Jackson Central Appraisal District

As Restated

Annual Financial Report

For the Year Ended December 31, 2022

Garland R. Sandhop
Certified Public Accountant
Edna, Texas

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Independent Auditor's Report

Board of Directors
Jackson Central Appraisal District
404 N. Allen Street
Edna, Texas 77957

Opinions

I have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of **Jackson Central Appraisal District** as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.
In my opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the **Jackson Central Appraisal District**, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

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 **Jackson Central Appraisal District** 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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 my judgement, 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements.

I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Garland R. Sandhop

Garland R. Sandhop
Certified Public Accountant
June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the District's annual report represents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

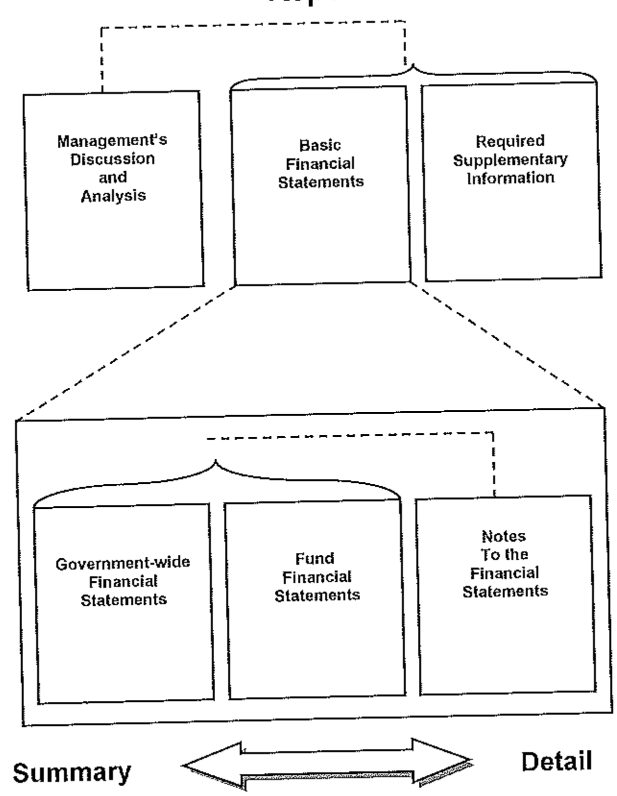
- The District's total net assets decreased by $7,844.55 during the year.
- Revenue increased to $1,215,733.98 for the year.
- Expenditures increased to $1,223,578.53 for the year.
- Allocations refunded were $0 for the year

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 District's government, reporting the District's operations in *more detail* than the government-wide statements.
  - — The *governmentalfunds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
  - — *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1
Required Components of The District's Annual Financial Report



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 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of the Management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of the District's Government-wide and Fund Financial Statements

		Fund Statements	
	Government-wide Statements	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District government (except fiduciary funds) and the District's component units	The activities of the District that are not fiduciary	Instances in which the District is the trustee or agent for someone else's resources.
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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 assets 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 assets* and how they have changed. Net assets-the difference between the District's assets and liabilities-is one way to measure the District's financial health, or *position.*

The government-wide financial statements of the District are as follows:

• *Governmental activities* - The District's purpose is to appraise properties for the member agencies for ad valorem tax purposes.

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 two kinds of funds:

- *Governmental funds* - Most 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 funds 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. 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 explains the relationship (or differences) between them.

- *Fiduciary funds* - The District is a trustee, or *fiduciary*. It is also responsible for other assets that - because of a trust arrangement - can be used only for trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's *combined* net assets decreased for the year by $7,844.55. (See table A-2.)

Table A-1
Jackson Central Appraisal District's
Net Position

	Governmental Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2021-2022
Current and other assets	442,431.97	441,377.69	442,431.97	441,377.69	0.24%
Capital assets	477,760.17	510,491.23	477,760.17	510,491.23	-6.41%
Total Assets	**920,192.14**	**951,868.92**	**920,192.14**	**951,868.92**	-3.33%
Long-term debt outstanding	378,022.15	392,662.15	378,022.15	392,662.15	-3.73%
Other liabilities	-	9,192.23	-	9,192.23	-100.00%
Net Assets	**542,169.99**	**550,014.54**	**542,169.99**	**550,014.54**	-1.43%
Net Assets					
Invested in capital assets,					
Net of related debt	99,738.02	117,829.08	99,738.02	117,829.08	-15.35%
Restricted	80,908.64	80,908.64	80,908.64	80,908.64	0.00%
Unrestricted	361,523.33	351,276.82	361,523.33	351,276.82	2.92%
Total Net Assets	**542,169.99**	**550,014.54**	**542,169.99**	**550,014.54**	-1.43%

Net assets of the District's governmental activities decreased (1.42%). 33.32% of the net assets either are restricted as to the purposes they can be used ($80,908.64) for or are invested in capital assets ($99,738.02).

Changes in net assets. The District's total revenues increased by 4.80% (See Table A-2.). 99.40% of the District's revenue comes from allocations.

The total cost of all services decreased 7.88%.

Table A-2
Changes in Jackson Central Appraisal District's Net Assets

	Governmental Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2021-2022
Revenues					
Allocations	1,208,104.96	1,209,380.04	1,208,104.96	1,209,380.04	-0.11%
Other	7,629.02	575.35	7,629.02	575.35	1225.98%
Total revenues	**1,215,733.98**	**1,209,955.39**	**1,215,733.98**	**1,209,955.39**	0.48%
Expenses					
General government	1,223,578.53	1,134,213.68	1,223,578.53	1,134,213.68	7.88%
Allocations Refunded	-	-	-	-	100.00%
Total expenses	**1,223,578.53**	**1,134,213.68**	**1,223,578.53**	**1,134,213.68**	7.88%
Increase (decrease) in net assets	**(7,844.55)**	**75,741.71**	**(7,844.55)**	**75,741.71**	-110.36%

Governmental Activities

Revenues for the District's governmental activities increased by .48%, while total expenses decreased 7.88% including depreciation on fixed assets.

Other governments paid allocations to pay for the District's services.

Table A-3
Net Cost of Jackson Central Appraisal District's Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2022	2021	2021-2022	2022	2021	2021-2022
Appraising Property	1,223,578.53	1,134,213.68	7.88%	1,223,578.53	1,134,213.68	7.88%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a fund balance of $442,431.97, $10,246.51 over last year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had invested in capital assets, consisting of office furniture, fixtures, and equipment and real estate. (See Table A-4.) This amount represents an increase (including additions and deductions) of $0 over last year. The District purchased $0 in capital assets.

	Governmental Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2021-2022
Building,Lot,Furniture,Fixtures and Equip.	848,518.52	848,518.52	848,518.52	848,518.52	0.00%
Total	**848,518.52**	**848,518.52**	**848,518.52**	**848,518.52**	0.00%

This year's major capital asset additions:
Office equipment of 0

Long term Debt

Table A-5
Jackson Central Appraisal District's
Outstanding Debt

	Governmental Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2021-2022
Compensated Absences	34,611.62	30,877.84	34,611.62	30,877.84	12.09%
Total	34,611.62	30,877.84	34,611.62	30,877.84	12.09%
Building Debt	2022	2021	2022	2021	2021-2022
Total	343,410.53	361,784.31	343,410.53	361,784.31	-5.08%
	343,410.53	361,784.31	343,410.53	361,784.31	-5.08%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

There were no economic factors expected to affect next year's budget. Revenues were budgeted at $1,261,325.00 An increase of $53,175.00. Expenditures were budgeted at $1,261,325.00 an increase of $53,175.00

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and District members 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, contact the Jackson Central Appraisal District, 404 N. Allen, Edna, Texas 77957.

BASIC FINANCIAL STATEMENTS

Statement of Net Assets
December 31, 2022
Exhibit 1

	Primary Government	
	Governmental Activities	**Total**
ASSETS		
Cash and cash equivalents	$ 442,431.97	$ 442,431.97
Prepaid expenses	-	-
Capital assets (Note 1-A):		
Other capital assets, net of depreciation	477,760.17	477,760.17
Total capital assets	477,760.17	477,760.17
Total assets	920,192.14	920,192.14
LIABILITIES		
Accounts payable and accrued expenses	-	-
Long-term liabilities (Note 1-B):		
Vacation, compensation pay and comp pay		
Due within one year	6,922.32	6,922.32
Due in more than one year	27,689.30	27,689.30
Real Estate Notes Payable:	-	-
Due within one year	21,112.72	21,112.72
Due in more than one year	322,297.81	322,297.81
Total liabilities	378,022.15	378,022.15
NET ASSETS		
Invested in capital assets, net of related debt	99,738.02	99,738.02
Restricted for:		
Other purposes	80,908.64	80,908.64
Unrestricted	361,523.33	361,523.33
Total net assets	$ 542,169.99	$ 542,169.99

See accompanying notes and independent auditor's report.

Statement of Activities
For the Year Ended December 31, 2022
Exhibit 2

Functions/Programs	Expenses	Program Revenue	Net (Expense) Revenue and Changes in Net Assets Primary Government: Governmental Activities	Total
Primary government:				
Governmental activities:				
General government	$ 1,223,578.53	$ -	$ (1,223,578.53)	$ (1,223,578.53)
Allocations Refunded	$ -		$ -	$ -
Total governmental activities (See Exhibit 5)	1,223,578.53	-	(1,223,578.53)	(1,223,578.53)
Total primary government	1,223,578.53	-	(1,223,578.53)	(1,223,578.53)

	Governmental Activities	Total
General revenues:		
Allocations	1,208,104.96	1,208,104.96
Unrestricted investment earnings	1,961.27	1,961.27
Miscellaneous	5,667.75	5,667.75
Total general revenues, special items, and transfers	1,215,733.98	1,215,733.98
Change in net assets	(7,844.55)	(7,844.55)
Net Assets-Beginning	550,014.54	550,014.54
Net assets - Ending	$ 542,169.99	$ 542,169.99

Balance Sheet - Governmental Funds
December 31, 2022
Exhibit 3

	General	Total Governmental Funds
ASSETS		
Cash and cash equivalents	$ 442,431.97	$ 442,431.97
Prepaid expenses	-	-
Total assets	442,431.97	442,431.97
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenses	-	-
Total liabilities (Note 1-B)	-	-
Fund balances:		
Reserved for:		
Contingencies	80,908.64	80,908.64
Unreserved	361,523.33	361,523.33
Total fund balances	442,431.97	442,431.97
Total liabilities and fund balances	$ 442,431.97	

Amounts reported for *governmental activities* in the statement of net assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	477,760.17
Long-term debt is not in the funds	(378,022.15)
Net assets of governmental activities	$ 542,169.99

Jackson Central Appraisal District

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2022
Exhibit 4

	Governmental Fund Type	
	General	**Total**
REVENUES		
Allocations	$1,208,104.96	$1,208,104.96
Interest	1,961.27	1,961.27
Miscellaneous Revenue	5,667.75	5,667.75
Retirement Plan Forfeitures	-	-
TOTAL REVENUES	1,215,733.98	1,215,733.98
EXPENDITURES		
Salaries	504,209.81	504,209.81
Longevity	10,473.69	10,473.69
Employee Retirement	51,817.56	51,817.56
Group Insurance	115,575.82	115,575.82
Employers FICA	32,480.30	32,480.30
Employers Medicare	7,776.39	7,776.39
Life Insurance	710.67	710.67
Unemployment Taxes	710.64	710.64
Workers' Compensation	2,531.00	2,531.00
Board of Review Expenses	8,475.00	8,475.00
Office Equipment	159.65	159.65
Office Supplies	9,475.95	9,475.95
Postage	6,777.00	6,777.00
Copy Machine Expense	2,650.39	2,650.39
Telephone	11,205.56	11,205.56
Legal Notices	670.50	670.50
Miscellaneous	970.06	970.06
Auto Allowances	47,198.70	47,198.70
Tuition and Registration	5,837.68	5,837.68
Meals, Mileage and Rooms	16,749.06	16,749.06
Fees and Dues	4,768.09	4,768.09
Books and Subscriptions	9,691.05	9,691.05
Maps and Supplies	32,212.58	32,212.58
Legal Fees	27,530.66	27,530.66
Computer Supplies	2,599.50	2,599.50
Janitorial	7,077.43	7,077.43
Janitorial supplies	846.76	846.76
Utilities	7,931.98	7,931.98
Records Management	915.00	915.00
Computer Maintenance and Expense	87,687.78	87,687.78
Connecting Circuitry	6,944.50	6,944.50
Office Insurance	6,174.19	6,174.19
TNT Postcards	10,266.00	10,266.00

See accompanying notes and independent auditor's report.

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2022
Exhibit 4

Professional Fees:		
Appraisal Engineer	116,895.95	116,895.95
Audit	4,900.00	4,900.00
Computer Services		-
Capital Outlay		-
Tax penalties and interest	4,790.57	4,790.57
Note Principal	20,168.82	20,168.82
Note Interest	17,631.18	17,631.18
TOTAL EXPENDITURES	1,205,487.47	1,205,487.47
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,246.51	10,246.51
OTHER FINANCING SOURCES (USES)		
Reserve Fund	-	-
Allocations Refunded	-	-
Real Estate Loan	-	-
Adjustment-Compensated Absences	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-
NET CHANGES IN FUND BALANCES (SEE EXHIBIT 5)	10,246.51	10,246.51
FUND BALANCE AT BEGINNING OF YEAR	432,185.46	432,185.46
FUND BALANCE AT END OF YEAR	442,431.97	442,431.97

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Net Assets of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022
Exhibit 5

Amounts reported for *governmental activities* in the statement of activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays of $0 was more than depreciation of $32,731.06 in the current period.

Capital Assets, net		32,731.06	(1)
Note Principal		(18,373.78)	(1)
Change in compensated absences not shown in the funds statement.		3,733.78	(1)
Change in net assets of governmental activities (Exhibit 2)	$	18,091.06	
Expenses per Exhibit 2:			
Total Expenditures	$	1,205,487.47	
Change in Net Assets of Governmental Activities(1)		18,091.06	
Expenses per Exhibit 2:	$	1,223,578.53	

Statement of Fiduciary Net Assets
December 31, 2022
Exhibit 6

NONE

	Deferred Compensation	Total
ASSETS		
Investments	$ -	$ -
Total assets	-	-
LIABILITIES		
Due to others	-	-
Total liabilities	-	-
NET ASSETS	$ -	$ -

See accompanying notes and independent auditor's report.

Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2022
Exhibit 7

NONE

	Deferred Compensation	Totals
ADDITIONS		
Contributions:		
Plan Members	$ -	$ -
Investment Earnings:		
Interest	-	-
Total Additions	-	-
DEDUCTIONS		
Due to others	-	-
Total Deductions	-	-
Change in Net Assets	-	-
Net assets - Beginning of the year	-	-
Net assets - End of the year	$ -	$ -

See accompanying notes and independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

CREATION OF DISTRICT

The Jackson Central Appraisal District (the District) was created as a result of the Property Tax Code being enacted into law by the 66th Texas Legislature in 1979 (Senate Bill No. 621, 1979 Texas Laws, Page 2217, Chapter 841, Section 1). An appraisal district was established in each county. The District is responsible for appraising property in the district for ad valorem tax purposes. An appraisal district is a political subdivision of the State.

1. SPECIFIC DISCLOSURE REQUIREMENTS

1-A--Illustrative Disclosure of Information about Capital Assets (Exhibit 1)

Capital asset activity for the year ended December 31, 2022 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Building,furniture, fixtures and equipment	$ 848,518.52	-	$ -	$ 848,518.52
Capital assets at historical cost	848,518.52	-	-	848,518.52
Less accumulated depreciation for:				
Building, furniture, fixtures and equipment	(338,027.29)	(32,731.06)	-	(370,758.35)
Total accumulated depreciation	(338,027.29)	(32,731.06)	-	(370,758.35)
Capital assets, net	510,491.23	(32,731.06)	-	477,760.17
Governmental activities capital assets, net	$ 510,491.23	$ (32,731.06)	$ -	$ 477,760.17

*Depreciation expense was charged as follows:

Governmental activities:	
General government	32,731.06
Total governmental activities depreciation expense	32,731.06

1-B--Illustrative Disclosure of Information about Long-term Liabilities (Exhibit 1)

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Contracts payable:	$ -	$ -	$ -	$ -	$ -
Other liabilities					
Vacation Pay and Comp Pay	30,877.84	3,733.78	-	34,611.62	6,922.32
Real Estate Notes Payable	361,784.31	-	18,373.78	343,410.53	21,112.72
	392,662.15	3,733.78	18,373.78	378,022.15	28,035.04
Governmental activities long-term liabilities	$ 392,662.15	$ 3,733.78	$ 18,373.78	$ 378,022.15	$ 28,035.04

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING

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 of the government's accounting policies are described below.

2-A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence significantly the operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District is not a component unit or has no component units.

2-B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and revenues for the activities of the District and for each function of the District's governmental activities. Revenues are classified as general revenues.

Fund Financial Statements: The fund financial statements provide information about the General Fund.

The District reports the following major governmental funds:

Governmental Fund Types

General Funds - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Fund Types

Agency Funds - Agency Funds are used to account for assets held by the District or as an agent for other funds and/or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

2-C. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements. The government-wide fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

2-D. Assets, Liabilities, and Net Assets

Deposits and Investments

The cash balances of substantially all funds are invested in money-market accounts.

Cash and Cash Equivalents

The District has no proprietary fund.

Receivables and Payables

Allocation receivables are reflected in the statements.

Prepaid Items

Certain payments for insurance and prepaid maintenance reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Furniture, fixtures, and equipment	5-20
Buildings	40

Compensated Absences and Vacation Days

The District allows employees to accumulate unused vacation time to a maximum of 320 hours (40 days) except as approved by Chief Appraiser. Each full-time employee is allowed to accrue vacation time according to his or her length of service. Vacation is earned at the rate of 10 days for the years 1-5, 15 days for years 6-10, and 20 days for years over 10. As of December 31, 2022, the liability for comp time and vacation time is $34,611.62 in the General Fund. The Current portion is $6,922.32

Inter-fund Transfers and Receivables/Payables

The District uses the General Fund only.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Budgets and Budgetary Accounting

The District adopts an annual appropriated budget for the General Fund. The budget is used as a guide by management to limit expenditures to revenues received. This budget is prepared on the cash basis of accounting, rather than in conformity with generally accepted accounting principles. These statements are presented on the modified accrual basis for the General Fund. The budget for the General Fund is presented in the Budgetary Comparison Schedule – General Fund.

Federal Income Tax Status

As a political subdivision of the State of Texas, the District is exempt from Federal income taxes in the exercise of its essential governmental functions under Section 115 of the Internal Revenue Code 1954, as amended. Under Section 115, the District is not required to file income tax returns.

Encumbrances

The District uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Reserved Equity

In the past, the District has elected to reserve a portion of the surplus of revenues over expenditures, subject to the approval of the taxing jurisdictions, to be used for capital purchase expenditures and legal fees. The reserved equity balance at December 31, 2021 was $80,908.64. The Board has discontinued this practice. The balance at December 31, 2022 is $80,908.64.

3. DEPOSITS AND INVESTMENTS

At December 31, 2022, the carrying amount of the District's deposits was $442,431.97. Bank deposits are held at Prosperity Bank, the District's depository bank. Of the bank balances, the entire amount was secured.

The checking deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

Category 1	Deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2	Deposits that are collateralized with securities, held by the pledging financial institution's trust department or agent in the entity's name.
Category 3	Deposits which are not collateralized or insured.

Based on these three levels of risk, the District's checking deposits are classified as Category 1.

Temporary Investments

Statutes authorize the District to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, and common trust funds.

Similar to checking deposits, investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1	Investments that are insured, registered or held by the District or by its agent in the entity's name.
Category 2	Investments that are uninsured and unregistered held by the counterparties trust department or agent in the entity's name.
Category 3	Uninsured and unregistered investments held by the counterparties, its trust department, or its agent, but not in the entity's name.

The District has no investments as of December 31, 2022. All deposits are held in the checking account as described prior to the Temporary Investments section.

Agency Fund

Any deferred compensation benefit would be recorded as a restricted asset. See Note 9, which describes the deferred compensation plan.

4. RECEIVABLES

Receivables consist of the following: (See Note 7)

	General Fund	Totals
Governmental Members	$ -	$ -
Employees	-	-
Totals	$ -	$ -

5. CAPITAL ASSETS

Fixed assets used in governmental fund type operations are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

A summary of changes in general fixed assets is shown in Note 1-A.

6. LONG-TERM DEBT

For the year ended December 31, 2022, the District reported long-term debt on real estate.

7. INTERLOCAL AGREEMENT

On August 13, 2001, an interlocal agreement was made and entered into between the County of Jackson, a local political subdivision of the State of Texas and the Jackson Central Appraisal District and was made pursuant to the provisions of the Interlocal Cooperation Act, V.T.C.A., Government Code, Chapter 791. Whereas, the County of Jackson and the District desire to allocate by mutual agreement the cost of maintaining, insuring and servicing the shared computers of the District. Costs will be shared based on each entity's percentage use of the hard drive. The percentage use of the hard drive will be evaluated at least every two years and the cost-sharing ratio will be updated as necessary. Based on current use by both entities, the County of Jackson shall bear 49% of the referenced costs and the District shall bear 51% of the referenced costs.

8. LEASES

Operating Leases

The District has entered into a lease with Office Systems for a copier for $203.81 per month.

The district entered into a lease December 31, 2009, effective January 1, 2011, at 404 N. Allen for approximately 4,070 feet of space for a term of 120 months through December 30, 2020. The monthly lease for January 1, 2011 through December 31, 2013 was $3,678.00, the monthly lease for January 1, 2014 through December 31, 2016 was $4,050.00 and the monthly lease for January 1, 2017 through December 31, 2020 was $4,450.00. The district purchased the building January 23, 2020.

Rentals for the Office Systems copier was $2650.39 for the year ended December 31, 2022

9. PENSION PLAN AND OTHER EMPLOYEE BENEFITS

Retirement Plan

A Money Purchase Pension Plan and Trust covers all of the District's current employees. Per the plan document, each eligible employee contributes 7% of their compensation and the District contributes 10% for each participant. The plan is administered by Texas County and District Retirement System. The Board of Directors adopted the plan on November 13, 2008. The plan covers all employees who have been employed three months and whose position requires at least 1,000 hours of service per year. All full-time employees were covered in 2022. A participant becomes fully vested after ten years of service. The District contributed $51,817.56 and the employees contributed $36,066.37 to the plan. The payroll for employees covered by the plan was $543,908.28 and the total payroll for the year ended December 31, 2022 was $515,233.86. There were no forfeitures for 2022.

General Hospital and Life Insurance Plan

The District's employees are covered by a group health and life insurance plan administered and underwritten by Blue Cross/Blue Shield and United Health Care. The District pays for employee coverage but the employee is required to pay for one half of coverage of dependents and elective cancer coverage.

Workers' Compensation Insurance

The District carries workers' compensation insurance with the Texas Association of Counties.

Longevity Pay

The District's employees receive longevity pay at the rate of $8.00 per month for each year of service over one year.

Sick Days

The District allows employees to accumulate unused sick leave to a maximum of 792 hours (99 days). Each full-time employee is allowed to accrue one day per month up to the maximum. Sick leave will begin to accrue at the beginning of the first full month of employment. Upon termination, the employee forfeits all accrued sick days. As of December 31, 2022, the District had accumulated a total of 41.04 sick days for all employees.

Payment for accumulated unused sick leave is not probable and the amount of future liability arising from the accumulation of sick leave cannot be reasonably estimated; therefore, no expenditure or liability is reported herein.

10. SUBSEQUENT EVENTS

No subsequent events came to our attention through June 30,2023 that would affect the financial statements at December 31, 2022.

11. COMMITMENTS AND CONTINGENCIES

Litigation

The District is the defendant in several lawsuits arising principally in the normal course of operations. These cases seek to reduce or exempt the taxable value of the Plaintiff's property as determined by the District for the purpose of ad valorem taxation. The Plaintiffs are not seeking monetary damages against the District except for the recovery of attorney's fees if they are successful in the litigation. Should the Appraisal District be unsuccessful in this litigation, the constituent taxing units, rather than the Appraisal District, would be potentially liable for refunds plus interest, as well as for attorney's fees. Thus, the likelihood of direct potential loss to the Appraisal District itself, other than for attorney's fees, is remote.

Commitments

No commitments came to our attention through June 30, 2023 that would affect the financial statements at December 31, 2022.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors, and omissions, injuries to employees, and natural disasters. There were no significant reductions in coverage in the past year and there were no settlements exceeding coverage for each of the past three years.

13. RELATED PARTY TRANSACTIONS

No related party transactions came to our attention through June 30, 2023 for the year ended December 31, 2022.

14. ALLOCATIONS REFUNDED

The district will determine the amount of excess revenues to be refunded for 2022.
No refunds will be made for 2022. The excess of income over expenditures will be used for needed maintenance and repairs to the district's real estate.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
For the Year Ended December 31, 2022
Exhibit 9

	Budget	Actual Amounts (Budgetary Basis)	VARIANCE POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCE, JANUARY	$ 392,432.24	$ 392,432.24	$ -
RESOURCES (INFLOWS)			
Allocations	$ 1,208,150.00	$1,208,104.96	($45.04)
Interest	-	1,961.27	1,961.27
Miscellaneous Revenue	-	5,667.75	5,667.75
AMOUNTS AVAILABLE FOR APPROPRIATION (OUTFLOWS)	1,208,150.00	1,215,733.98	7,583.98
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Salaries	510,290.00	504,209.81	6,080.19
Longevity	10,455.00	10,473.69	(18.69)
Employee Retirement	55,030.00	51,817.56	3,212.44
Group Insurance	115,400.00	115,575.82	(175.82)
Employers FICA	32,285.00	32,480.30	(195.30)
Employers Medicare	7,550.00	7,776.39	(226.39)
Life Insurance	-	710.67	(710.67)
Unemployment Taxes	1,460.00	710.64	749.36
Workers' Compensation	5,170.00	2,531.00	2,639.00
Board of Directors' Expense	1,500.00	-	1,500.00
Board of Review Expenses	11,250.00	8,475.00	2,775.00
Office Equipment	15,000.00	159.65	14,840.35
Map Supplies	33,570.00	32,212.58	1,357.42
Office Supplies	6,000.00	9,475.95	(3,475.95)
Postage	14,000.00	6,777.00	7,223.00
Copy Machine Expense	2,400.00	2,650.39	(250.39)
Telephone	11,280.00	11,205.56	74.44
Office Insurance	6,215.00	6,174.19	40.81
Legal Notices	1,000.00	670.50	329.50
Miscellaneous	600.00	970.06	(370.06)
Auto Allowances	45,450.00	47,198.70	(1,748.70)
Tuition and Registration	7,700.00	5,837.68	1,862.32
Meals, Mileage and Rooms	20,020.00	16,749.06	3,270.94
Fees and Dues	3,990.00	4,768.09	(778.09)
Books and Subscriptions	8,000.00	9,691.05	(1,691.05)
Bond and Insurance	500.00	-	500.00
Legal Fees	15,000.00	27,530.66	(12,530.66)
Computer Supplies	3,000.00	2,599.50	400.50
Janitorial	7,200.00	7,077.43	122.57
Janitorial supplies	1,800.00	846.76	953.24
Utilities	12,000.00	7,931.98	4,068.02
Records Management	1,000.00	915.00	85.00
Copy Machine Supplies	1,140.00	-	1,140.00
Computer Maintenance and Expense	66,915.00	87,687.78	(20,772.78)
Connecting Circuitry	4,440.00	6,944.50	(2,504.50)
TNT Postcards	13,120.00	10,266.00	2,854.00
Professional Fees:			
Appraisal Engineer	113,620.00	116,895.95	(3,275.95)
Audit	5,000.00	4,900.00	100.00
Appraisal Consultant	-	-	-
Computer Services	-		-
Capital Outlay	-	-	
Tax penalties and interest	-	4,790.57	(4,790.57)
Note Interest	17,631.18	17,631.18	-
Note Principal	20,168.82	20,168.82	-
Total Charges	1,208,150.00	1,205,487.47	2,662.53
BUDGETARY BALANCE INCREASE-Dec. 31,2022	-	10,246.51	10,246.51

See independent auditor's report.

Budgetary Comparison Schedule
For the Year Ended December 31, 2022
Exhibit 10

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund
Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (Exhibit 9)	$ 1,608,166.22
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(392,432.24)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit 4)	1,215,733.98
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule (Exhibit 9)	1,205,487.47
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit 4)	$ 1,205,487.47