

**CALDWELL COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS
AGENDA PACKET
MAY 28, 2019**

CALL TO ORDER

1. Public Comments.
2. Collection Report April 2019.
2a

DISCUSSION/ACTION

3. Consideration and possible approval of Minutes of April 23, 2019 meeting.
3a-3b
4. Consideration of and possible approval of Financial Report April 2019.
4a-4f
5. Review and possible approval of 2018 Financial Statements and Auditor's Report.
5a-5ag
6. Discussion and consideration regarding the 2020 Appraisal and Collection Budgets.
6a-6c
7. Chief Appraiser's Report.
 - a. Appraisal update.
 - b. Collection update.
8. Board requests for future agenda items. *(No action or discussion may occur during this item)*
9. Adjourn.

April 2019 Collections Report

Collections

Current Collections(2018) \$ 302,705.57
 Penalties & Interest \$ 31,509.57

Total \$ 334,215.14

Delinquent Collections(2017 & Prior) \$ 121,643.05
 Penalties & Interest \$ 63,476.90

Total \$ 185,119.95

Total Current/Delq. \$ 519,335.09

Current Balance (2018)

Delinquent Balance (2017 & Prior)

Total 2018 Levy \$50,106,479.44
 Adjustments \$ (90,480.06)
 Collections YTD \$46,941,035.65 **93.85%**

Beginning Balance \$5,049,465.55
 Adjustments \$ 6,490.67
 Collections YTD \$ 1,015,143.01 **20.08%**

Balance \$ 3,074,963.73

Balance \$4,040,813.21

Last year at this time Current Collections was 93.69%

Payment Agreements

Total Agreements (as of the 1st of the month) - 187

New Agreements - 17

Agreements Paid in Full - 17

Defaulted Agreements (as of the end of the month) - 1

*When payment agreements are defaulted, they are given to the Delinquent Tax Attorney.

**CALDWELL COUNTY APPRAISAL DISTRICT
MINUTES OF MEETING
APRIL 23, 2019**

The Board of Directors of the Caldwell County Appraisal District met in regular session on April 23, 2019 at 6:00 PM in the Caldwell County Appraisal District Office located at 211 Bufkin, Lockhart, TX

Those in attendance were board members Miguel Islas, Lisa Guyton, Alfredo Munoz and Edel Garza, Chief Appraiser Shanna Ramzinski, Administrative Assistant/Recording Secretary Phyllis Fischer.

Rene Rayos was absent

CALL TO ORDER

Item #1. Public Comments.

Ms Luz Riley had questions about requesting the evidence packet and the protest form.

Item #2. Collection Report February and March 2019.

Shanna Ramzinski presented the February and March 2019 Collection Reports.

Item #3. Quarterly Delinquent Tax Collection Report.

Sarah Haney of Linebarger & Assoc presented the Quarterly Delinquent Tax Collection Report.

Item #4. 911 Quarterly Report.

Jaclyn Archer, 911 Coordinator, presented the 911 Quarterly Report.

DISCUSSION/ACTION

Item #5. Consideration and possible approval of Minutes of February 19, 2019 meeting.

Alfredo Munoz made a motion, seconded by Lisa Guyton, to approve the minutes of February 19, 2019. Motion carried 4-0-1.

Item #6. Consideration of and possible approval of Financial Report February and March 2019.

Shanna Ramzinski presented the Financial Reports of February and March, 2019. Edel Garza made a motion, seconded by Alfredo Munoz, to approve the Financial Report of February and March, 2019. Motion carried 4-0-1.

Item #7. Consideration of and possible action regarding waiver of penalty and interest on delinquent allocation to District budget by taxing unit participating in Caldwell County Appraisal District.

Alfredo Munoz made a motion, seconded by Edel Garza, to waive the penalty and interest on the delinquent allocation to the District budget by a taxing unit participating in CCAD. Motion carried 4-0-1.

Item #8. Consideration of and possible action regarding adopting resolution to amend 2018 appraisal budget to transfer money to fund certain line items.

Alfredo Munoz made a motion, seconded by Edel Garza, to adopt the resolution to amend the 2018 appraisal district budget to transfer money to fund certain line items. Motion carried 4-0-1.

Item #9. Chief Appraiser's Report.

- a. Appraisal Update – Appraisal notices were mailed April 26th. Currently preparing for a busy protest season.
- b. Collection update.

Item #10. Board requests for future agenda items.

None.

Item #11. Adjourn.

Edel Garza made a motion, seconded by Lisa Guyton, to adjourn. Motion carried 4-0-1.

Meeting adjourned at 6:30 PM.

Chairman

Secretary

Caldwell County Appraisal District
EXPENSE STATEMENT- APPRAISAL
 For the Four Months Ending April 30, 2019

| | Current Month | YTD ACTUAL | YTD BUDGET | UNENCUMBERED | % | |
|-------|---------------------------------|------------------|-------------------|-------------------|-------------------|--------------|
| 70101 | CHIEF APPRAISER | \$ 6,380.84 | \$ 25,523.36 | \$ 76,570.00 | 51,046.64 | 66.67 |
| 70102 | DEPUTY CHIEF APPRAISER | 3,672.92 | 14,691.68 | 50,667.00 | 35,975.32 | 71.00 |
| 70103 | SYSTEM MGR/MAPPER | 5,163.16 | 20,652.64 | 61,958.00 | 41,305.36 | 66.67 |
| 70105 | FIELD APPRAISER II | 2,754.84 | 11,019.36 | 33,058.00 | 22,038.64 | 66.67 |
| 70106 | SENIOR APPRAISER I | 3,563.58 | 14,254.32 | 42,763.00 | 28,508.68 | 66.67 |
| 70107 | SENIOR APPRAISER II | 3,381.84 | 13,527.36 | 40,582.00 | 27,054.64 | 66.67 |
| 70108 | FIELD APPRAISER I | 2,810.42 | 11,241.68 | 33,725.00 | 22,483.32 | 66.67 |
| 70109 | FIELD APPRAISER III | 2,641.66 | 10,204.69 | 31,700.00 | 21,495.31 | 67.81 |
| 70111 | ADMINISTRATIVE ASST. | 4,067.50 | 16,270.00 | 48,810.00 | 32,540.00 | 66.67 |
| 70112 | DATA ENTRY TECHNICIAN | 2,448.34 | 9,793.36 | 29,380.00 | 19,586.64 | 66.67 |
| 70113 | SUPPORT TECH | 2,989.16 | 11,956.64 | 35,870.00 | 23,913.36 | 66.67 |
| 70120 | 911/GIS | 3,230.42 | 6,451.67 | 38,765.00 | 32,313.33 | 83.36 |
| 70135 | PAYROLL CONTINGENCY | 0.00 | 0.00 | 2,000.00 | 2,000.00 | 100.00 |
| | TOTAL WAGES AND SALARIES | 43,104.68 | 165,586.76 | 525,848.00 | 360,261.24 | 68.51 |
| 71000 | PAYROLL TAX | 3,127.43 | 12,547.87 | 43,600.00 | 31,052.13 | 71.22 |
| 71002 | RETIREMENT / EMPLOYER | 4,004.39 | 16,123.30 | 48,860.00 | 32,736.70 | 67.00 |
| 71004 | HEALTH BENEFITS | 7,225.39 | 26,805.33 | 93,720.00 | 66,914.67 | 71.40 |
| 71005 | WORKERS COMP | 0.00 | (93.00) | 2,700.00 | 2,793.00 | 103.44 |
| 71006 | UNEMPLOYMENT | 64.48 | 123.62 | 4,000.00 | 3,876.38 | 96.91 |
| | DEDUCTIONS / BENEFITS | 14,421.69 | 55,507.12 | 192,880.00 | 137,372.88 | 71.22 |
| 72000 | APPR ENGINEERS | 10,312.50 | 20,625.00 | 42,000.00 | 21,375.00 | 50.89 |
| 72001 | APPR REVIEW BOARD | 10.00 | 1,210.00 | 18,750.00 | 17,540.00 | 93.55 |
| 72002 | AUDIT | 5,852.00 | 5,852.00 | 6,200.00 | 348.00 | 5.61 |
| 72003 | BOARD OF DIRECTORS | 229.65 | 318.67 | 1,790.00 | 1,471.33 | 82.20 |
| 72004 | DATA PROCESSING SERVICES | 9,323.99 | 30,114.92 | 50,400.00 | 20,285.08 | 40.25 |
| 72007 | JANITORIAL SERVICES | 264.11 | 1,056.44 | 6,200.00 | 5,143.56 | 82.96 |
| 72008 | LEGAL SERVICES | 144.00 | 2,079.63 | 25,000.00 | 22,920.37 | 91.68 |
| | TOTAL SERVICES | 26,136.25 | 61,256.66 | 150,340.00 | 89,083.34 | 59.25 |
| 72500 | BOND CHIEF/NOTARY | 0.00 | 0.00 | 100.00 | 100.00 | 100.00 |
| 72501 | MEMBERSHIP BTPE/TBPC | 0.00 | 1,825.00 | 3,710.00 | 1,885.00 | 50.81 |
| 72502 | COMPUTER SUPPLIES | 451.29 | 607.24 | 6,900.00 | 6,292.76 | 91.20 |
| 72504 | EDUCATION / FEES | 1,070.00 | 3,195.00 | 7,800.00 | 4,605.00 | 59.04 |
| 72505 | INSURANCE LIABILITY | 0.00 | 0.00 | 1,500.00 | 1,500.00 | 100.00 |
| 72506 | INSURANCE BUILDING/ CONTE | 0.00 | 0.00 | 4,000.00 | 4,000.00 | 100.00 |
| 72507 | LEGAL NOTICES / PRINTING | 1,438.88 | 3,113.59 | 14,450.00 | 11,336.41 | 78.45 |
| 72508 | MAINT - HARDWARE & EQUIP | 400.00 | 1,200.00 | 8,700.00 | 7,500.00 | 86.21 |
| 72509 | MAINT - OFFICE EQUIPMENT | 0.00 | 0.00 | 1,000.00 | 1,000.00 | 100.00 |
| 72510 | MILEAGE & TRAVEL | 2,265.21 | 2,412.53 | 5,000.00 | 2,587.47 | 51.75 |
| 72511 | OFFICE SUPPLIES | 258.95 | 1,045.88 | 7,500.00 | 6,454.12 | 86.05 |
| 72512 | POSTAGE | 0.00 | 9,586.84 | 25,000.00 | 15,413.16 | 61.65 |
| 72513 | POSTAGE METER/BOX RENTAL | 0.00 | 1,159.33 | 4,425.00 | 3,265.67 | 73.80 |
| 72514 | SUBSCRIPTION & BOOKS | 350.00 | 1,327.95 | 6,700.00 | 5,372.05 | 80.18 |
| 72515 | RENTAL COPIER | 200.87 | 616.72 | 2,650.00 | 2,033.28 | 76.73 |
| 72516 | ELECTRICITY | 416.65 | 1,384.52 | 9,000.00 | 7,615.48 | 84.62 |
| 72517 | TELEPHONE | 914.38 | 3,150.63 | 13,000.00 | 9,849.37 | 75.76 |
| 72518 | WATER & SEWER | 250.66 | 768.18 | 3,500.00 | 2,731.82 | 78.05 |
| 72519 | MORTGAGE | 4,527.30 | 18,109.20 | 54,520.00 | 36,410.80 | 66.78 |
| 72520 | BUILDING MAINT | 250.25 | 948.62 | 5,000.00 | 4,051.38 | 81.03 |
| 72523 | FUEL - VEHICLE | 1,008.39 | 1,488.46 | 6,000.00 | 4,511.54 | 75.19 |

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 For Management Purposes Only

Caldwell County Appraisal District
EXPENSE STATEMENT- APPRAISAL
 For the Four Months Ending April 30, 2019

| | Current Month | YTD ACTUAL | YTD BUDGET | UNENCUMBERED | % |
|---------------------------------|-----------------------|------------------------|------------------------|---------------------|--------|
| 72524 MAINT. - VEHICLE | 236.08 | 472.83 | 6,000.00 | 5,527.17 | 92.12 |
| 72525 INS - VEHICLE | 0.00 | 0.00 | 1,700.00 | 1,700.00 | 100.00 |
| TOTAL GENERAL EXPENSES | <u>14,038.91</u> | <u>52,412.52</u> | <u>198,155.00</u> | <u>145,742.48</u> | 73.55 |
| 79000 OFFICE EQUIPMENT | 0.00 | 0.00 | 5,000.00 | 5,000.00 | 100.00 |
| 79001 COMPUTER EQUIPMENT | 6.99 | 552.10 | 11,000.00 | 10,447.90 | 94.98 |
| 79002 BUILDING EXPENSE | 0.00 | 0.00 | 5,000.00 | 5,000.00 | 100.00 |
| 79003 VEHICLE | 0.00 | 0.00 | 20,000.00 | 20,000.00 | 100.00 |
| 79990 CONTINGENCY | 0.00 | 0.00 | 10,000.00 | 10,000.00 | 100.00 |
| TOTAL CAPITAL INVESTMENT | <u>6.99</u> | <u>552.10</u> | <u>51,000.00</u> | <u>50,447.90</u> | 98.92 |
| TOTAL EXPENSES | <u>\$ (97,708.52)</u> | <u>\$ (335,315.16)</u> | <u>\$ (1,118,223.)</u> | <u>(782,907.84)</u> | 70.01 |

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Caldwell County Appraisal District
EXPENSE STATEMENT - COLLECTION
 For the Four Months Ending April 30, 2019

| | Current Month | YTD ACTUAL | YTD BUDGET | UNENCUMBERED | % |
|-------------------------------------|-----------------------|-----------------------|------------------------|---------------------|--------------|
| 90-70120 DEPUTY TAX COLLECTOR | \$ 4,310.66 | \$ 17,242.64 | \$ 51,728.00 | 34,485.36 | 66.67 |
| 90-70121 COLLECTION SPECIALIST | 2,861.66 | 11,446.64 | 34,340.00 | 22,893.36 | 66.67 |
| 90-70126 PUBLIC ASSISTANT | 2,220.84 | 8,883.36 | 26,650.00 | 17,766.64 | 66.67 |
| 90-70135 PAYROLL CONTINGENCY | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL WAGES AND SALARIES | 9,393.16 | 37,572.64 | 112,718.00 | 75,145.36 | 66.67 |
| 90-71000 PAYROLL TAX | 711.02 | 2,844.08 | 9,100.00 | 6,255.92 | 68.75 |
| 90-71002 RETIREMENT/EMPLOYER | 872.62 | 3,351.11 | 11,000.00 | 7,648.89 | 69.54 |
| 90-71004 HEALTH BENEFITS | 1,336.36 | 6,556.33 | 24,300.00 | 17,743.67 | 73.02 |
| 90-71005 WORKER COMP | 0.00 | 0.00 | 775.00 | 775.00 | 100.00 |
| 90-71006 UNEMPLOYMENT | 14.09 | 27.84 | 3,375.00 | 3,347.16 | 99.18 |
| DEDUCTIONS / BENEFITS | 2,934.09 | 12,779.36 | 48,550.00 | 35,770.64 | 73.68 |
| 90-72002 AUDIT | 1,748.00 | 1,748.00 | 1,800.00 | 52.00 | 2.89 |
| 90-72004 DATA PROCESSING SERVICES | 4,201.40 | 8,713.80 | 18,450.00 | 9,736.20 | 52.77 |
| 90-72005 COUNTY EMPLOYEE CONTRACT | 1,335.12 | 5,340.48 | 16,500.00 | 11,159.52 | 67.63 |
| 90-72007 JANITORIAL SERVICE | 78.89 | 315.56 | 2,500.00 | 2,184.44 | 87.38 |
| 90-72008 LEGAL SERVICES | 0.00 | 0.00 | 2,500.00 | 2,500.00 | 100.00 |
| TOTAL SERVICES | 7,363.41 | 16,117.84 | 41,750.00 | 25,632.16 | 61.39 |
| 90-72500 BOND/ NOTARY | 0.00 | 0.00 | 200.00 | 200.00 | 100.00 |
| 90-72501 MEMBERSHIP BTPE/TBPC | 0.00 | 0.00 | 700.00 | 700.00 | 100.00 |
| 90-72502 COMPUTER SUPPLIES | 253.11 | 253.11 | 2,300.00 | 2,046.89 | 89.00 |
| 90-72504 EDUCATION & FEES | 0.00 | 515.00 | 3,400.00 | 2,885.00 | 84.85 |
| 90-72505 INSURANCE - LIABILITY | 0.00 | 0.00 | 800.00 | 800.00 | 100.00 |
| 90-72506 INSURANCE BUILDING/CONTENT | 0.00 | 0.00 | 1,200.00 | 1,200.00 | 100.00 |
| 90-72507 LEGAL NOTICES/PRINTING | 0.00 | 51.00 | 9,900.00 | 9,849.00 | 99.48 |
| 90-72508 MAINT - HARDWARE/EQUIP | 0.00 | 299.95 | 2,600.00 | 2,300.05 | 88.46 |
| 90-72509 MAINT - OFFICE EQUIP | 0.00 | 0.00 | 1,400.00 | 1,400.00 | 100.00 |
| 90-72510 MILEAGE & TRAVEL | 0.00 | 165.88 | 2,800.00 | 2,634.12 | 94.08 |
| 90-72511 OFFICE SUPPLIES | 84.55 | 436.22 | 3,000.00 | 2,563.78 | 85.46 |
| 90-72512 POSTAGE | 0.00 | 0.00 | 14,000.00 | 14,000.00 | 100.00 |
| 90-72513 POSTAGE METER/BOX RENTAL | 0.00 | 346.29 | 1,400.00 | 1,053.71 | 75.27 |
| 90-72515 RENTAL - COPIER | 85.24 | 270.22 | 1,800.00 | 1,529.78 | 84.99 |
| 90-72516 ELECTRICITY | 124.46 | 413.56 | 3,000.00 | 2,586.44 | 86.21 |
| 90-72517 TELEPHONE | 284.91 | 970.31 | 3,400.00 | 2,429.69 | 71.46 |
| 90-72518 WATER & SEWER | 74.87 | 229.45 | 1,200.00 | 970.55 | 80.88 |
| 90-72519 MORTGAGE | 1,352.31 | 5,409.24 | 16,500.00 | 11,090.76 | 67.22 |
| 90-72520 BUILDING MAINT. | 74.75 | 283.36 | 2,100.00 | 1,816.64 | 86.51 |
| TOTAL GENERAL EXPENSES | 2,334.20 | 9,643.59 | 71,700.00 | 62,056.41 | 86.55 |
| 90-79000 OFFICE EQUIPMENT | 0.00 | 0.00 | 2,000.00 | 2,000.00 | 100.00 |
| 90-79001 COMPUTER EQUIPMENT | 2,368.99 | 2,492.90 | 5,000.00 | 2,507.10 | 50.14 |
| 90-79002 BUILDING EXPENSE | 0.00 | 0.00 | 2,200.00 | 2,200.00 | 100.00 |
| 90-79990 CONTINGENCY | 0.00 | 92.01 | 3,000.00 | 2,907.99 | 96.93 |
| TOTAL CAPITAL INVESTMENTS | 2,368.99 | 2,584.91 | 12,200.00 | 9,615.09 | 78.81 |
| TOTAL EXPENSES | \$ (24,393.85) | \$ (78,698.34) | \$ (286,918.00) | (208,219.66) | 72.57 |

4c

Caldwell County Appraisal District
Cash Disbursements Journal
For the Period From Apr 1, 2019 to Apr 30, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

| Date | Check # | Account ID | Line Description | Debit Am | Credit Am |
|---------|---------|--|---|--|-----------|
| 4/4/19 | 008298 | 72000 10000 | 2019 QTR 2 VALUATION FEE CAPITOL APPRAISAL GROUP | 10,312.50 | 10,312.50 |
| 4/4/19 | 008299 | 72523 10000 | FEB/MAR 2019 FUEL REIMBURSEMENT CALDWELL COUNTY TREASURER | 1,008.39 | 1,008.39 |
| 4/4/19 | 008300 | 72004 90-72004 72004 72004 10000 | INV#MN00010996/ PACS MAINT/SUPPORT 2019 2ND QTR/APPR INV#MN00010996/ PACS MAINT/SUPPORT 2019 2ND QTR/COLL INV#MN00008668/CLOUD HOSTING FEE 2019 INV#MN00008668/IPAD SERVER MAINT FEE 2019 TRUE AUTOMATION - Harris Computer Sys | 8,316.59 4,201.40 | 12,517.99 |
| 4/4/19 | 008301 | 72004 10000 | 2 YEAR WARRANTY RENEWAL TRUE AUTOMATION - Harris Computer Sys | 1,007.40 | 1,007.40 |
| 4/4/19 | 008302 | 72001 10000 | ARB MEMBER NAME PLATE LOGOS | 10.00 | 10.00 |
| 4/4/19 | 008303 | 90-72517 10000 | APR 2019 LINE CHARGE - LULING SPECTRUM BUSINESS | 115.58 | 115.58 |
| 4/4/19 | 008304 | 71006 90-71006 10000 | 2019 QTR1 UNEMPLOYMENT FUND - APPR 2918 QTR1 UNEMPLOYMENT FUND - COLL Texas Assoc. of Counties | 64.48 14.09 | 78.57 |
| 4/11/19 | 008305 | 30027 71004 90-71004 10000 | MAR 2019 INSURANCE PAYABLE INV #016418 MAR 2019 CANCER - APPR MAR 2019 CANCER- COLL AFLAC INS. | 622.12 182.53 49.79 | 854.44 |
| 4/11/19 | 008306 | 71004 90-71004 30028 10000 | APR 2019 HEALTH INS - APPR APR 2019 HEALTH INS - COLL MAR 2019 MED PAYABLE UNITED HEATHCARE SERVICES | 6,952.99 1,266.43 1,089.64 | 9,309.06 |
| 4/11/19 | 008307 | 72517 10000 | APR 2019 IPAD UNITS APPRAISERS AT&T Mobility | 224.44 | 224.44 |
| 4/11/19 | 008308 | 72007 90-72007 10000 | INV #12744 MAR 2019 JANITORIAL SERVICES - APPR INV #12744 MAR 2019 JANITORIAL SERVICES - COLL Buildingstars | 264.11 78.89 | 343.00 |
| 4/11/19 | 008309 | 90-72005 10000 | APR 2019 LULING EMPLOYEE SALARY CALDWELL COUNTY TREASURER | 1,335.12 | 1,335.12 |
| 4/11/19 | 008310 | 72510 10000 | MAR 2019 MILEAGE REIMBURSEMENT Kristie Wimberly | 27.84 | 27.84 |
| 4/11/19 | 008311 | 72510 10000 | MAR 2019 MILEAGE REIMBURSEMENT Christie Gibson | 41.76 | 41.76 |
| 4/11/19 | 008314 | 72517 10000 | APR 2019 LINE CHARGE - LOCKHART SPECTRUM BUSINESS | 123.05 | 123.05 |
| 4/11/19 | 008315 | 71004 90-71004 71004 90-71004 30029 30027 | APR 2019 AD&D - APPR APR 2019 AD&D - COLL APR 2019 LIFE - APPR APR 2019 LIFE - COLL MAR 2019 DENTAL PAYABLE MAR 2019 VISION PAYABLE | 9.46 2.12 80.41 18.02 644.07 146.01 | |

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Caldwell County Appraisal District
Cash Disbursements Journal
For the Period From Apr 1, 2019 to Apr 30, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

| Date | Check # | Account ID | Line Description | Debit Am | Credit Am |
|---------|---------|---|---|---|-----------|
| | | 10000 | UHS Premium Billing | | 900.09 |
| 4/11/19 | 008316 | 72524 10000 | VEH MAINTENANCE Caldwell County Appraisal Dst | 20.00 | 20.00 |
| 4/11/19 | 008317 | 72003 10000 | EMPLOYEE MORALE Caldwell County Appraisal Dst | 210.00 | 210.00 |
| 4/11/19 | 008318 | 72520 90-72520 10000 | INV #666124001-2 2ND QTR 2019 PEST CONTROL SERVICES - APPR INV #666124001-2 2ND QTR 2019 PEST CONTROL SERVICES - COLL ABC Home & Commercial Services | 65.45 19.55 | 85.00 |
| 4/11/19 | 008319 | 72008 10000 | MAR 2019 LEGAL SERVICES LOW SWINNEY EVANS & JAMES PLLC | 144.00 | 144.00 |
| 4/11/19 | 008320 | 72524 10000 | OIL CHG - AIR FILTER, OIL FILTER - 07401 STRAIGHT AUTOMOTIVE & TIRE CENTER | 188.43 | 188.43 |
| 4/11/19 | 008321 | 72507 10000 | 2019 PROTEST INSERTS BUSINESS FORM SOLUTIONS LLC | 1,438.88 | 1,438.88 |
| 4/18/19 | 008322 | 72002 90-72002 10000 | INV #E100802786 2019 FINANCIAL STMT AUDIT - APPR INV #E100802786 2019 FINANCIAL STMT AUDIT - COLL Eide Bailly LLP | 5,852.00 1,748.00 | 7,600.00 |
| 4/18/19 | 008323 | 72510 10000 | JAN, FEB, MAR 2019 MILEAGE REIMBURSEMENT Phyllis Fischer | 49.36 | 49.36 |
| 4/18/19 | 008324 | 72003 72504 72510 72511 90-72511 72514 72517 90-72517 72524 79001 10000 | BOD EXPENSES COURSES - KW, AM, BY TAAD CONF EXP OFFICE SUPPLIES - APPR OFFICE SUPPLIES - COLL TYLER TECHNOLOGIES RING CENTRAL - APPR RING CENTRAL - COLL VEH MAINT COMP EQUIP CARD SERVICE CENTER | 19.65 490.00 2,146.25 141.80 38.47 350.00 566.89 169.33 20.15 6.99 | 3,949.53 |
| 4/18/19 | 008325 | 90-72511 10000 | DEPOSIT STAMP - COLL PRINTING SOLUTIONS | 21.70 | 21.70 |
| 4/18/19 | 008326 | 72508 10000 | INV #2019-04-01-CCAD MAR 2019 COMPUTER SERVICES N Metzler Consulting | 400.00 | 400.00 |
| 4/24/19 | 008327 | 72516 90-72516 72518 90-72518 10000 | MAR 2019 ELECTRICITY - APPR MAR 2019 ELECTRICITY- COLL MAR 2019 WATER & SEWER - APPR MAR 2019 WATER & SEWER - COLL City of Lockhart | 416.65 124.46 250.66 74.87 | 866.64 |
| 4/24/19 | 008328 | 72504 10000 | PUBLIC FUNDS INVESTMENT TRNG - SJR, LG Texas Assoc. Assessing Officers | 580.00 | 580.00 |
| 4/24/19 | 008329 | 90-79001 10000 | CASH COUNTER - MV Cummins-Allison Corp. | 2,368.99 | 2,368.99 |
| 4/24/19 | 008330 | 72519 | APR 2019 BUILDING LOAN PAYMENT - APPR | 4,527.30 | |

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**Caldwell County Appraisal District
Cash Disbursements Journal
For the Period From Apr 1, 2019 to Apr 30, 2019**

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

| Date | Check # | Account ID | Line Description | Debit Am | Credit Am |
|---------|--------------|----------------------------|--|------------------|------------------|
| | | 90-72519 10000 | APR 2019 BUILDING LOAN PAYMENT - COLL First Lockhart National Bank | 1,352.31 | 5,879.61 |
| 4/24/19 | 008331 | 72520 90-72520 10000 | MAY 2019 LAWN SERVICES - APPR MAY 2019 LAWN SERVICES - COLL Jesus Gonzales | 184.80 55.20 | 240.00 |
| 4/24/19 | 008332 | 72502 90-72502 10000 | PRINTER CARTRIDGES - APPR PRINTER CARTRIDGES - COLL Lone Star Office Solutions | 451.29 253.11 | 704.40 |
| 4/24/19 | 008333 | 72511 90-72511 10000 | OFFICE SUPPLIES - APPR OFFICE SUPPLIES - COLL OFFICE DEPOT | 117.15 24.38 | 141.53 |
| 4/24/19 | 008334 | 72515 10000 | INV #096507149 - MAR 2019 APPR COPY CHARGES XEROX CORP | 200.87 | 200.87 |
| 4/24/19 | 008335 | 90-72515 10000 | INV #096507147 - MAR 2019 COLL PRINT CHARGES XEROX CORP | 85.24 | 85.24 |
| 4/26/19 | 008336 | 72524 10000 | 2019 REGISTRATION VEH #07201 Caldwell County Tax Assessor-Col | 7.50 | 7.50 |
| | Total | | | <u>63,390.91</u> | <u>63,390.91</u> |

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Financial Statements
December 31, 2018

Caldwell County Appraisal District

Caldwell County Appraisal District
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December 31, 2018

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Caldwell County Appraisal District
Lockhart, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Caldwell County Appraisal District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Caldwell County Appraisal District, as of December 31, 2018, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and pension information on pages 3 through 7 and 28 through 30 be presented to supplement the basic financial statements. Such information, 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.

Eide Bailly LLP

Abilene, Texas
May 22, 2019

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As management of Caldwell County Appraisal District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2018.

FINANCIAL HIGHLIGHTS

Government-Wide

- The District's total net position on a government-wide basis totaled \$297,983 at December 31, 2018, an increase of \$44,915 or 17.8% over December 31, 2017. Approximately 31.7% of this balance is invested in capital assets, net of related debt.

General Fund

- At the end of the current fiscal year, total fund balance for the General Fund was \$265,913, of which \$9,385 is committed for future purchases of equipment by the Board and \$134,241 is assigned for refund. \$122,287 is available to meet the District's ongoing obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is equivalent to the equity section of a private-sector balance sheet.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation, accrued personal leave).

The government-wide financial statements of the District are principally funded by monies provided from local taxing entities (governmental activities). The District does not have any business-type activities.

The government wide financial statements can be found on pages 8 through 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District utilizes only governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the general fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the general fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities. The governmental fund financial statements can be found on pages 8 through 12 of this report.

The District adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The budgetary comparison schedule can be found on page 12 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in this fund are used for their intended purposes. The basic fiduciary fund financial statement can be found on page 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 27 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that is required by Governmental Accounting Standards Board to be a part of the District's basic financial statements. Required supplementary information can be found on pages 28-30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A large portion of the District's net position reflects its investment in capital assets (e.g., furniture and equipment). The District uses these capital assets to provide services to the taxing entities we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the District's net position represents unrestricted financial resources available for future operations.

Summary of Statement of Net Position

| | Governmental Activities | |
|----------------------------------|-------------------------|------------|
| | 2018 | 2017 |
| Current and other assets | \$ 665,734 | \$ 630,802 |
| Capital assets, net | 1,394,609 | 1,427,887 |
| Total assets | 2,060,343 | 2,058,689 |
| Deferred outflows of resources | 87,364 | 146,433 |
| Current liabilities | 399,821 | 412,036 |
| Noncurrent liabilities | 1,393,529 | 1,509,045 |
| Total liabilities | 1,793,350 | 1,921,081 |
| Deferred inflows of resources | 56,374 | 30,973 |
| Net position | | |
| Net investment in capital assets | 94,352 | 98,369 |
| Unrestricted | 203,631 | 154,699 |
| Total net position | \$ 297,983 | \$ 253,068 |

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GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were \$1,286,249 while total expenses were \$1,241,334 for a net increase in net position of \$44,915.

Changes in Net Position
For the Fiscal Year Ended December 31,

| | Governmental Activities | |
|------------------------------------|-------------------------|--------------|
| | 2018 | 2017 |
| Revenues | | |
| Assessments | \$ 1,348,761 | \$ 1,295,612 |
| Less refunds to taxing authorities | (109,563) | (81,197) |
| Interest income | 15,652 | 6,825 |
| Other income | 31,399 | 31,015 |
| Insurance proceeds | - | 7,144 |
| Total revenues | 1,286,249 | 1,259,399 |
| Expenses | | |
| Salaries and benefits | 791,478 | 812,829 |
| Purchased and contracted services | 138,500 | 121,085 |
| Supplies and postage | 57,951 | 57,377 |
| Data processing | 69,971 | 68,364 |
| Other operating | 41,132 | 26,819 |
| Plant services | 33,774 | 34,329 |
| Debt service - interest | 41,295 | 42,198 |
| Noncapitalized capital outlay | 14,884 | 19,661 |
| Depreciation | 52,349 | 52,522 |
| Total expenses | 1,241,334 | 1,235,184 |
| Change in net position | 44,915 | 24,215 |
| Net position, beginning | 253,068 | 228,853 |
| Net position, ending | \$ 297,983 | \$ 253,068 |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is discussed below:

Governmental fund. The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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The general fund is the chief operating fund of the District. At the end of the fiscal year, the District's general fund (as presented in the balance sheet on page 8) reported an ending fund balance of \$265,913.

Budgetary highlights. Actual expenditures were less than budget by \$135,660. Savings were noted in salaries and benefits, purchased and contracted services, supplies and postage, data processing, other operating, plant services, debt service and capital outlay expenditures.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital assets. The District's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$1,394,609 (net of accumulated depreciation). This represents a decrease of \$33,278 from the prior fiscal year. This investment in capital assets includes furniture and equipment, vehicles and the administrative building. Additional information on the District's capital assets can be found in Note 6 (p. 18) in the notes to the financial statements.

Capital Assets Schedule (net of depreciation)

| | Governmental Activities | |
|-------------------------------|-------------------------|--------------|
| | 2018 | 2017 |
| Land | \$ 96,400 | \$ 96,400 |
| Building | 1,397,108 | 1,397,108 |
| Vehicles | 67,561 | 48,490 |
| Office and computer equipment | 259,147 | 259,147 |
| Total capital assets | 1,820,216 | 1,801,145 |
| Less accumulated depreciation | 425,607 | 373,258 |
| Total capital assets, net | \$ 1,394,609 | \$ 1,427,887 |

Long-term obligations. At the end of the current fiscal year, the District had long-term obligations for its notes payable, compensated absences and its net pension liability in the amounts of \$1,300,257, \$21,154 and \$72,118, respectively. Additional information on the District's long-term obligations can be found in Notes 6 and 9, respectively (pgs. 18-26, respectively) in the notes to the financial statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and accountability. If you have any questions concerning this report, or if you need any additional information, please contact the Caldwell County Appraisal District, Shanna Ramzinski, 211 Bufkin Lane, Lockhart, Texas, 78644.

Caldwell County Appraisal District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2018

| | General Fund | Adjustments (Note A) | Statement of Net Position |
|--|-------------------|-------------------------|------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 647,244 | \$ - | \$ 647,244 |
| Due from agency fund | 18,490 | - | 18,490 |
| Capital assets, net | - | 1,394,609 | 1,394,609 |
| Total assets | 665,734 | 1,394,609 | 2,060,343 |
| Deferred outflows of resources | | | |
| Deferred outflows - pension | - | 87,364 | 87,364 |
| Total assets and deferred outflows of resources | \$ 665,734 | 1,481,973 | 2,147,707 |
| Liabilities | | | |
| Accounts payable | \$ 49,210 | - | 49,210 |
| Unearned revenue | 350,611 | - | 350,611 |
| Noncurrent liabilities | | | |
| Due within one year | - | 30,192 | 30,192 |
| Due in more than one year | - | 1,363,337 | 1,363,337 |
| Total liabilities | 399,821 | 1,393,529 | 1,793,350 |
| Deferred inflows of resources | | | |
| Deferred inflows - pension | - | 56,374 | 56,374 |
| Fund Balance/Net Position | | | |
| Fund balances | | | |
| Committed for equipment purchase | 9,385 | (9,385) | - |
| Assigned for refund | 134,241 | (134,241) | - |
| Unassigned | 122,287 | (122,287) | - |
| Total fund balances | 265,913 | (265,913) | - |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 665,734 | 1,183,990 | 1,849,724 |
| Net Position | | | |
| Net investment in capital assets | | 94,352 | 94,352 |
| Unrestricted | | 203,631 | 203,631 |
| Total net position | | \$ 297,983 | \$ 297,983 |

Caldwell County Appraisal District
Note A – Adjustments to the Governmental Fund Balance Sheet
December 31, 2018

Total Fund Balances - Governmental Funds Balance Sheet \$ 265,913

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the end of the year, the cost of these assets was \$1,820,216 and the accumulated depreciation was \$425,607. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position. 1,394,609

Accrued liabilities for compensated absences for personal leave are not due and payable in the current period and therefore have not been included in the fund financial statements. The net effect of including the accrual for compensated absences in the governmental activities is a decrease to net position. (21,154)

Notes payable are not due and payable in the current period, and, therefore are not reported as a liability in governmental funds. The net effect of including notes payable in the governmental activities is a decrease to net position. (1,300,257)

The District recognized a net pension liability in the amount of \$72,118, deferred outflow of resources of \$87,364 and a deferred inflow of resources of \$56,374. The net effect of these is a decrease to net position. (41,128)

Total Net Position - Statement of Net Position \$ 297,983

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Caldwell County Appraisal District

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2018

| | General Fund | Adjustments (Note B) | Statement of Activities |
|--|-------------------|-------------------------|----------------------------|
| Revenues | | | |
| Assessments from taxing authorities | \$ 1,348,761 | \$ - | \$ 1,348,761 |
| Refund to taxing authorities | (109,563) | - | (109,563) |
| Interest income | 15,652 | - | 15,652 |
| Other income | 31,399 | - | 31,399 |
| Total revenues | 1,286,249 | - | 1,286,249 |
| Expenditures | | | |
| Current | | | |
| Salaries and benefits | 793,263 | (1,785) | 791,478 |
| Purchased and contracted services | 138,500 | - | 138,500 |
| Supplies and postage | 57,951 | - | 57,951 |
| Data processing | 69,971 | - | 69,971 |
| Other operating | 41,132 | - | 41,132 |
| Plant services | 33,774 | - | 33,774 |
| Debt service | | | |
| Principal on long term debt | 29,261 | (29,261) | - |
| Interest on long term debt | 41,295 | - | 41,295 |
| Capital outlay | 33,955 | (19,071) | 14,884 |
| Depreciation | - | 52,349 | 52,349 |
| Total expenditures | 1,239,102 | 2,232 | 1,241,334 |
| Change in fund balance/net position | 47,147 | (2,232) | 44,915 |
| Fund balance/net position | | | |
| Beginning of year | 218,766 | 34,302 | 253,068 |
| End of year | <u>\$ 265,913</u> | <u>\$ 32,070</u> | <u>\$ 297,983</u> |

Caldwell County Appraisal District

Note B – Adjustments to the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund
Balance
Year Ended December 31, 2018

| | |
|--|------------------|
| Net Change in Fund Balance - Total Governmental Funds | \$ 47,147 |
| Amount reported for governmental activities in the statement of activities are different because: | |
| Decreases to liabilities for compensated absences for personal leave are not shown in the fund financial statements. The net effect of the current year's decrease in the liabilities is to increase net position. | 2,686 |
| Repayment of notes payable principal of \$29,261 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not an expense on the statement of activities. The net result of principal paid on notes payable is an increase in net position. | 29,261 |
| Current year capital outlays are expenditures in the fund financial statements but are shown as increases in capital assets in the government wide financial statements. | 19,071 |
| Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of recording current year depreciation is to decrease net position. | (52,349) |
| Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date cause net position to increase in the amount of \$56,567. The District's unrecognized deferred outflows and inflows for TCDRS as of the measurement date must be amortized and the District's pension expense must be recognized. These cause the changes in net position to decrease in the amount of \$57,468. The net effect is a decrease in net position. | (901) |
| Change in Net Position - Statement of Activities | <u>\$ 44,915</u> |

Caldwell County Appraisal District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended December 31, 2018

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|--|--------------------|------------------|-------------------|-------------------------------|
| Revenues | | | | |
| Assessments from taxing authorities | \$ 1,348,761 | \$ 1,348,761 | \$ 1,348,761 | \$ - |
| Refund to taxing authorities | (109,563) | (109,563) | (109,563) | - |
| Interest income | - | - | 15,652 | 15,652 |
| Other income | - | - | 31,399 | 31,399 |
| Total revenues | 1,239,198 | 1,239,198 | 1,286,249 | 47,051 |
| Expenditures | | | | |
| Current | | | | |
| Salaries and benefits | 870,392 | 870,392 | 793,263 | 77,129 |
| Purchased and contracted services | 138,675 | 138,675 | 138,500 | 175 |
| Supplies and postage | 62,470 | 62,470 | 57,951 | 4,519 |
| Data processing | 75,800 | 75,800 | 69,971 | 5,829 |
| Other operating | 59,800 | 59,800 | 41,132 | 18,668 |
| Plant services | 47,165 | 47,165 | 33,774 | 13,391 |
| Debt service | | | | |
| Principal on long term debt | 71,020 | 71,020 | 29,261 | 41,759 |
| Interest on long term debt | - | - | 41,295 | (41,295) |
| Capital outlay | 49,440 | 49,440 | 33,955 | 15,485 |
| Total expenditures | 1,374,762 | 1,374,762 | 1,239,102 | 135,660 |
| Change in Fund Balance/Net Position | (135,564) | (135,564) | 47,147 | 182,711 |
| Fund balance | | | | |
| Beginning of year | 218,766 | 218,766 | 218,766 | - |
| End of year | <u>\$ 83,202</u> | <u>\$ 83,202</u> | <u>\$ 265,913</u> | <u>\$ 182,711</u> |

Caldwell County Appraisal District
Statement of Fiduciary Net Position
December 31, 2018

| | <u>Agency Fund</u> |
|-----------------------------------|------------------------|
| Assets | |
| Cash and cash investments | <u>\$ 1,661,706</u> |
| Total assets | <u>\$ 1,661,706</u> |
| Liabilities | |
| Due to general fund | \$ 18,490 |
| Amounts due to taxing authorities | <u>1,643,216</u> |
| Total liabilities | <u>\$ 1,661,706</u> |

Note 1 - Reporting Entity

Caldwell County Appraisal District (the District) was organized, created and established pursuant to rules established by the Texas Property Code (the Code) Section 6.01. The Code established an appraisal district in each county of the State of Texas. The District is responsible for appraising property in the District for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the District.

The District is a political subdivision of the State of Texas and is considered a primary government. The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Note 2 - 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 primary government. The effect of interfund activity has been removed from these statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and fiduciary fund 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. Appraisal and collections revenues are recognized as soon as they are both measurable and available. Appraisal and collections 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 revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Interest income is considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following governmental fund:

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

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Additionally, the District reports the following fund type:

The Agency Fund is a fiduciary fund type which includes tax collections held for taxing authorities. The fund is purely custodial and does not involve the measurement of the results of operations.

Note 4 - Assets, Liabilities and Net Position or Equity

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, counties, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended December 31, 2018, the District did not own any types of securities other than those permitted by statute.

The Board of Directors of the District authorize the District to invest, with certain stipulations, in obligations of the U.S. Government, its agencies and instrumentalities, not to exceed two (2) years to stated maturity, and excluding mortgage backed securities; fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed one year to stated maturity; no-load, SEC registered money market mutual funds; constant dollar, AAA-rated Texas local government investment pools and depository time accounts of a bank doing business in Texas under a written depository agreement and providing for 102% collateral held independently of the pledging bank. At December 31, 2018, the District had \$2,314,661 (bank balances) invested in interest-bearing checking or savings accounts.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the statement of net position. The District defines capital assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|----------------------------|-------|
| Building | 30 |
| Computers | 5 |
| Vehicles | 5 |
| Office equipment/ software | 7-10 |

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Long-Term Obligations

In the government-wide financial statements, long-term obligations such as notes payable and accrued compensated absences for personal leave are reported as liabilities in the statement of net position.

Compensated Absences

Compensated absences are reported as expenditures and a fund liability of the general fund only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are accrued as a long-term liability in the statement of net position when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Deferred Outflows

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to its pension plan.

Deferred Inflows

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial 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 deferred inflows of resources related to its pension plan.

Pensions

The fiduciary net position of the District's plan with Texas County & District Retirement System (TCDRS) has been determined using the economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's 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 fair value.

Appraisal Assessments

The District is primarily supported by appraisal and collections assessments from the taxing entities in the District. These assessments are calculated using each entity's percentage of the District's operating budget based on each entity's total appraised levy within the District.

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Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

A budget is adopted for the general fund on a basis consistent with generally accepted accounting principles. The operating budget was formally adopted by the Board of Directors ("the Board") at a public meeting prior to the start of the fiscal year in accordance with the Texas Property Tax Code Sections 6.06(a) and 6.06(b). The formally adopted budget may be legally amended by the Board with approval of the taxing entities in accordance with the Texas Property Tax Code Section 6.06(c). Budget transfers between expenditure line items require approval by the Board. Budgetary control is exercised at the department level.

Note 6 - Detailed Notes on All Funds

Deposits and Investments

Custodial credit risk for deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's deposits exceeded coverage provided by FDIC coverage and by securities pledged to the District and held by an agent of the depository in the District's name by \$654,621 at December 31, 2018.

Compliance with the Public Funds Investment Act: The Public Funds Investment Act (Government Code, Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The 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 allowable based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Interest rate risk and concentration of credit risk: In accordance with its investment policy, the District manages its exposure to declines in fair value by limiting the portfolio's concentration by industry of its investments as follows in the table below. Furthermore, the District may not invest more than 20% of the portfolio for a period greater than one year. The maximum weighted average maturity of the portfolio may not exceed 180 days and the maximum stated maturity of any security may not exceed two years.

| | Max. % of Portfolio |
|---|---------------------|
| U.S. Treasuries and securities with the U.S. Government's guarantee | not to exceed 80% |
| U.S. Government agencies and instrumentalities | not to exceed 60% |
| Fully insured or collateralized CDs | not to exceed 50% |
| SEC Registered money market funds | not to exceed 80% |
| Local Government Investment Pools (Constant dollar) | not to exceed 80% |

Caldwell County Appraisal District
Notes to Financial Statements
December 31, 2018

Credit risk – investments: State law and District policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. At December 31, 2018, the District had no investments in local government investment pools.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments subject to recurring fair value measurements at December 31, 2018.

Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

| | Balance January 1, 2018 | Additions | Retirements | Balance December 31, 2018 |
|---|-------------------------------|--------------------|-------------|---------------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 96,400 | \$ - | \$ - | \$ 96,400 |
| Total capital assets, not being depreciated | 96,400 | - | - | 96,400 |
| Capital assets, being depreciated | | | | |
| Office building | 1,397,108 | - | - | 1,397,108 |
| Vehicles | 48,490 | 19,071 | - | 67,561 |
| Office and computer equipment | 259,147 | - | - | 259,147 |
| Total capital assets being depreciated | 1,704,745 | 19,071 | - | 1,723,816 |
| Accumulated depreciation | | | | |
| Office building | (74,376) | (46,570) | - | (120,946) |
| Vehicles | (48,490) | (2,861) | - | (51,351) |
| Office and computer equipment | (250,392) | (2,918) | - | (253,310) |
| Total accumulated depreciation | (373,258) | (52,349) | - | (425,607) |
| Total capital assets, being depreciated, net | 1,331,487 | (33,278) | - | 1,298,209 |
| Governmental activities capital assets, net | <u>\$ 1,427,887</u> | <u>\$ (33,278)</u> | <u>\$ -</u> | <u>\$ 1,394,609</u> |

The District recognized depreciation expense of \$52,349 in the statement of activities.

Long-Term Obligations

On October 27, 2015, the District obtained a note payable for the purchase of land and construction of its new building in the amount of \$1,362,392. The note carries an interest rate of 3.1375%. The District is making monthly principal and interest payments in the amount of \$5,880 until the note matures on October 27, 2046.

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Caldwell County Appraisal District
Notes to Financial Statements
December 31, 2018

Debt service requirements are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|--------------------|---------------------|-------------------|---------------------------|
| 2019 | \$ 30,192 | \$ 40,363 | \$ 70,555 |
| 2020 | 31,153 | 39,402 | 70,555 |
| 2021 | 32,144 | 38,410 | 70,554 |
| 2022 | 33,168 | 37,387 | 70,555 |
| 2023 | 34,224 | 36,332 | 70,556 |
| 2024-2028 | 188,169 | 164,607 | 352,776 |
| 2029-2033 | 220,085 | 132,692 | 352,777 |
| 2034-2038 | 257,413 | 95,363 | 352,776 |
| 2039-2043 | 301,073 | 51,704 | 352,777 |
| 2044-2046 | 172,636 | 7,221 | 179,857 |
| | <u>\$ 1,300,257</u> | <u>\$ 643,481</u> | <u>\$ 1,943,738</u> |

The changes in long-term obligations for the year ended December 31, 2018, are as follows:

| | <u>Balance January 1, 2018</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance December 31, 2018</u> | <u>Due Within One Year</u> |
|-----------------------------|--|------------------|---------------------|--|--------------------------------|
| Net pension liability | \$ 155,687 | \$ - | \$ (83,569) | \$ 72,118 | \$ - |
| Notes payable | 1,329,518 | - | (29,261) | 1,300,257 | 30,192 |
| Accrued personal leave | 23,840 | 3,793 | (6,479) | 21,154 | - |
| Total long-term obligations | <u>\$ 1,509,045</u> | <u>\$ 3,793</u> | <u>\$ (119,309)</u> | <u>\$ 1,393,529</u> | <u>\$ 30,192</u> |

Note 7 - Unearned Revenue

The District assesses appraisal and collection fees for the first quarter of the following year, prior to year-end. At December 31, 2018, the District had recorded unearned revenue of \$350,611 for appraisal and collections assessments for 2019.

Note 8 - Fund Balance

The fund financial statements present fund balances classified in a hierarchy based on the strength of the constraints governing how these balances can be spent. These classifications are listed below in descending order of restrictiveness:

Nonspendable fund balance includes fund balances that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At December 31, 2018, the District had no nonspendable fund balances.

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Restricted fund balance includes the amount that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At December 31, 2018, the District had no restricted fund balances.

Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At December 31, 2018, the District had committed fund balance of \$9,385 for the purpose of future equipment purchases.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. At December 31, 2018, the District had \$122,287 in fund balance assigned for the purposes of refunding the 2018 budget surplus to its taxing entities.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 9 - Pension Plan

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer public employee retirement system consisting of 760 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or at <https://www.tcdrs.org>.

Benefits Provided

The plan provisions are adopted by the governing body of the District, 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 or with 30 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years 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 deposits 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 deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the District's Board within certain guidelines.

Membership

District membership in the TCDRS plan at December 31, 2017 consisted of the following:

| | | |
|--|----|--|
| Inactive Employees' Accounts | | |
| Receiving Benefits | 2 | |
| Entitled to but not yet receiving benefits | 2 | |
| Total | 4 | |
| Active Employees' Accounts | | |
| Total | 14 | |

Contributions

The District has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the District based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the District is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

| | Contribution Rates | |
|------------------------|--------------------|-----------|
| | 2017 | 2018 |
| Member | 7.0% | 7.0% |
| Employer | 9.28% | 9.44% |
| Employer Contributions | \$ 56,557 | \$ 56,568 |
| Member Contributions | 42,662 | 41,946 |

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Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|-------------------------------------|
| Valuation Date | December 31, 2017 |
| Actuarial Cost Method | Entry age normal |
| Amortization Method | Level percentage of payroll, closed |
| Remaining Amortization Period | 12.7 years |
| Asset Valuation Method | 5 year smoothed market |
| Discount Rate | 8.10% |
| Long-term expected Investment Rate of Return* | 8.10% |
| Salary Increases* | 4.9%, average |
| Payroll Growth Rate | 0.0% |
| *Includes Inflation of 2.75% | |

The plan does not have an automatic cost-of-living adjustment and one is not considered to be substantively automatic under GASB No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the plan may elect an ad-hoc COLA for its retirees.

Mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014. Service retirees, beneficiaries, and non-depositing members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014. Disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the MP-2014 Disabled Annuitant Mortality Table for females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014.

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over the years 2013 - 2016. Assumptions were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2017 and first used in the December 31, 2017 actuarial valuation.

There were no changes in methods reflected in the December 31, 2017 actuarial valuation. The following changes in actuarial assumptions were reflected in the December 31, 2017 actuarial valuation:

- Inflation assumptions decreased from 3.00% per year to 2.75% per year, with a corresponding decrease in the general wage growth assumption from 3.5% to 3.25%.
- Slightly adjusted all mortality rates to better reflect anticipated experience.
- Adjusted retirement rates to reflect people retiring at older ages.
- Lowered disability retirement rates.
- Adjustments made to termination rates.
- Lowered probability of withdrawal of contributions upon termination.
- Adjusted merit salary scale to reflect anticipated future experience.
- Adjusted payroll increase assumption to reflect the changes in the general wage growth assumption and to reflect changes in anticipated experience.

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Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, the actuary used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act:

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2018 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is based on a 30-year time horizon; the most recent analysis was performed in 2017 based on the period January 1, 2013 – December 31, 2016.

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Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

| Asset Class | Benchmark | Target Allocation ¹ | Geometric Real Rate of Return (Expected minus Inflation) ² |
|---|---|--------------------------------|---|
| US Equities | Dow Jones U.S. Total Stock Market Index | 11.50% | 4.55% |
| Private Equity | Cambridge Associates Global Private Equity & Venture Capital Index ³ | 16.00% | 7.55% |
| Global Equities | MSCI World (net) Index | 1.50% | 4.85% |
| International Equities - Developed Markets | MSCI World Ex USA (net) Index | 11.00% | 4.55% |
| International Equities - Emerging Markets | MSCI Emerging Markets (net) Index | 8.00% | 5.55% |
| Investment-Grade Bonds | Bloomberg Barclays U.S. Aggregate Bond Index | 3.00% | 0.75% |
| Strategic Credit | FTSE High-Yield Cash-Pay Cappex Index | 8.00% | 4.12% |
| Direct Lending | S&P/LST A Leveraged Loan Index | 10.00% | 8.06% |
| Distressed Debt | Cambridge Associates Distressed Securities Index 4 | 2.00% | 6.30% |
| REIT Equities | 67% FTSE NAREIT Equity REITs Index+ 33% Global REIT (net) Index | 2.00% | 4.05% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 3.00% | 6.00% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index ⁵ | 6.00% | 6.25% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index | 18.00% | 4.10% |

¹ Target asset allocation adopted at the April 2018 TCDRS Board meeting.

² Geometric real rates of return in addition to assumed inflation of 1.95%, per Cliffwater's 2018 capital market assumptions.

³ Includes vintage years 2006 - present of Quarter Pooled Horizon IRRs.

⁴ Includes vintage years 2005 - present of Quarter Pooled Horizon IRRs.

⁵ Includes vintage years 2007 - present of quarter Pooled Horizons IRRs.

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

At December 31, 2018, the District reported a net pension liability of \$72,118 for its share of the TCDRS's net pension liability measured at December 31, 2017. For the fiscal year ended December 31, 2018, the District recognized pension expense of \$57,468.

Caldwell County Appraisal District
Notes to Financial Statements
December 31, 2018

New mortality assumptions were reflected in the 2017 actuarial valuation.

New annuity purchase rates were reflected for benefits earned after 2017.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the net pension liability for the measurement year ended December 31, 2017 are as follows:

| Changes in Net Pension Liability / (Asset) | Increase (Decrease) | | Net Pension Liability / (Asset) (a) - (b) |
|--|-----------------------------|----------------------------|---|
| | Total Pension Liability (a) | Fiduciary Net Position (b) | |
| Balances at December 31, 2016 | \$ 1,172,678 | \$ 1,016,991 | \$ 155,687 |
| Changes for the year | | | |
| Service cost | 79,462 | - | 79,462 |
| Interest on total pension liability [1] | 100,902 | - | 100,902 |
| Effect of plan changes [2] | - | - | - |
| Effect of economic/demographic gains or losses | (18,682) | - | (18,682) |
| Effect of assumptions changes or inputs | 4,111 | - | 4,111 |
| Refund of contributions | (3,803) | (3,803) | - |
| Benefit payments | (9,334) | (9,334) | - |
| Administrative expenses | - | (833) | 833 |
| Member contributions | - | 42,662 | (42,662) |
| Net investment income | - | 149,830 | (149,830) |
| Employer contributions | - | 56,557 | (56,557) |
| Other [3] | - | 1,146 | (1,146) |
| Balances as of December 31, 2017 | <u>\$ 1,325,334</u> | <u>\$ 1,253,216</u> | <u>\$ 72,118</u> |

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

[2] No plan changes valued.

[3] Relates to the allocation of system-wide items.

Discount Rate Sensitivity Analysis

The following presents the net pension liability / (asset) of the District, calculated using the discount rate of 8.10%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

| | 1% Decrease (7.10%) | Current Discount Rate (8.10%) | 1% Increase (9.10%) |
|---------------------------------|------------------------|-------------------------------------|------------------------|
| Total pension liability | \$ 1,567,204 | \$ 1,325,334 | \$ 1,127,301 |
| Fiduciary net position | <u>1,253,216</u> | <u>1,253,216</u> | <u>1,253,216</u> |
| Net pension liability / (asset) | <u>\$ 313,988</u> | <u>\$ 72,118</u> | <u>\$ (125,915)</u> |

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Caldwell County Appraisal District
Notes to Financial Statements
December 31, 2018

At December 31, 2018, the District reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|---|-------------------------------------|--------------------------------------|
| Differences between expected and actual economic experience | \$ 44,345 | \$ 13,672 |
| Changes in actuarial assumptions | - | 17,125 |
| Net difference between projected and actual investment earnings | 12,029 | - |
| Contributions paid to TCDRS subsequent to the measurement date | - | 56,567 |
| Total | \$ 56,374 | \$ 87,364 |

\$56,567 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the District's fiscal years as follows:

| Year Ended December 31 | Pension Expense |
|------------------------|-----------------|
| 2019 | \$ 5,887 |
| 2020 | 3,437 |
| 2021 | (12,350) |
| 2022 | (14,072) |
| 2023 | (1,267) |
| Thereafter | (7,212) |
| | \$ (25,577) |

Note 10 - Contingencies

In the normal course of operations, the District is named as a defendant in various lawsuits regarding appraised values. The District's exposure is limited to attorney fees for the parties contesting their appraised taxable value.

Note 11 - Commitments

The District has contracted with a company for 2019 and 2020 to provide the District with valuations of oil, gas, and certain other industrial properties for \$41,250 for each year.

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Note 12 - 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. The District's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The District's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the District. The Pool's liability is limited to the coverage that the District elects as stated in the Pool's Declarations of Coverage for that fund year. The District has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

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Required Supplementary Information
December 31, 2018

Caldwell County Appraisal District

Caldwell County Appraisal District

Schedule of Changes in Net Pension Liability and Related Ratios – Texas County & District Retirement System
Year Ended December 31, 2018

| | Year Ended December 31, 2014 | Year Ended December 31, 2015 | Year Ended December 31, 2016 | Year Ended December 31, 2017 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Pension Liability | | | | |
| Service cost | \$ 71,442 | \$ 77,436 | \$ 79,081 | \$ 79,462 |
| Interest on total pension liability | 65,532 | 77,703 | 88,214 | 100,902 |
| Effect of plan changes | - | (29,704) | - | - |
| Effect of assumption changes or inputs | - | 18,460 | - | 4,111 |
| Effect of economic/demographic (gains) or losses | 21,484 | (3,393) | (31,329) | (18,682) |
| Benefit payments/refunds of contributions | (3,455) | (7,864) | (26,632) | (13,137) |
| Net change in total pension liability | 155,003 | 132,638 | 109,334 | 152,656 |
| Total pension liability, beginning | 775,703 | 930,706 | 1,063,344 | 1,172,678 |
| Total pension liability, ending (a) | <u>\$ 930,706</u> | <u>\$ 1,063,344</u> | <u>\$ 1,172,678</u> | <u>\$ 1,325,334</u> |
| Fiduciary Net Position | | | | |
| Contributions - Employer | \$ 54,974 | \$ 53,657 | \$ 52,867 | \$ 56,557 |
| Contributions - Member | 41,201 | 41,780 | 41,534 | 42,662 |
| Net investment income | 45,308 | (10,329) | 65,289 | 149,830 |
| Benefit payments/refunds of contributions | (3,455) | (7,864) | (26,632) | (13,137) |
| Administrative expenses | (563) | (606) | (709) | (833) |
| Other | 20 | 1,874 | 10,191 | 1,146 |
| Net change in fiduciary net position | 137,485 | 78,512 | 142,540 | 236,225 |
| Fiduciary net position, beginning | 658,454 | 795,939 | 874,451 | 1,016,991 |
| Fiduciary net position, ending (b) | <u>\$ 795,939</u> | <u>\$ 874,451</u> | <u>\$ 1,016,991</u> | <u>\$ 1,253,216</u> |
| Net pension liability / (asset), ending = (a) - (b) | <u>\$ 134,767</u> | <u>\$ 188,893</u> | <u>\$ 155,687</u> | <u>\$ 72,118</u> |
| Fiduciary net position as a percentage of total pension liability | 85.52% | 82.24% | 86.72% | 94.56% |
| Pensionable covered payroll | \$ 588,584 | \$ 596,855 | \$ 593,350 | \$ 609,455 |
| Net pension liability as a percentage of covered payroll | 22.90% | 31.65% | 26.24% | 11.83% |

Caldwell County Appraisal District
 Schedule of Employer Contributions – Texas County & District Retirement System
 December 31, 2018

| Year Ending December 31, | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Pensionable Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-----------------------------|---|------------------------------------|--|-----------------------------------|--|
| 2009 | \$ 21,952 | \$ 21,952 | \$ - | \$ 430,427 | 5.1% |
| 2010 | 25,240 | 25,240 | - | 454,769 | 5.6% |
| 2011 | 34,163 | 34,163 | - | 488,735 | 7.0% |
| 2012 | 46,641 | 46,641 | - | 513,669 | 9.1% |
| 2013 | 48,922 | 48,922 | - | 534,668 | 9.1% |
| 2014 | 54,974 | 54,974 | - | 588,584 | 9.3% |
| 2015 | 53,657 | 53,657 | - | 596,855 | 9.0% |
| 2016 | 52,867 | 52,867 | - | 593,350 | 8.9% |
| 2017 | 56,557 | 56,557 | - | 609,455 | 9.3% |
| 2018 | 56,568 | 56,568 | - | 599,237 | 9.4% |

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Note A: Net Pension Liability – Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

| | |
|-------------------------------|---|
| 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. |
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 12.7 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.75% |
| Salary increases | 4.9% average, including inflation |
| Investment rate of return | 8.10%, including inflation |
| Retirement age | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61. |
| Mortality | 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. |
| Changes in plan provisions | New annuity purchase rates were reflected for benefits earned after 2017. |
| Changes in assumptions | New mortality assumptions were reflected. |

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**CALDWELL COUNTY APPRAISAL DISTRICT
2020 APPRAISAL BUDGET (PROPOSED)**

| | PERSONNEL | 2019 | 2020 | | |
|-------|----------------------------|-------------------|-------------------|----------|---------|
| 70101 | Chief Appraiser | 76,570.00 | 78,485.00 | 1915.00 | 2.50% |
| 70102 | Deputy Chief Appraiser | 50,667.00 | 45,175.00 | -5492.00 | -10.84% |
| 70103 | GIS Mapper/System Mgr/IT | 61,958.00 | 63,507.00 | 1549.00 | 2.50% |
| 70105 | Field Appraiser II | 33,058.00 | 33,885.00 | 827.00 | 2.50% |
| 70106 | Senior Appraiser I | 42,763.00 | 43,832.00 | 1069.00 | 2.50% |
| 70107 | Senior Appraiser II | 40,582.00 | 41,597.00 | 1015.00 | 2.50% |
| 70108 | Field Appraiser I | 33,725.00 | 34,568.00 | 843.00 | 2.50% |
| 70109 | Field Appraiser III | 31,700.00 | 32,493.00 | 793.00 | 2.50% |
| 70111 | Administrative Asst. | 48,810.00 | 50,030.00 | 1220.00 | 2.50% |
| 70112 | Data entry technician | 29,380.00 | 30,115.00 | 735.00 | 2.50% |
| 70113 | Support data entry | 35,870.00 | 36,766.00 | 896.00 | 2.50% |
| 70120 | 911/GIS | 38,765.00 | 39,734.00 | 969.00 | 2.50% |
| 70130 | Part time | 0.00 | 0.00 | 0.00 | 0.00% |
| 70135 | Payroll contingency | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| | SUBTOTAL | 525,848.00 | 532,187.00 | 6339.00 | 1.21% |
| | | | | 0.00 | |
| | DEDUCTIONS/BENEFITS | | | 0.00 | |
| 71000 | Payroll Tax | \$43,600.00 | \$45,000.00 | 1400.00 | 3.21% |
| 71002 | Retirement/ employer | \$48,860.00 | \$51,000.00 | 2140.00 | 4.38% |
| 71004 | Health benefits | \$93,720.00 | \$107,400.00 | 13680.00 | 14.60% |
| 71005 | Worker comp | \$2,700.00 | \$2,750.00 | 50.00 | 1.85% |
| 71006 | Unemployment | \$4,000.00 | \$4,000.00 | 0.00 | 0.00% |
| | SUBTOTAL | 192,880.00 | 210,150.00 | 17270.00 | 8.95% |
| | | | | | |
| | SERVICES | | | | |
| 72000 | Appr Engineers | \$42,000.00 | \$42,000.00 | 0.00 | 0.00% |
| 72001 | Appr Review Bd | \$18,750.00 | \$24,000.00 | 5250.00 | 28.00% |
| 72002 | Audit | \$6,200.00 | \$6,200.00 | 0.00 | 0.00% |
| 72003 | Board of Directors | \$1,790.00 | \$1,790.00 | 0.00 | 0.00% |
| 72004 | Data Processing Services | \$50,400.00 | \$51,400.00 | 1000.00 | 1.98% |
| 72007 | Janitorial service | \$6,200.00 | \$6,200.00 | 0.00 | 0.00% |
| 72008 | Legal | \$25,000.00 | \$27,000.00 | 2000.00 | 8.00% |
| | SUBTOTAL | 150,340.00 | 158,590.00 | 8250.00 | 5.49% |

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| | GENERAL EXPENSES | 2019 | 2020 | | |
|-------|--------------------------------------|---------------------|---------------------|----------|---------|
| 72500 | Bond- Chief - Notary | \$100.00 | \$250.00 | 150.00 | 150.00% |
| 72501 | Membership / Dues | \$3,710.00 | \$3,800.00 | 90.00 | 2.43% |
| 72502 | Computer supplies - data processing | \$6,900.00 | \$7,000.00 | 100.00 | 1.45% |
| 72504 | Education & fees | \$7,800.00 | \$8,000.00 | 200.00 | 2.56% |
| 72505 | Insurance - liability | \$1,500.00 | \$1,750.00 | 250.00 | 16.67% |
| 72506 | Insurance Building/ Equip - contents | \$4,000.00 | \$4,100.00 | 100.00 | 2.50% |
| 72507 | Legal notices/printing | \$14,450.00 | \$15,200.00 | 750.00 | 5.19% |
| 72508 | Maint - hardware/equip | \$8,700.00 | \$8,700.00 | 0.00 | 0.00% |
| 72509 | Maint -office equip | \$1,000.00 | \$1,000.00 | 0.00 | 0.00% |
| 72510 | Mileage & travel | \$5,000.00 | \$5,000.00 | 0.00 | 0.00% |
| 72511 | Office supplies | \$7,500.00 | \$7,800.00 | 300.00 | 4.00% |
| 72512 | Postage | \$25,000.00 | \$26,200.00 | 1200.00 | 4.80% |
| 72513 | Postage meter/Box rental | \$4,425.00 | \$4,425.00 | 0.00 | 0.00% |
| 72514 | Publications Subcrip & books | \$6,700.00 | \$6,860.00 | 160.00 | 2.39% |
| 72515 | Rental - copier | \$2,650.00 | \$2,650.00 | 0.00 | 0.00% |
| 72516 | Electricity | \$9,000.00 | \$9,000.00 | 0.00 | 0.00% |
| 72517 | Telephone | \$13,000.00 | \$13,400.00 | 400.00 | 3.08% |
| 72518 | Water & sewer | \$3,500.00 | \$3,500.00 | 0.00 | 0.00% |
| 72519 | Mortgage | \$54,520.00 | \$54,520.00 | 0.00 | 0.00% |
| 72520 | Building Maint | \$5,000.00 | \$5,000.00 | 0.00 | 0.00% |
| 72523 | Fuel - Vehicle | \$6,000.00 | \$7,200.00 | 1200.00 | 20.00% |
| 72524 | Maint - Vehicle | \$6,000.00 | \$6,200.00 | 200.00 | 3.33% |
| 72525 | Ins - vehicle | \$1,700.00 | \$2,400.00 | 700.00 | 41.18% |
| | SUBTOTAL | 198,155.00 | 203,955.00 | 5800.00 | 2.93% |
| | CAPITAL INVESTMENTS | | | | |
| 79000 | Office equipment | \$5,000.00 | \$5,000.00 | 0.00 | 0.00% |
| 79001 | Computer Equipment | \$11,000.00 | \$28,500.00 | 17500.00 | 159.09% |
| 79003 | Vehicle | \$20,000.00 | \$25,000.00 | 5000.00 | 25.00% |
| | SUBTOTAL | 36,000.00 | 58,500.00 | 22500.00 | 62.50% |
| | CONTINGENCY | | | | |
| 79002 | Building Expense | \$5,000.00 | \$5,000.00 | 0.00 | 0.00% |
| 79990 | Contingency | \$10,000.00 | \$10,000.00 | 0.00 | 0.00% |
| | SUBTOTAL | 15,000.00 | 15,000.00 | 0.00 | 0.00% |
| | TOTAL EXPENSES | 1,118,223.00 | 1,178,382.00 | 60159.00 | 5.38% |
| GCA | 911 EXPENSES PAID BY COUNTY | 26,000.00 | 27,800.00 | | 6.92% |
| | 66 | 1,092,223.00 | 1,150,582.00 | 58359.00 | 5.34% |

**CALDWELL COUNTY APPRAISAL DISTRICT
2020 COLLECTION BUDGET (PROPOSED)**

| PERSONNEL | | 2019 | 2020 | | |
|----------------------------|--------------------------------------|-------------------|-------------------|------------------|---------------|
| 90-70120 | Deputy Tax Collector | 51,728.00 | 53,021.00 | 1,293.00 | 2.50% |
| 90-70121 | Collections Specialist | 34,340.00 | 35,200.00 | 860.00 | 2.50% |
| 90-70126 | Public Assist | 26,650.00 | 27,316.00 | 666.00 | 2.50% |
| 90-70130 | Part time | 0.00 | 0.00 | 0.00 | 0.00% |
| 90-70135 | Payroll contingency | 0.00 | 0.00 | 0.00 | 0.00% |
| | SUBTOTAL | 112,718.00 | 115,537.00 | 2,819.00 | 2.50% |
| DEDUCTIONS/BENEFITS | | | | | |
| 90-71000 | Payroll Tax | 9,100.00 | 9,250.00 | 150.00 | 1.65% |
| 90-71002 | Retirement/ employer | 11,000.00 | 11,500.00 | 500.00 | 4.55% |
| 90-71004 | Health benefits | 24,300.00 | 27,700.00 | 3,400.00 | 13.99% |
| 90-71005 | Worker comp | 775.00 | 875.00 | 100.00 | 12.90% |
| 90-71006 | Unemployment | 3,375.00 | 3,375.00 | 0.00 | 0.00% |
| | SUBTOTAL | 48,550.00 | 52,700.00 | 4,150.00 | 8.55% |
| SERVICES | | | | | |
| 90-72002 | Audit | 1,800.00 | 1,800.00 | 0.00 | 0.00% |
| 90-72004 | Data Processing Services | 18,450.00 | 19,450.00 | 1,000.00 | 5.42% |
| 90-72005 | County employee contract | 16,500.00 | 17,500.00 | 1,000.00 | 6.06% |
| 90-72007 | Janitorial service | 2,500.00 | 2,500.00 | 0.00 | 0.00% |
| 90-72008 | Legal | 2,500.00 | 2,500.00 | 0.00 | 0.00% |
| | SUBTOTAL | 41,750.00 | 43,750.00 | 2,000.00 | 4.79% |
| GENERAL EXPENSES | | | | | |
| 90-72500 | Bond- Chief - Notary | 200.00 | 200.00 | 0.00 | 0.00% |
| 90-72501 | Membership / Dues | 700.00 | 700.00 | 0.00 | 0.00% |
| 90-72502 | Computer supplies - data processing | 2,300.00 | 2,300.00 | 0.00 | 0.00% |
| 90-72504 | Education & fees | 3,400.00 | 3,400.00 | 0.00 | 0.00% |
| 90-72505 | Insurance - liability | 800.00 | 850.00 | 50.00 | 6.25% |
| 90-72506 | Insurance Building/ Equip - contents | 1,200.00 | 1,300.00 | 100.00 | 8.33% |
| 90-72507 | Legal notices/printing | 9,900.00 | 10,300.00 | 400.00 | 4.04% |
| 90-72508 | Maint - hardware/equip | 2,600.00 | 2,600.00 | 0.00 | 0.00% |
| 90-72509 | Maint -office equip | 1,400.00 | 1,500.00 | 100.00 | 7.14% |
| 90-72510 | Mileage & travel | 2,800.00 | 2,800.00 | 0.00 | 0.00% |
| 90-72511 | Office supplies | 3,000.00 | 3,200.00 | 200.00 | 6.67% |
| 90-72512 | Postage | 14,000.00 | 15,000.00 | 1,000.00 | 7.14% |
| 90-72513 | Postage meter/Box rental | 1,400.00 | 1,400.00 | 0.00 | 0.00% |
| 90-72515 | Rental - copier | 1,800.00 | 1,800.00 | 0.00 | 0.00% |
| 90-72516 | Electricity | 3,000.00 | 3,000.00 | 0.00 | 0.00% |
| 90-72517 | Telephone | 3,400.00 | 3,400.00 | 0.00 | 0.00% |
| 90-72518 | Water & sewer | 1,200.00 | 1,200.00 | 0.00 | 0.00% |
| 90-72519 | Mortgage | 16,500.00 | 16,500.00 | 0.00 | 0.00% |
| 90-72520 | Building Maint | 2,100.00 | 2,100.00 | 0.00 | 0.00% |
| | SUBTOTAL | 71,700.00 | 73,550.00 | 1,850.00 | 2.58% |
| CAPITAL INVESTMENTS | | | | | |
| 90-79000 | Office equipment | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| 90-79001 | Computer Equipment | 5,000.00 | 9,200.00 | 4,200.00 | 84.00% |
| | SUBTOTAL | 7,000.00 | 11,200.00 | 4,200.00 | 60.00% |
| CONTINGENCY | | | | | |
| 90-79002 | Building Expense | 2,200.00 | 2,200.00 | 0.00 | 0.00% |
| 90-79990 | Contingency | \$3,000.00 | \$3,000.00 | 0.00 | 0.00% |
| | SUBTOTAL | 5,200.00 | 5,200.00 | 0.00 | 0.00% |
| | TOTAL EXPENSES | 286,918.00 | 301,937.00 | 15,019.00 | 5.23% |