned as of December 31, 2024.

D. Governmental Fund Balances

Components of fund balances as of December 31, 2024 are as follows:

	<u>General Fund</u>
Nonspendable -Prepays	\$ 8,735
Committed:	
Building Reserve	35,731
Contingency Reserve	123,956
Legal Reserve	123,795
Unassigned:	<u>357,817</u>
Total Fund Balances	<u><u>\$650,034</u></u>

IV. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in insurance coverages during the year ended December 31, 2024. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three (3) years.

B. Pension Plan

Plan Description

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (the “TCDRS”) and additions to/deductions from TCDRS’ Fiduciary Net Position have been determined on the same basis as they are reported to TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when 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.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

Employees for the District were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the District were 12.90% and 14.0% in calendar 2023 and 2024, respectively. The District's contributions to TCDRS for the year ended December 31, 2024 were \$130,267. Required contributions were \$82,227.

Net Pension Liability

At December 31, 2024, the District reported a net pension liability of \$14,651. The changes in net pension liability/asset were as follows:

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability/(Asset)</u>
	(a)	(b)	(a) - (b)
Balance at 12/31/2022	\$ 2,943,337	\$ 2,848,508	\$ 94,829
Changes for the year:			
Service Cost	95,680	-	95,680
Interest	226,290	-	226,290
Change in benefit terms	-	-	-
Diff between expected/actual experience	34,326	-	34,326
Changes of assumptions	-	-	-
Contributions - employer	-	79,696	(79,696)
Contributions - employee	-	44,311	(44,311)
Net investment income	-	313,041	(313,041)
Benefit payments, including refunds of employee contributions	(125,324)	(125,324)	-
Administrative expenses	-	(1,650)	1,650
Other charges	-	1,078	(1,078)
Net changes	230,973	311,151	(80,178)
Balance at 12/31/2023	\$ 3,174,310	\$ 3,159,659	\$ 14,651

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the District, calculated using the discount rate of 7.6%, as well as what the District's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.6%) or 1 percentage point higher (8.6%) than the current rate.

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
Net pension liability / (asset)	\$ 414,929	\$14,651	\$ (323,909)

Discount Rate

The discount rate used to measure the total pension liability was 7.6%. There was no change in discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contribution employers 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 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.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2024 the District recognized pension expense in the amount of \$32,154.

At December 31, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflows/Outflows of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 49,467	\$22,892
Changes of assumptions	83,325	-
Differences between projected and actual investment earnings (net of current year amortization)	13,551	-
Contributions made subsequent to measurement date	130,267	-
Total	\$ 276,610	\$22,892

The \$130,267 reported as deferred outflows of resources related to pensions resulted from contributions made subsequent to the measurement date. This amount will be recognized as a decrease of the net pension liability for

the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$ 1,484
2025	11,744
2026	81,771
2027	418
2028	23,132
Thereafter	4,902

C. Capital Financing Activities

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

In a prior year, the District entered into subscription-based information technology agreement totaling \$34,500 payable in annual installments of \$12,341. The District canceled the agreement before the second payment was due because the entity proposed significant changes to the contract. The cancellation of the agreement resulted in a loss of \$841.

The District entered into four subscription-based information technology arrangements (SBITAs) during the year ended December 31, 2024. Each agreement provides the District with the right to use the underlying software for a specified subscription term in exchange for quarterly payments.

All four agreements commenced on January 1, 2024 and will expire on December 31, 2025. The subscription liabilities include principal and interest components, with an imputed interest rate of 4.3 percent. Quarterly payments are due throughout the subscription term.

Interest related to SBITA agreements for the year ended December 31, 2024, totaled \$29,641.

Year Ended December 31,	Principal	Interest	Total
2025	\$ 470,878	\$ 12,722	\$ 483,600
	<u>\$ 470,878</u>	<u>\$ 12,722</u>	<u>\$ 483,600</u>

D. Compensated Absences

District employees earn sick time in accordance with Board policy. Employees may accumulate unused leave subject to certain limitations, and some forms of leave are eligible for payment upon separation from service.

In prior years, liabilities for compensated absences were recognized when leave was taken or paid. During the current fiscal year, the District implemented GASB Statement No. 101 *Compensated Absences*, which establishes new recognition and measurement criteria. Under this standard, a liability is recognized for leave that

accumulates and is attributable to services already rendered, if (1) it is probably that the leave will be used for time off or otherwise paid or settled, and (2) the amount can be reasonably estimated.

At year-end the District reported the following changes in its long-term liabilities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 38,707	\$ -	\$ 10,013	\$ 28,694	\$ -
Net Pension Liability	94,828	-	80,177	14,651	-
SBITA Liabilities	22,159	921,637	428,600	515,196	470,878
Total	<u>\$ 155,694</u>	<u>\$ 921,637</u>	<u>\$ 518,790</u>	<u>\$ 558,541</u>	<u>\$ 470,878</u>

E. Subsequent Events

Management has evaluated events through November 3, 2025; the date the financial statements were available to be issued.

F. Prior Period Adjustment

For the year ended December 31, 2024, a prior period adjustment was required for the restatement of beginning net position due to the implementation of GASB Statement No. 101.

Net Position, Beginning (as previously reported)	\$912,505
Adjustment for implementation of GASB 101	<u>(38,707)</u>
Net Position, Beginning (as restated)	\$873,798

Required Supplementary Information

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Rusk County Appraisal District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Tax Jurisdiction Assessments	\$ 1,712,254	\$ 1,712,254	\$ 1,712,254	\$ -
Interest and Misc.	400	400	48,214	47,814
Total Revenues	<u>\$ 1,712,654</u>	<u>\$ 1,712,654</u>	<u>\$ 1,760,468</u>	<u>\$ 47,814</u>
Expenditures:				
Current:				
General Government:				
Auto Allowances	\$ 63,000	\$ 63,000	\$ 54,750	\$ 8,250
Dues, Memberships & Subscriptions	21,700	21,700	26,547	(4,847)
Insurance	185,400	185,400	140,588	44,812
Legal, Audit, Board of Review	44,900	44,900	55,706	(10,806)
Office Expense	750	750	2,888	(2,138)
Maintenance Building	14,600	14,600	23,425	(8,825)
Mileage Reimbursement	4,000	4,000	4,496	(496)
Postage & Freight	45,000	45,000	29,330	15,670
Retirement	88,500	88,500	131,063	(42,563)
Salaries	538,480	538,480	561,534	(23,054)
Supplies	9,100	9,100	17,853	(8,753)
Employment Taxes	54,700	54,700	47,777	6,923
Contractual Services	604,004	604,004	90,150	513,854
Telephone	8,120	8,120	9,923	(1,803)
Travel	9,000	9,000	5,665	3,335
Utilities	12,300	12,300	12,445	(145)
Equipment	8,700	8,700	125	8,575
Principal on Long-term Debt	-	-	450,759	(450,759)
Interest on Long-term Debt	-	-	29,641	(29,641)
Total Expenditures	<u>\$ 1,712,254</u>	<u>\$ 1,712,254</u>	<u>\$ 1,694,665</u>	<u>\$ 17,589</u>
Net Change in Fund Balance (Budgetary Basis)	\$ 400	\$ 400	\$ 65,803	\$ 65,403
Note A - Explanation of Differences between Budget Basis Presentation and GAAP Basis Presentation:				
Right-to-Use Asset Purchase			(921,636)	
Other Financing Sources and (Uses):				
Issuance of Right-to-Use Subscription Asset			921,636	
Net Change in Fund Balance (Budgetary Basis)			<u>\$ 65,803</u>	

Rusk County Appraisal District
Schedule of Changes in Net Position Liability and Related Ratios
For the Year Ended December 31, 2024

	Plan Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 95,680	\$ 92,710	\$ 101,116	\$ 86,267	\$ 90,078	\$ 73,468	\$ 80,305	\$ 68,566	\$ 61,872	\$ 68,246
Interest on total pension liability	226,290	210,615	198,215	188,142	180,051	147,571	134,848	119,494	108,448	100,265
Changes of benefit terms	-	-	-	-	-	255,459	-	-	(5,316)	-
Difference between expected and actual experience	34,326	21,196	5,470	1,482	(48,236)	(229)	(6,200)	4,780	3,322	(14,161)
Change of assumption:	-	-	8,270	135,310	-	-	15,401	-	13,717	-
Benefit payments/refunds of contribution	(125,324)	(117,304)	(164,836)	(117,304)	(119,033)	(65,785)	(55,308)	(44,841)	(44,841)	(63,437)
Net change in total pension liability	230,972	207,217	148,235	293,897	102,860	410,484	169,046	147,999	137,202	90,913
Total pension liability, beginning	2,943,337	2,736,120	2,587,885	2,293,987	2,191,128	1,780,645	1,611,600	1,463,601	1,326,397	1,235,483
Total pension liability, ending (a)	\$ 3,174,309	\$ 2,943,337	\$ 2,736,120	\$ 2,587,884	\$ 2,293,988	\$ 2,191,129	\$ 1,780,646	\$ 1,611,600	\$ 1,463,599	\$ 1,326,396
Fiduciary Net Position										
Employer contributions	\$ 79,696	\$ 88,429	\$ 74,117	\$ 73,692	\$ 68,887	\$ 112,838	\$ 36,842	\$ 40,239	\$ 37,971	\$ 39,880
Employee contribution	44,311	41,544	40,312	38,410	36,754	40,621	40,614	38,691	33,266	32,199
Investment income net of investment expenses	313,041	(177,577)	546,975	236,280	324,799	(34,859)	242,646	112,265	(6,140)	92,834
Benefit payments/refunds of contribution	(125,324)	(117,307)	(164,836)	(117,304)	(119,033)	(65,785)	(55,308)	(44,841)	(44,841)	(63,437)
Administrative expenses:	(1,650)	(1,669)	(1,629)	(1,841)	(1,743)	(1,589)	(1,279)	(1,215)	(1,079)	(1,105)
Other	1,077	4,300	(732)	73	(140)	2,805	285	7,603	3,797	4,830
Net change in fiduciary net position	311,151	(162,280)	494,207	229,310	309,524	54,031	263,800	152,742	22,974	105,201
Fiduciary net position, beginning	2,848,508	3,010,788	2,516,581	2,287,272	1,977,748	1,923,717	1,659,917	1,507,175	1,484,199	1,378,997
Fiduciary net position, ending (b)	\$ 3,159,659	\$ 2,848,508	\$ 3,010,788	\$ 2,516,582	\$ 2,287,272	\$ 1,977,748	\$ 1,923,717	\$ 1,659,917	\$ 1,507,173	\$ 1,484,198
Net pension liability / (asset), ending = (a) - (b)	\$ 14,650	\$ 94,829	\$ (274,668)	\$ 71,302	\$ 6,716	\$ 213,381	\$ (143,071)	\$ (48,317)	\$ (43,574)	\$ (157,802)
Fiduciary net position as a % of total pension liability	99.54%	110.04%	110.04%	111.80%	99.71%	90.26%	108.03%	103.00%	102.98%	111.90%
Pensionable covered payroll	\$ 587,333	\$ 630,842	\$ 593,486	\$ 548,715	\$ 525,051	\$ 580,297	\$ 580,195	\$ 552,726	\$ 475,236	\$ 459,980
Net pension liability as a % of covered payroll	2.49%	15.03%	-46.28%	12.99%	1.28%	36.77%	-24.66%	-8.74%	-9.17%	-34.31%

Rusk County Appraisal District
Schedule Of Contributions
For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 76,882	\$ 80,565	\$ 88,429	\$ 74,117	\$ 73,692	\$ 68,887	\$ 37,838	\$ 36,842	\$ 40,238	\$ 38,067
Contributions in relation to actuarially determined contribution	(130,267)	(80,565)	(88,429)	(74,117)	(73,692)	(68,887)	(112,838)	(36,842)	(40,238)	(38,067)
Contribution deficiency (excess)	\$ (53,385)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 587,333	\$ 630,842	\$ 593,486	\$ 553,111	\$ 548,716	\$ 525,051	\$ 580,297	\$ 580,195	\$ 552,726	\$ 475,236
Contributions as a percentage of covered employee payroll	22.18%	12.77%	13.40%	13.43%	13.43%	13.20%	19.44%	6.35%	7.28%	8.01%

Rusk County Appraisal District
Notes To Schedule Of Contributions
For the Year Ended December 31, 2024

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.3 years (based on contribution rate calculated in 12/31/22 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.5%
Salary Increases	Varies by age and service. 4.70% 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 Rate were reflected in the Schedule. 2018: No changes in plan provisions were reflected in the Schedule. 2019: Employer contributions reflect that the current service matching rate was increased to 200%. 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.

Compliance Section

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Morgan LaGrone, CPA, PLLC

Certified Public Accountant

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116 S Marshall
Henderson TX 75654

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*

Board of Directors
Rusk County Appraisal District
P.O. Box 7
Henderson, Texas 75653

We have audited, in accordance with 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 each major fund of Rusk County Appraisal District, ("District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 3, 2025.

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) to determine the 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 over financial reporting. 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 over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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.

Respectfully submitted,

A handwritten signature in dark ink that reads "Morgan LaGrone". The signature is written in a cursive, flowing style.

Morgan LaGrone
Certified Public Accountant

Henderson, Texas
November 3, 2025

Rusk County Appraisal District
Schedule of Findings
For the Year Ended December 31, 2024

Not applicable for the year ended December 31, 2024.

Rusk County Appraisal District
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Prior Year Finding

Current Status

Not applicable for the year ended December 31, 2024.