

**CALDWELL COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS
AGENDA
NOTICE OF PUBLIC MEETING
ON MAY 10, 2022**

NOTICE IS HEREBY GIVEN PURSUANT TO THE REQUIREMENTS OF SECTION 551.001 *ET SEQ.*, TEXAS GOVERNMENT CODE THAT THE BOARD OF DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT WILL MEET IN REGULAR SESSION, TUESDAY, MAY 10, 2022, AT 5:00 P.M.

THE MEETING WILL ALSO BE HELD BY VIDEOCONFERENCE. THE PUBLIC WILL HAVE AN OPPORTUNITY TO PARTICIPATE IN THE MEETING AS PROVIDED BY THE TEXAS TAX CODE AND TEXAS OPEN MEETINGS ACT THROUGH ZOOM VIDEOCONFERENCING BY ACCESSING THE FOLLOWING VIDEOCONFERENCE LINK:

<https://us02web.zoom.us/j/7689303715?pwd=dXZvTWlNRnU2K243TjhlakZtTGc4Zz09>

YOU MAY ALSO ACCESS THE MEETING ON ZOOM THROUGH ID NUMBER 768 930 3715 AND BY ENTERING THIS PASSWORD: 944428.

YOU MAY ALSO PARTICIPATE BY TELEPHONE BY DIALING 1-346-248-7799.

THE AGENDA IS AS FOLLOWS:

CALL TO ORDER

1. Public Comments. *At this time comments will be taken from the audience and comments may not exceed 6 minutes. To address the Board, please submit a Public Comment form to the Board Secretary prior to the start of the meeting.*
2. Collection Reports April, 2022.

DISCUSSION/ACTION

3. Review and possible approval of 2021 Financial Statements and Auditor's Report.
4. Consideration of and possible approval of Minutes of April 26, 2022 meeting.
5. Consideration of and possible approval of Financial Report April 2022.
6. Discussion and consideration regarding properties omitted from the appraisal roll.
7. Consideration of and possible action regarding update to Chief Appraiser Evaluation Form.
8. Consideration of and possible action regarding proposed adoption of budget amendment to retain excess funds remaining from the 2021 budget allocation payments from taxing entities and to apply funds to 2022 budget.
9. Discussion and consideration regarding the 2023 Appraisal and Collection Budgets.
10. Chief Appraiser's Report.
 - a. Appraisal update.
 - b. Collection update.

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E, including but not limited to consultation with counsel under section 551.071. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

**CALDWELL COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS
AGENDA PACKET
MAY 10, 2022**

CALL TO ORDER

1. Public Comments.
2. Collection Reports April 2022.
Handout

DISCUSSION/ACTION

3. Review and possible approval of 2021 Financial Statements and Auditor's Report.
3a-3ak
4. Consideration of and possible approval of Minutes of April 26, 2022 meeting.
4a-4b.
5. Consideration of and possible approval of Financial Report April 2022.
Handout
6. Discussion and consideration regarding properties omitted from the appraisal roll.
6a-6u
7. Consideration of and possible action regarding update to Chief Appraiser Evaluation Form.
Handout
8. Consideration of and possible action regarding proposed adoption of budget amendment to retain excess funds remaining from the 2021 budget allocation payments from taxing entities and to apply funds to 2022 budget.
Handout
9. Discussion and consideration regarding the 2023 Appraisal and Collection Budgets.
9a-9c
10. Chief Appraiser's Report.
 - a. Appraisal update.
 - b. Collection update.



Financial Statements
December 31, 2021

Caldwell County Appraisal District

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Independent Auditor's Report

To the Board of Directors
Caldwell County Appraisal District
Lockhart, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Caldwell County Appraisal District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Caldwell County Appraisal District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Caldwell County Appraisal District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 4 through 8 and 31 through 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Eide Bailly LLP

Abilene, Texas
May 5, 2022

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, 2021.

FINANCIAL HIGHLIGHTS

Government-Wide

- The District's net position on a government-wide basis totaled \$373,673 at December 31, 2021, a decrease of \$33,063 or 8.1% over December 31, 2020. Approximately 25.7% 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 \$330,650, of which \$9,385 is committed for future purchases of equipment by the Board and \$148,292 is assigned for refund. \$172,973 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 9 through 12 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 fund balance sheet and the governmental fund 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 9 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 13 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 statements can be found on pages 14 and 15 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 16 through 30 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 31-34 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	
	2021	2020
Current and other assets	\$ 706,500	\$ 865,442
Capital assets, net	1,302,893	1,339,818
Total assets	2,009,393	2,205,260
Deferred outflows of resources	227,120	101,723
Current liabilities	375,850	480,956
Noncurrent liabilities	1,362,624	1,333,941
Total liabilities	1,738,474	1,814,897
Deferred inflows of resources	124,366	85,350
Net position		
Net investment in capital assets	96,124	100,905
Unrestricted	277,549	305,831
Total net position	\$ 373,673	\$ 406,736

GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were \$1,415,004 while total expenses were \$1,448,067 for a net decrease in net position of \$33,063.

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

	Governmental Activities	
	2021	2020
Revenues		
Assessments	\$ 1,599,957	\$ 1,452,522
Less refunds to taxing authorities	(199,793)	(90,488)
Interest income	6,453	7,483
Other income	8,387	26,548
	<u>1,415,004</u>	<u>1,396,065</u>
Expenses		
Salaries and benefits	890,913	826,578
Purchased and contracted services	168,441	142,146
Supplies and postage	72,628	60,909
Data processing	83,450	78,719
Other operating	69,261	33,175
Plant services	36,703	36,490
Debt service - interest	38,409	39,403
Noncapitalized capital outlay	22,206	10,154
Depreciation	66,056	62,043
	<u>1,448,067</u>	<u>1,289,617</u>
Change in net position	(33,063)	106,448
Net position, beginning	<u>406,736</u>	<u>300,288</u>
Net position, ending	<u>\$ 373,673</u>	<u>\$ 406,736</u>

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.

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 9) reported an ending fund balance of \$330,650.

Budgetary highlights. Actual expenditures were less than budget by \$161,119. Savings were noted in salaries and benefits, purchased and contracted services, supplies and postage, data processing, other operating, plant services, principal on long term debt 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, 2021, amounts to \$1,302,893 (net of accumulated depreciation). This represents a decrease of \$36,925 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 (page 21) in the notes to the financial statements.

Capital Assets Schedule (net of depreciation)

	Governmental Activities	
	2021	2020
Land	\$ 96,400	\$ 96,400
Building	1,405,609	1,397,108
Vehicles	95,531	95,531
Office and computer equipment	214,172	193,542
Total capital assets	1,811,712	1,782,581
Less accumulated depreciation	508,819	442,763
Total capital assets, net	\$ 1,302,893	\$ 1,339,818

Long-term obligations. At the end of the current fiscal year, the District had long-term obligations for its note payable, compensated absences and its net pension liability in the amounts of \$1,206,769, \$27,790, and \$128,065, respectively. Additional information on the District's long-term obligations can be found in Notes 6 and 9 (pages 21-29) 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, 2021

	General Fund	Adjustments (Note A)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 673,064	\$ -	\$ 673,064
Due from custodial fund	33,436	-	33,436
Capital assets, net	-	1,302,893	1,302,893
Total assets	706,500	1,302,893	2,009,393
Deferred outflows of resources			
Deferred outflows - pension	-	227,120	227,120
Total assets and deferred outflows of resources	\$ 706,500	1,530,013	2,236,513
Liabilities			
Accounts payable	\$ 65,852	-	65,852
Unearned revenue	309,998	-	309,998
Noncurrent liabilities			
Due within one year	-	33,168	33,168
Due in more than one year	-	1,201,391	1,201,391
Net pension liability	-	128,065	128,065
Total liabilities	375,850	1,362,624	1,738,474
Deferred inflows of resources			
Deferred inflows - pension	-	124,366	124,366
Fund balance/net position			
Fund balances			
Committed for equipment purchase	9,385	(9,385)	-
Assigned for refund	148,292	(148,292)	-
Unassigned	172,973	(172,973)	-
Total fund balances	330,650	(330,650)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 706,500	1,156,340	1,862,840
Net position			
Net investment in capital assets		96,124	96,124
Unrestricted		277,549	277,549
Total net position		\$ 373,673	\$ 373,673

Total Fund Balances - Governmental Fund Balance Sheet	\$ 330,650
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>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 \$1,811,712 and the accumulated depreciation was \$508,819. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position.</p>	1,302,893
<p>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.</p>	(27,790)
<p>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.</p>	(1,206,769)
<p>The District recognized a net pension liability in the amount of \$128,065, deferred inflow of resources of \$124,366 and a deferred outflow of resources of \$227,120. The net effect of these is a decrease to net position.</p>	<u>(25,311)</u>
Total Net Position - Statement of Net Position	<u><u>\$ 373,673</u></u>

Caldwell County Appraisal District

Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2021

	General Fund	Adjustments (Note B)	Statement of Activities
Revenues			
Assessments from taxing authorities	\$ 1,599,957	\$ -	\$ 1,599,957
Refund to taxing authorities	(199,793)	-	(199,793)
Interest income	6,453	-	6,453
Other income	8,387	-	8,387
	<u>1,415,004</u>	<u>-</u>	<u>1,415,004</u>
Expenditures/expenses			
Current			
Salaries and benefits	916,467	(25,554)	890,913
Purchased and contracted services	168,441	-	168,441
Supplies and postage	72,628	-	72,628
Data processing	83,450	-	83,450
Other operating	69,261	-	69,261
Plant services	36,703	-	36,703
Debt service			
Principal on long term debt	32,144	(32,144)	-
Interest on long term debt	38,409	-	38,409
Capital outlay	51,337	(29,131)	22,206
Depreciation	-	66,056	66,056
	<u>1,468,840</u>	<u>(20,773)</u>	<u>1,448,067</u>
Change in fund balance/net position	(53,836)	20,773	(33,063)
Fund balance/net position			
Beginning of year	<u>384,486</u>	<u>22,250</u>	<u>406,736</u>
End of year	<u>\$ 330,650</u>	<u>\$ 43,023</u>	<u>\$ 373,673</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, 2021

Net Change in Fund Balance - Total Governmental Fund	\$ (53,836)
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.	8,076
Repayment of notes payable principal of \$32,144 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.	32,144
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.	29,131
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.	(66,056)
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 \$63,764. 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 \$46,286. The net effect is an increase in net position.	<u>17,478</u>
Change in Net Position - Statement of Activities	<u><u>\$ (33,063)</u></u>

Caldwell County Appraisal District

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues				
Assessments from taxing authorities	\$ 1,599,957	\$ 1,599,957	\$ 1,599,957	\$ -
Refund to taxing authorities	(199,793)	(199,793)	(199,793)	-
Interest income	-	-	6,453	6,453
Other income	-	-	8,387	8,387
Total revenues	1,400,164	1,400,164	1,415,004	14,840
Expenditures				
Current				
Salaries and benefits	987,034	987,034	916,467	70,567
Purchased and contracted services	201,575	201,575	168,441	33,134
Supplies and postage	70,660	75,660	72,628	3,032
Data processing	87,850	87,850	83,450	4,400
Other operating	73,540	98,540	69,261	29,279
Plant services	50,300	50,300	36,703	13,597
Debt service				
Principal on long term debt	74,500	74,500	32,144	42,356
Interest on long term debt	-	-	38,409	(38,409)
Capital outlay	54,500	54,500	51,337	3,163
Total expenditures	1,599,959	1,629,959	1,468,840	161,119
Change in fund balance	(199,795)	(229,795)	(53,836)	175,959
Fund balance				
Beginning of year	384,486	384,486	384,486	-
End of year	\$ 184,691	\$ 154,691	\$ 330,650	\$ 175,959

Caldwell County Appraisal District
Statement of Fiduciary Net Position
December 31, 2021

	Custodial Fund
Assets	
Cash and cash investments	\$ 738,627
Total assets	738,627
Liabilities	
Due to general fund	33,436
Due to taxing authorities	705,191
Total liabilities	738,627
Net Position	\$ -

Caldwell County Appraisal District
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2021

	Custodial Fund
Additions	
Ad valorem tax collections for other governments	\$ 67,476,933
Total additions	67,476,933
Deductions	
Ad valorem tax disbursements to other governments	67,476,933
Total deductions	67,476,933
Change in fiduciary net position	-
Fiduciary net position, beginning	-
Fiduciary net position, ending	\$ -

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 nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Separate financial statements are provided for the governmental and fiduciary funds, although the latter are excluded from the government-wide financial 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.

Additionally, the District reports the following fund type:

The Custodial Fund is a fiduciary fund type used to account for the collection and disbursement of ad valorem taxes of the taxing authorities in the District.

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, 2021, 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, 2021, the District had \$1,412,814 (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
Office building	30
Vehicles	5
Office and computer equipment	7-10

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 deferred outflows of resources and liabilities and deferred inflows of resources 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, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) 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 reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has 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 TCERS'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.

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. The budget was properly amended during the year. 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. At year end, the carrying amount of the District's deposits in commercial banks was fully secured by securities pledged to the District and held by an agency of the District in the District's name.

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.

	<u>Max. % of Portfolio</u>
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%

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, 2021, 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, 2021.

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021
<u>Governmental Activities:</u>				
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	8,501	-	1,405,609
Vehicles	95,531	-	-	95,531
Office and computer equipment	193,542	20,630	-	214,172
Total capital assets, being depreciated	1,686,181	29,131	-	1,715,312
Accumulated depreciation				
Office building	(214,086)	(46,570)	-	(260,656)
Vehicles	(50,223)	(12,662)	-	(62,885)
Office and computer equipment	(178,454)	(6,824)	-	(185,278)
Total accumulated depreciation	(442,763)	(66,056)	-	(508,819)
Total capital assets, being depreciated, net	1,243,418	(36,925)	-	1,206,493
Governmental activities capital assets, net	<u>\$ 1,339,818</u>	<u>\$ (36,925)</u>	<u>\$ -</u>	<u>\$ 1,302,893</u>

The District recognized depreciation expense of \$66,056 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.

Debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	\$ 33,168	\$ 37,387	\$ 70,555
2023	34,224	36,331	70,555
2024	35,313	35,242	70,555
2025	36,437	34,118	70,555
2026	37,597	32,958	70,555
2027-2031	206,716	146,061	352,777
2032-2036	241,777	111,000	352,777
2037-2041	282,784	69,992	352,776
2042-2046	298,753	22,215	320,968
	<u>\$ 1,206,769</u>	<u>\$ 525,304</u>	<u>\$ 1,732,073</u>

The changes in long-term obligations for the year ended December 31, 2021, are as follows:

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2021</u>	<u>Due Within One Year</u>
Note payable	\$ 1,238,913	\$ -	\$ (32,144)	\$ 1,206,769	\$ 33,168
Accrued personal leave	35,866	4,960	(13,036)	27,790	-
Total long-term obligations	<u>\$ 1,274,779</u>	<u>\$ 4,960</u>	<u>\$ (45,180)</u>	<u>\$ 1,234,559</u>	<u>\$ 33,168</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, 2021, the District recorded unearned revenue of \$309,998 for appraisal and collections assessments for 2022.

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, 2021, the District had no nonspendable fund balances.

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, 2021, 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, 2021, 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, 2021, the District had \$148,292 in fund balance assigned for the purposes of refunding the 2021 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 and part-time non-temporary employees through a nontraditional agent, multiple-employer 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 approximately 818 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at Barton Oaks Plaza IV, Suite 500, 901 South Mopac Expressway, Austin, Texas 78746, 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, 2020, consisted of the following:

Inactive Employees' Accounts		
Receiving Benefits	3	
Entitled to but not yet receiving benefits	6	
Total	9	
Active Employees' Accounts		15
Total	15	

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	
	2020	2021
Member	7.0%	7.0%
Employer	9.49%	9.32%
Employer contributions	\$ 58,819	\$ 63,764
Member contributions	43,386	47,892

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	5 year smoothed market
Discount Rate	7.60%
Long-term expected Investment Rate of Return*	7.60%
Salary Increases*	4.60%, average
Payroll Growth Rate	0.0%

*Includes Inflation of 2.50%

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.

All actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Refer to the most recent ACFR issued by TCDRS for a complete discussion of all assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The discount rate decreased .50% 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, the actuary has used a discount rate of 7.60%, net of investment expense. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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 2021 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 set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annual for continued compliance with the relevant standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

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 ²
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed Markets	MSCI World Ex USA (net)	5.00%	4.25%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ³	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁴	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁵	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash equivalents	90-day U.S. Treasury	2.00%	-0.70%

¹ Target asset allocation adopted at the March 2021 TCDRS Board meeting.

² Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

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

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

⁵ Includes vintage years 2006 - present of Quarter Pooled Horizons IRRs.

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

At December 31, 2021, the District reported a net pension liability of \$128,065 measured at December 31, 2020. For the fiscal year ended December 31, 2021, the District recognized pension expense of \$46,286.

Changes in the net pension liability for the measurement year ended December 31, 2020, are as follows:

Changes in Net Pension Liability / (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances at December 31, 2019	\$ 1,667,285	\$ 1,608,123	\$ 59,162
Changes for the year			
Service cost	82,283	-	82,283
Interest on total pension liability [1]	140,712	-	140,712
Effect of plan changes [2]	-	-	-
Effect of economic/demographic gains or losses	(32,707)	-	(32,707)
Effect of assumptions changes or inputs	148,188	-	148,188
Refund of contributions	-	-	-
Benefit payments	(25,262)	(25,262)	-
Administrative expenses	-	(1,355)	1,355
Member contributions	-	43,386	(43,386)
Net investment income	-	166,287	(166,287)
Employer contributions	-	58,819	(58,819)
Other [3]	-	2,436	(2,436)
Balances as of December 31, 2020	\$ 1,980,499	\$ 1,852,434	\$ 128,065

[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 7.60%, 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 (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Total pension liability	\$ 2,330,818	\$ 1,980,499	\$ 1,696,946
Fiduciary net position	1,852,434	1,852,434	1,852,434
Net pension liability (asset)	\$ 478,384	\$ 128,065	\$ (155,488)

At December 31, 2021, the District's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 72,457	\$ 25,480
Changes in actuarial assumptions	-	137,876
Net difference between projected and actual investment earnings	51,909	-
Contributions paid to TCDRS subsequent to the measurement date	-	63,764
Total	\$ 124,366	\$ 227,120

\$63,764 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, 2022. 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
2022	\$ (606)
2023	12,197
2024	(13,251)
2025	7,968
2026	12,600
Thereafter	20,082
	\$ 38,990

Note 10 - Operating Leases

The District has one operating lease agreement for equipment. Total lease expense for 2021 was \$4,414. Future minimum lease payments are as follows:

December 31,	
2022	\$ 5,483
2023	5,483
2024	5,483
2025	3,655
	\$ 20,104

Note 11 - 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 12 - Commitments

The District has contracted with a company for 2022 to provide the District with valuations of oil, gas, and certain other industrial properties for \$41,250. The District has contracted with a company to provide appraisal services for the tax years 2022 and 2023 for \$24,000 per year.

Note 13 - 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.



Required Supplementary Information
December 31, 2021

Caldwell County Appraisal District

Caldwell County Appraisal District
Schedule of Changes in Net Pension Liability and Related Ratios—Texas County & District Retirement System
December 31, 2021

	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020
Total Pension Liability							
Service cost	\$ 71,442	\$ 77,436	\$ 79,081	\$ 79,462	\$ 76,301	\$ 74,062	\$ 82,283
Interest on total pension liability	65,532	77,703	88,214	100,902	112,845	124,194	140,712
Effect of plan changes	-	(29,704)	-	-	-	-	-
Effect of assumption changes or inputs	-	18,460	-	4,111	-	-	148,188
Effect of economic/demographic (gains) or losses	21,484	(3,393)	(31,329)	(18,682)	(25,606)	22,715	(32,707)
Benefit payments/refunds of contributions	(3,455)	(7,864)	(26,632)	(13,137)	(17,298)	(25,262)	(25,262)
Net change in total pension liability	155,003	132,638	109,334	152,656	146,243	195,710	313,213
Total pension liability, beginning	775,703	930,706	1,063,344	1,172,678	1,325,334	1,471,577	1,667,285
Total pension liability, ending (a)	<u>\$ 930,706</u>	<u>\$ 1,063,344</u>	<u>\$ 1,172,678</u>	<u>\$ 1,325,334</u>	<u>\$ 1,471,577</u>	<u>\$ 1,667,285</u>	<u>\$ 1,980,499</u>
Fiduciary Net Position							
Contributions - Employer	\$ 54,974	\$ 53,657	\$ 52,867	\$ 56,557	\$ 56,567	\$ 58,531	\$ 58,819
Contributions - Member	41,201	41,780	41,534	42,662	41,946	44,103	43,386
Net investment income	45,308	(10,329)	65,289	149,830	(22,440)	215,621	166,287
Benefit payments/refunds of contributions	(3,455)	(7,864)	(26,632)	(13,137)	(17,298)	(25,262)	(25,262)
Administrative expenses	(563)	(606)	(709)	(833)	(1,055)	(1,225)	(1,355)
Other	20	1,874	10,191	1,146	2,546	2,873	2,436
Net change in fiduciary net position	137,485	78,512	142,540	236,225	60,266	294,641	244,311
Fiduciary net position, beginning	658,454	795,939	874,451	1,016,991	1,253,216	1,313,482	1,608,123
Fiduciary net position, ending (b)	<u>\$ 795,939</u>	<u>\$ 874,451</u>	<u>\$ 1,016,991</u>	<u>\$ 1,253,216</u>	<u>\$ 1,313,482</u>	<u>\$ 1,608,123</u>	<u>\$ 1,852,434</u>

Caldwell County Appraisal District
Schedule of Changes in Net Pension Liability and Related Ratios—Texas County & District Retirement System
December 31, 2021

	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 134,767</u>	<u>\$ 188,893</u>	<u>\$ 155,687</u>	<u>\$ 72,118</u>	<u>\$ 158,095</u>	<u>\$ 59,162</u>	<u>\$ 128,065</u>
Fiduciary net position as a percentage of total pension liability	85.52%	82.24%	86.72%	94.56%	89.26%	96.45%	93.53%
Covered payroll	\$ 588,584	\$ 596,855	\$ 593,350	\$ 609,455	\$ 599,231	\$ 630,043	\$ 619,801
Net pension liability as a percentage of covered payroll	22.90%	31.65%	26.24%	11.83%	26.38%	9.39%	20.66%

GASB Statement No. 68 requires ten years of information to be presented in this table. Historical data is presented only for years for which GASB 68 has been implemented.

Caldwell County Appraisal District
Schedule of Employer Contributions – Texas County & District Retirement System
Year Ended December 31, 2021

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2012	\$ 46,641	\$ 46,641	\$ -	\$ 513,669	9.1%
2013	48,922	48,922	-	534,668	9.2%
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	56,567	56,567	-	599,231	9.4%
2019	58,531	58,531	-	630,043	9.3%
2020	58,819	58,819	-	619,801	9.5%
2021	63,764	63,764	-	684,170	9.3%

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	Normal entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service, 4.6% average, including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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	No changes in plan provisions were reflected in the schedule.

**CALDWELL COUNTY APPRAISAL DISTRICT
MINUTES OF REGULAR MEETING**

APRIL 26, 2022

The Board of Directors of the Caldwell County Appraisal District met in regular session on April 26, 2022 at 5:00 PM in the Caldwell County Appraisal District office located at 211 Bufkin Lane, Lockhart, Texas.

Those in attendance were board members Alfredo Munoz, Kayline Cabe, Kathy Haigler, Linda Hinkle, Chief Appraiser Shanna Ramzinski, Administrative Assistant/Recording Secretary Phyllis Fischer, Brian Woodard of Just Appraised, Sarah Haney and J J Wells of Linebarger Law Firm.

Sally Daniel absent.

CALL TO ORDER at 5:00 PM.

Item #1. Public Comments.

None.

Item #2. Collection Reports March 2022.

Shanna Ramzinski presented the March 2022 Collection Reports.

Item #3. Quarterly Delinquent Tax Collection Report.

JJ Wells of Linebarger Law Firm presented the Quarterly Delinquent Tax Collection Report.

DISCUSSION/ACTION

Item #4. Consideration of and possible action regarding services provided by Just Appraised.

Brian Woodard of Just Appraised presented information.

Kathy Haigler made a motion, seconded by Linda Hinkle, to accept the services of Just Appraised.

Motion carried 4-0-0.

Item #5. Consideration of and possible approval of Minutes of March 22, 2022 regular meeting.

Shanna Ramzinski presented the minutes of the March 22, 2022 meeting.

Kayline Cabe made a motion, seconded by Linda Hinkle, to approve the minutes of the March 22, 2022 meeting.

Motion carried 4-0-0.

Item #6. Consideration of and possible approval of Financial Reports of March 2022.

Shanna Ramzinski presented the Financial Reports of March 2022.

Kathy Haigler made a motion, seconded by Kayline Cabe, to approve the Financial Reports of March, 2022.

Motion carried 4-0-0.

Item #7. Discussion and possible action regarding renewal contract for Appraisal Services with Capitol Appraisal Group.

Shanna Ramzinski presented the renewal contract for Capitol Appraisal Group.

Linda Hinkle made a motion, seconded by Kathy Haiger, to renew the contract with Capital Appraisal Group.

Motion carried 4-0-0.

Item #8. Consideration and possible action regarding contract for Bank Depository.

Linda Hinkle made a motion, seconded by Kayline Cabe, to continue using First Lockhart National Bank as the District's Bank Depository.

Motion carried 4-0-0.

Item #9. Consideration of and possible action regarding update to Chief Appraiser Evaluation Form.

Kayline Cabe and Sally Daniel met to discuss updating the Chief Appraiser Evaluation Form. No action taken.

Item tabled to May meeting.

Item #10. Discussion and possible action regarding compensation study.

There was discussion regarding the Appraisal District compensation study.

No action taken.

Item #11. Discussion and consideration regarding the proposed 2023 Appraisal and Collections Budgets.

Shanna Ramzinski discussed minor changes made to the budgets since the last meeting.

No action taken.

Item #12 Chief Appraiser's Report.

- a. Appraisal Update – appraisal notices were mailed April 29; we are preparing for protests; there was a residential value increase of 30%-60% and a rural increase of 25%-60%; we are expecting a high number of protests; the schools' homestead exemption amounts are on the May ballot and could change from \$25,000 to \$40,000; the audit has been completed and could result in a proposed resolution to retain funds for 2022; Eagleview has been very beneficial to the staff.
- b. Collection update – a new employee has begun working in collections; Vicki Schneider will be making an office to another new employee within the next week.

Item #13. Board requests for future agenda items.

It was requested that Agenda Item #9 be placed on May's agenda.

Item #14. Adjourn.

Kathy Haigler made a motion, seconded by Linda Hinkle, to adjourn.

Motion carried 4-0-0.

Meeting adjourned at 6:31 PM.

Board Chairman

Board Secretary

PROPERTY ID AND LEGAL DESCRIPTION			OWNER ID, NAME AND ADDRESS		OWNER ID / %	EXEMPTIONS	ENTITIES	VALUE METHOD	C 2022 VALUES
PROP ID: 122522	TYPE: Real	DBA:	KETCHUM SAMUEL L & KETCHUM WILLARD N		235170		CAD 100%	IMPROVEMENT	0
A102 FLOYD, ADOLPHIN, ACRES .60			221 PEACH ST, APT 1007		100.00%		CLU 100%	LAND MKT +	49,760
GEO ID : 0700102-006-030-00	MAP ID: 02-226		LULING, TX 78648				FTM 100%	MARKET =	49,760
REF ID1:	REF ID2 :	MAPSCO: 02-226					GCA 100%	PROD LOSS -	0
SITUS : N HACKBERRY AVE	LULING, TX 78648	TIF: N					SLU 100%	APPRAISED =	49,760
PROP USE:	SUB MKT:	EFFECTIVE ACRES: 0.0000					WPC 100%	HS CAP LOSS -	0
GBA : 0	NRA: 0	UNITS : 0					WUG 100%	ASSESSED =	49,760
			APPR VAL METHOD: Cost						

GENERAL			REMARKS / SKETCH COMMANDS	
UTILITIES:	LAST APPR YR: 0	LAST APPR: MA	<p>LATEST UNKNOWN TRACT RESEARCH</p>	
TOPOGRAPHY:	CAP BASIS YR:	NBHD APPR:		
ROAD ACCESS:	LAST INSP DATE: 03/21/2022	SUBDV APPR:		
ZONING:	NEXT INSP DATE:	LAND APPR:		
GROUP CODES:	BUILDER:	VALUE APPR:		
NEXT REASON:		RENT:		

BUILDING PERMITS										PICTURE
B#	ISSUE DT	PERMIT #	TYPE	ST	EST VALUE	APPR	BUILDER	COMMENT		

INCOME APPROACH DATA									
GPI	VAC	EGR	OTHER INC	EGI	EXPENSE	TAXES	NOI	METHOD	INC VALUE

TAX AGENT:	PHONE:
GROSS SQFT:	NET SQFT:
LINKED ACCTS:	RECONCILED VALUE:

INQUIRY / ARB PROTESTS					
CASE ID	DATE	APPR	STATUS	OWNER COMMENTS	STAFF COMMENTS

SALES & DEED HISTORY													
SALE DT	SALE PRICE	TYPE	RATIO	FIN CD	FIN TERM	LA SQFT	SP / SQFT	1ST IMPRV	2ND IMPRV	GRANTOR	CONSID	DEED	DEED INFO
02/24/2005										KETCHUM SAMUEL		DC	NO WILL
09/21/1977										HYSAW H H & MO		E	53
10/02/1929										ASKEY IRA ET U		WD	112/23/113

IMPROVEMENT VALUATION													LIVING AREA: 0			APPR/SQFT: 0.00			SALE/SQFT:			IMPROVEMENT DETAIL ADJUSTMENTS			IMPROVEMENT FEATURES		
#	TYPE	DESCRIPTION	MTHD	CLASS/SUBCL	AREA	UNIT PRICE	UNITS	STY	BUILT	EFF YR	COND.	VALUE	DEPR	PHYS	ECON	FUNC	COMP	ADJ	ADJ VALUE	#	ADJ TYPE	ADJ AMT	ADJ %	DESCRIPTION	UNITS	CODE	VALUE

REGION:	SUBD: A102	NBHD: 2564 (100%)	SUBSET:	LAND VALUATION	IRR Wells: 0	Capacity: 0	IRR Acres: 0.0000	Oil Wells: 0	LAND ADJUSTMENTS	PRODUCTIVITY VALUATION													
L#	DESCRIPTION	TYPE	SOIL	CLS	TABLE	SC	HS	METH	DIMENSIONS	UNIT PRICE	ADJ	MASS ADJ	VAL SRC	MKT VAL	L#	ADJ TYPE	ADJ AMT	ADJ %	AG	AG USE	AG TABLE	AG UNIT PRC	AG VALUE
1.	RESIDENTIAL	R		564	RES-SQFC	N		SQMT	26136.00 SQ	2.24	0.85	1.00	A	49,760	1.	FUNC	0	85.00				0.00	0
FUNG FOR LCRA LINE RUNS TRHU LOT AN LIMITS BUILDABLE SITE																							
														49,760									
														6a									
														0									

OWNERSHIP RESEARCH on Hysaw's Funeral Home tract at 1018 N. Hackberry St.
In Luling, TX

0.60

- D---94/248-----William Sloan-----Ira Askey et ux Anna
10-24-1924 conveys 2 ½ acres in the A. Floyd Lg. being part of a 5 ac tr
 referenced as being bounded by the Luling to Lockhart road
- D---202/112-----Ira Askey et ux -----H.H. Hysaw
10-2-1929 being a part of that tract of land conveyed by Wm. Sloan to
 Ira Askey in 94/248; this being a portion of said tract and being a tract
 150 feet x 182 feet said 150 feet facing the lulling & Lockhart road
 (.6267 acres)
- D---254/23-----Ira Askey et ux Anna-----H.H. Hysaw et ux Monica
10-2-1929 being a portion of that tract described in 94/248, being that portion of
recorded said tract herein conveyed being a tract 150' X 182' facing the Luling
3-16-1954 to Lockhart road. Statement made at the end of the notary, by Clerk
 Howard Kelley that this deed was originally filed on 7-16-1942 in
 202/112 which was only deeded to H.H. Hysaw, his wife's name was
 not on that document
- D---202/113-----W.M. Lum et ux Lillian-----Monica Hysaw
1-16-1936 a part of the A. Floyd Lg. and being a part of that 2 ½ acre tract
 conveyed by Wm. Sloan to Ira Askey et ux in 94/288; this document
 has metes & bounds describing a tract 100 feet by 182 feet which is
 described as being next to the tract described in 202/112 & 254/23
- Probate---#6407---Monica Beula Hysaw dec'd 9-7-1977 in Luling TX (age 80)
9-21-1977 Samuel Ketchum Executor is the brother of Monica Hysaw
- Will---30/53-----I Monica Beula Hysaw, a widow (will was made in 1965)
 Bequeath to my brother Samuel Ketchum All of my Estate personal
 and real at 1018 N. Hackberry St. in Luling, TX being the residence
 and Hysaw's Funeral Home and my estate on Lamar St in Luling
 being the White Front Café & Barber Shop
- Inventory---30/59--states that the Real Property being the Hysaw Funeral Home as being
 .63 acres in the A. Floyd Lg. being at 1018 N. Hackberry St.
- OGL---416/511----Samuel Ketchum-----TexLan Oil Co.
7-21-1980 covers 2 ¾ acres in the A. Floyd Survey A-102 & being described in
 2 tracts; 1st Tract: being approx. 2 acres and being the same land as
 desc. in 307/209 dated 3-12-1965 from W.E. Askey to Samuel
 Ketchum and Monica Hysaw; 2nd Tract: being approx. ¾ of an acre in
 The A. Floyd A-102 being the same as in 254/23 dated 10-2-1929

Affidavit---420/421-----covers Hysaw Funeral Home tract & surrounding tracts
12-4-1980 plat is attached matching tract numbers in document

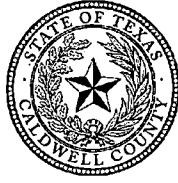
Power of Attorney---11/361-----Samuel Ketchum-----Helen Kelso Moore
4-6-1987 203 Tomrod, San Antonio, TX

Release of Lien---512/190-----City of Luling-----Samuel Ketchum c/o Helen Moore
10-29-2007 demolition Lien on .63 acre in A. Floyd A-102

Proof of Death -----Lois J. Ketchum dec'd intestate in Caldwell County TX
2-24-2005 Samuel L. Ketchum of Luling, TX being duly sworn
Lois J. Ketchum was married only once to Samuel F. Ketchum and
divorced in 1945;
children: Samuel L. Ketchum (son)
Willard N. Ketchum (son)
Both son's addresses listed as 221 Peach St. Apt. #1007, Luling TX
checked internet which listed Samuel L. Ketchum as 88 yrs. old
at the same address as above with a phone #830-875-9688 also
listed relatives; Keith Ketchum & Iva Jackson

I looked for any Probate on Samuel F. Ketchum in Caldwell County records
None where found.

Research covers from 1929 thru January 2022



Caldwell County
Teresa Rodriguez, County Clerk
1703 S. Colorado St.
Box 1
Lockhart, TX 78644
512-398-1804

Receipt: 22-1087

Product	Name	Extended
COPY	COPIES	\$10.00
	Number of Pages	10
Copies		\$10.00
Total		\$10.00
Tender (CASH)		\$10.00
Paid By	COUNTER	

Hysaw Funeral Home - tract
Caldw, TX

6d

Thank You for Your Business

1

PID # 25566 survey refers to this being William Sloan in volume 127 page 631 ?

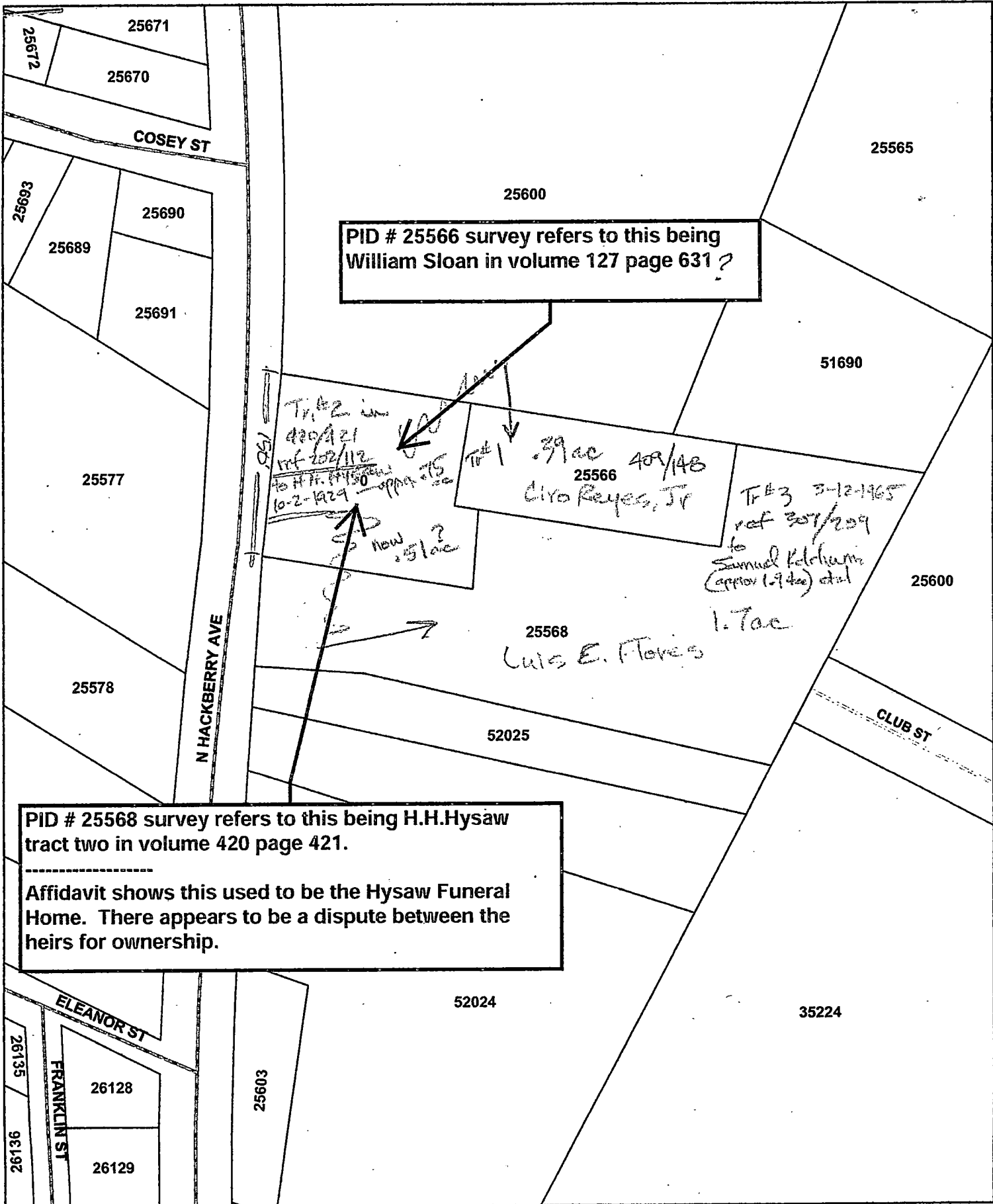
Tr # 2 in 420/421 ref 202/112 to H.H. Hysaw 10-2-1929

Tr # 1 .39 ac 409/148 25566 Ciro Reyes, Jr

Tr # 3 3-12-1965 ref 307/209 to Samuel Kolchamir (approx 1.94 ac) et al 1.7 ac

25568 Luis E. Flores

PID # 25568 survey refers to this being H.H.Hysaw tract two in volume 420 page 421. Affidavit shows this used to be the Hysaw Funeral Home. There appears to be a dispute between the heirs for ownership.



This map is being provided as a courtesy and should only be used as a general guide. It is not a guarantee of location, configuration, size or type. No warranty is expressed or implied to any user for any purpose.

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Additionally, neither this document nor any other document provided by the Caldwell County Appraisal District purports to authorize entry onto privately owned property.



474/872

Sherrill's Tax Deed Caldwell Co. App. Dist. - vs - Samuel Ketchum, et al

11-1-2006

1.75 ac in A. Floyd Co. desc in deed 307/209
3-12-1965 from WE Askey to Samuel Ketchum et al
Sale to 1st Tues. in Oct. 2006
conveyed to Luling Ind. School Dist. Trustee

Rel. alien 5/2/190 City of Luling - Samuel Ketchum & Helen Moore

10-29-2007

demolition lien on .63 ac in A. Floyd Sec A-102
at 1020 N Hackberry known as Kelley Funeral Home

Tax Deed

Luling ISD - Carry Campbell

550/263

case # 7490 Caldwell Co. App. Dist. - vs - Samuel Ketchum, et al

8-28-2008

1.75 ac in A. Floyd Co. desc in 307/209 3-12-1965
WE Askey to Samuel Ketchum, et al

7-21-1980

Same Ref as in OGC 416/511
while 307/209 was a deed from WE Askey to
Samuel Ketchum & Monica Hyfaw

direct on ^{by Monica} H.H. Hysaw 1929 - 1963 → 1986

1929-1933 → D 154/266 9-22-1931 to Geo. Queen pt. 2 1/2 ac A. Floyd

1933-1960 → D 229/454 3-27-1946 to Rand Miller lot including

1961-1966 → AFE 306/609 2-16-1965

1967-1988

direct on Samuel Ketchum 1977 →

~~AFF 409/578 12-7-1979~~

1967-1986 ~~AFF 454 /~~

* OGL 416/511 7-21-1980 to Texlan Oil Co. in A Floyd

1987-1991 → POA 11/361 4-6-1987 to Helen K. Moore

OGL 416/511 Samuel Ketchum - Texlan Oil Co.

7-21-1980 covers 2 3/4 ac in A. Floyd Sur A-102 desc in 2 tracts

① approx 2 ac being the same land as desc in 307/209 3-12-19 from W.E. Astley to Samuel Ketchum and Monica Hysaw

307/209 desc. being a part of a 80 ac tr. sold by W.R. Johnston to Albert Swain beginning at the NE corner of a 1-1/20 ac tr. sold by Albert Swain to Jackson

meadowland included containing 2 1/2 ac out of a 5 ac tr. sold to James Sloan more desc on offset prop owners

W.E. Astley states that it is his intention to convey ~~AFF~~

All of the interest I now own in that 2 1/2 ac tr.

② approx 3/4 of an acre in A. Floyd A-102 being the same land as desc in deed in 254/23 10-2-1929

POA 11/361 of Goldwell Co. 203 Townod, San Antonio, TX 78222 Samuel Ketchum - Helen Keta Moore

THE STATE OF TEXAS |
COUNTY OF COLLIN |

Before me, the undersigned, a Notary Public in and for said County of Collin State of Texas, on this day personally appeared Addie Davis and Bertha Davis, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Bertha Davis wife of the said Addie Davis, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Bertha Davis acknowledged such instrument to be her act and deed, and she declared that she had willinly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, This 5th day of April, A.D. 1941.

J. D. COTTRELL, Notary Public Collin County,
Texas.

(Seal)

Filed for record at 10:00 A.M., July 14, 1942. Recorded at 9:40 A. M., July 16, 1942.

HOWARD H. KELLEY, Clerk, County Court, Caldwell County, Texas.

By Edna Husley Deputy.

(Deed: Ira Askey, et ux to H. H. Hysaw.)

THE STATE OF TEXAS |
COUNTY OF CALDWELL | KNOW ALL MEN BY THESE PRESENTS:

That we, Iry Askey and wife, Anna Askey, of the County of Caldwell, State of Texas, for and in consideration of the sum of Three Hundred and twenty-five --no/100 \$325.00 Dollars to us in hand paid by H. H. Hysaw

have Granted, Sold and Conveyed and by these presents do Grant, Sell and Convey unto the said H. H. Hysaw of the County of Caldwell, State of Texas, all that certain tract, lot and parcel of land, situated in Caldwell County, Texas, and being a portion of that tract of land conveyed by William Sloan to Ira Askey by deed dated October 24th 1924, and recorded in Vol. 94, pp. 248-9 of the Deed Records of Caldwell County, Texas, and to which reference is here made for all purposes, and same is made part hereof, that portion of said tract herein conveyed being a tract 150 feet by 182 feet in dimension, said 150 feet facing the Luling and Lockhart public road,

To Have and To Hold, the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said H. H. Hysaw, his heirs and assigns forever. And we do hereby bind our heirs, executors and administrators to Warrant and Forever Defend all and singular the said premises unto the said H. H. Hysaw, his heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness our hands at Luling, Texas, this 2nd day of October, A.D. 1929.

IRA ASKEY

ANNA ASKEY

THE STATE OF TEXAS |
COUNTY OF CALDWELL |

Before me, W. O. Slater, a Notary Public in and for Caldwell County, Texas, on this day personally appeared Iry Askey known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the

Filed for record at 10:15 A. M. March 16, 1954. Recorded at 8:20 A. M. March 19, 1954.

EDNA L. HUSKEY, Clerk, County Court,
Caldwell County, Texas

By W. O. Slater Deputy.

(Deed: Ira Askey et ux to H. H. Hysaw et ux)

THE STATE OF TEXAS)
COUNTY OF CALDWELL)

KNOW ALL MEN BY THESE PRESENTS

That we, Ira Askey and wife, Anna Askey of the County of Caldwell State of Texas for and in consideration of the sum of Three Hundred and twenty-five no/100 \$325.00 Dollars, to us in hand paid by H. H. Hysaw and Monica Hysaw, have Granted, Sold and Conveyed and by these presents do Grant, Sell and Convey unto the said H. H. Hysaw, and Monica Hysaw, of the County of Caldwell State of Texas all that certain tract, lot and parcel of land, situated in Caldwell County, Texas, and being a portion of that tract of land conveyed by William Sloan to Ira Askey by Deed dated October 24th, 1924, and recorded in Vol. 94, pp.248-9, of the Deed Records of Caldwell County, Texas, and to which reference is here made for all purposes, and same is made part hereof; that portion of said tract herein conveyed being a tract 150 feet by 182 feet in dimension, said 150 feet facing the Luling and Lockhart public road,

To have and to hold the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said H. H. Hysaw, and Monica Hysaw, their heirs and assigns forever and we do hereby bind our heirs, executors and administrators to Warrant and Forever Defend all and singular the said premises unto the said H. H. Hysaw, and Monica Hysaw, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof

Witness our hands at Luling, Texas this 2nd day of October A.D. 1929.

IRA ASKEY
ANNA ASKEY

THE STATE OF TEXAS)
COUNTY OF CALDWELL)

Before me W. O. Slater a notary public in and for Caldwell County, Texas, on this day personally appeared Ira Askey known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office this second day of October A.D. 1929.

W. O. SLATER, Notary Public,
Caldwell County, Texas

(Seal)

THE STATE OF TEXAS)
COUNTY OF CALDWELL)

Before me W. O. Slater a notary public in and for Caldwell County Texas, on this day personally appeared Anna Askey wife of Ira Askey known to me to be the person whose name is subscribed to the foregoing instrument and having been examined by me privily and apart from her husband and having the same fully explained to her, she, the said Anna Askey acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this second day of October A.D. 1929.

6i W. O. SLATER, Notary Public,

Caldwell County, Texas

(Seal)

THE STATE OF TEXAS)
COUNTY OF CALDWELL)

I, Howard H. Kelley Clerk of the County Court of said County do hereby certify that the foregoing instrument of writing dated on the 2nd day of Oct. A.D. 1929 with its Certificate of Authentication was filed for record in my office this 16 day of July A.D. 1942 at 12:30 o'clock P. M. and duly recorded the 16 day of July A.D. 1942, at 1:40 o'clock P. M. in the Deed Records of said County in Volume 202 on Pages 112

Witness my hand and the seal of the County, Court of said County at office in Lockhart, the day and year last above written.

Howard H. Kelley, Clerk.

County Court Caldwell County, Texas

Refiled for record at 11:30 A.M. March 16, 1954. Re-recorded at 9:40 A. M. March 19, 1954.

EDNA L. HUSKEY, Clerk, County, Texas
Caldwell County, Texas

By William J. Guenther Deputy

(Rel: H. W. Fielder et al to Granville H. Bock)

THE STATE OF TEXAS)
COUNTY OF CALDWELL)

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of the payment in full according to the face and tenor thereof, of certain promissory note, a Vendor's Lien note which is fully described in a certain Warranty Deed executed by H. W. Fielder et al to Granville H. Bock dated the 1st day of January, 1951, and recorded in Vol. 243 on page 361 of the records of Deeds of Caldwell County, Texas, we, H. W. Fielder and Mary Storey, a feme sole, the payees and the owners and holders of said note, do hereby release the Vendor's lien shown by said instrument to exist upon the following described property, to secure payment of said note, viz.:

Situated in Caldwell County, Texas, a part of the F. Berry league and being all of Lots Nos. 2, 3 and 4 in Block B. of Trammell's Revised Second Addition to the City of Lockhart, Texas, according to the map or plat of said Addition to the City of Lockhart, duly recorded in the deed records of Caldwell County, Texas in Volume 234 at page 643 thereof.

In witness whereof, the undersigned has caused this instrument to be executed, this the 16th day of March, 1954.

H. W. FIELDER

MARY STOREY

THE STATE OF TEXAS)
COUNTY OF CALDWELL)

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared H. W. Fielder and Mary Storey, a feme sole, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 16th day of March, A.D. 1954.

W. M. FIELDER, Notary Public in and for
Caldwell County, Texas

(Seal)

Filed for record at 2:00 P. M. March 16, 1954. Recorded at 9:55 A. M. March 19, 1954.

EDNA L. HUSKEY, Clerk, County Court,
Caldwell County, Texas

By William J. Guenther Deputy.

OIL, GAS AND MINERAL LEASE 2726

THIS AGREEMENT made this 21 day of July 19 80, between Samuel Ketchum

Lessor (whether one or more), whose address is: and TEXLAN OIL COMPANY, INC. Lessee, WITNESSETH:

1. Lessor, in consideration of Ten and no/100's and other valuable consideration of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to use the surface on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power plants, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Caldwell State of Texas and is described as follows:

- 1) Approximately two acres, more or less, out of the A. Floyd Survey, A-102, Caldwell County, Texas, being the same land as described in that certain deed dated March 12, 1965, from W. E. Askey to Samuel Ketchum and Monica Hysaw, recorded in Volume 307, Page 209, Deed Records of Caldwell County, Texas.
2) Approximately three-fourths of an acre, more or less, out of the A. Floyd Survey, A-102, Caldwell County, Texas, being the same land as described in that certain deed dated October 2, 1929, from Ira Askey and wife to H. H. Hysaw and Monica Hysaw, recorded in Volume 254, Page 23, Deed Records of Caldwell County, Texas.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain

2 3/4ths acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of five years from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal one-eighth part of all oil produced and saved from said land, or from time to time at the option of lessee, to pay lessor the average posted market price of such one-eighth part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest. In either case, to bear one-eighth of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and unlifted gas produced from said land (1) if by lessee, one-eighth of the amount realized by lessee, computed at the mouth of the well, of one-eighth of such gas produced from said land or in the manufacture of ammonia or other products, the market value, at the mouth of the well, of one-eighth of such gas and unlifted gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-eighth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at or before the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall nevertheless continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in operations were being conducted on said land by lessee, and lessee shall use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said land and facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no other wells on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft to such parties or separately to each in accordance with their respective ownerships thereof, as hereinafter specified. Any payment hereunder may be made by check or draft of lessee, a sum equal to one dollar (\$1.00) for each acre of land covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the

N/A

Bank

at the option of lessee, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as hereinafter specified. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last day of the month in which shut-in royalty is due. Minor errors shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of unishment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or utilize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 80 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) any gas, other than coalbed methane gas, (2) liquid hydrocarbons (condensates) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which is not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land by lessee. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from said land which bears the same ratio to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, and any other payments or other obligations of lessee, to be the entire production of such unit or tract. If at any time no operations are being conducted thereon for unitized minerals, Subject to the provisions of paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or utilize as provided in this paragraph, with consequent allocation of production, as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part of all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or reworking of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

Lessee agrees to restore all pits and excavations to the original surface conditions.

8. The rights and estates of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, however effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division, if any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Samuel Ketchum
Samuel Ketchum SSN 466-10-8435
P.O. Box 704
Luling, Texas 78648

STATE OF TEXAS INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
COUNTY OF CALDWELL
Before me, the undersigned authority, on this day personally appeared SAMUEL KETCHUM

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office this 21 day of July, 1980.
My Commission Expires Feb. 20, 1981
Sharon K. Richter
Notary Public in and for Caldwell County, State of Texas
SHARON K. RICHTER
Expiration date
February 20, 1981

STATE OF _____ INDIVIDUAL ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
COUNTY OF _____
Before me, the undersigned authority, on this day personally appeared _____
known to me to be the person whose name is (are) subscribed to the foregoing instrument, and acknowledged to me that _____ executed the same as _____ free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office this _____ day of _____, 19____.
My Commission Expires _____
Notary Public in and for _____ County, State of _____

STATE OF _____ HUSBAND AND WIFE ACKNOWLEDGMENT—TEXAS OR NEW MEXICO
COUNTY OF _____

Filed for record at 3:00 P. M. August 25, 1980
Recorded at 12:25 P. M. August 26, 1980
By: Mildred Arnold Kathleen Royal, Clerk County Court
Deputy Caldwell County, Texas

420/421

AFFIDAVIT

Affidavit

STATE OF TEXAS
COUNTY OF CALDWELL

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BEFORE ME, the undersigned authority, a ~~Notary Public~~ in and for the State of Texas, on this day personally appeared Pearl Roberts, known to me to be a credible person, who, being duly sworn by me on oath, did dispose and state as follows:

That she is 53 years old and has been a lifelong resident of Luling, Texas. That for her entire life she has lived ~~here~~ and been familiar with the following described tracts of land:

Tract One: Approximately 0.5 acres, a part of the A. Floyd Survey, being the same land as described in that certain deed dated January 10, 1975, from Sam Thompson and wife to Henry Breeding, recorded in Volume 368, Page 33, Deed Records of Caldwell County, Texas.

Tract Two: Approximately 0.75 acres, a part of the A. Floyd Survey, being the same land as described in that certain deed dated October 2, 1929, from Ira Askey and wife to H. H. Hysaw, recorded in Volume 202, Page 112, Deed Records of Caldwell County, Texas.

Tract Three: Approximately 1.94 acres, a part of the A. Floyd Survey, being the same land as described in that certain deed dated March 12, 1965, from W. E. Askey to Samuel Ketchum et al, recorded in Volume 307, Page 209.

Tract Four: Approximately 0.31 acres, a part of the A. Floyd Survey, being the same land as described in that certain deed dated September 25, 1951, from Anna Askey et al to Celia Hardaway, recorded in Volume 241, Page 587.

Tract Five: Approximately 0.5 acres, more or less, a part of the A. Floyd Survey, being the same land as described in that certain deed dated July 12, 1952, from Brigado Quintero and wife to Lila Dawson, recorded in Volume 247, Page 74.

All five of the above described tracts lie in Caldwell County, Texas, in the north part of Luling. I know that Tracts One through Four were owned by the Ira Askey family. Tract one was owned then by the Charner Foy family around 1930 and then by Sam Thompson in around 1942. Sam Thompson then sold the property to Henry Breeding and wife, Maybelle Breeding in 1975. Then, May Bell Breeding White sold the 1/2 acre to Estelle Campbell.

Tract Two was sold to H. H. Hysaw around 1930 by Ira Askey and his wife. H. H. Hysaw was married to Monica Hysaw and they operated the Hysaw Funeral Home on this property. H. H. Hysaw died first, leaving the property to Monica, then she died in 1977 and left the property to her brother, Samuel Ketchum.

Tract Three stayed in the Askey family for a number of years and then W. E. Askey sold it to Samuel Ketchum and Monica Hysaw in 1965. When Monica Hysaw died in 1977, she willed this property to her brother, Samuel Ketchum.

Tract Four was conveyed by the Askey heirs to Celia Hardaway and Vernon Hardaway in 1951. This tract has been in the Hardaway family since this time.

Tract Five was owned by Brigado Quintero, who sold the land to Lila Dawson in 1952. Tract Five has been in the possession of the Lila Dawson family and heirs ever since.

All five tracts have always been used as home places, except Tract Two which has the Hysaw Funeral Home located on it. Some people used parts of their lots for gardens, etc.

Each of the above name property owners have always claimed title to their property openly as have their predecessors in title. To the best of my knowledge, each owner and their predecessors in title have had no claims adverse against theirs and there is no one that I know of who is claiming adversely any of the above described property.

In the years that I have been familiar with the above described five tracts, there has never been any production of oil or gas on the subject five tracts. In fact, I do not know of any wells that were ever drilled on the above five tracts.

Further affiant sayeth not.

Pearl Roberts
Pearl Roberts, Affiant

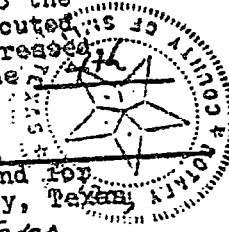
SWORN TO AND SUBSCRIBED BEFORE ME. this the 4th day of December, 1980.

Russell W. Jackson
Notary Public in and for
Smith County, Texas, for
the State of Texas.

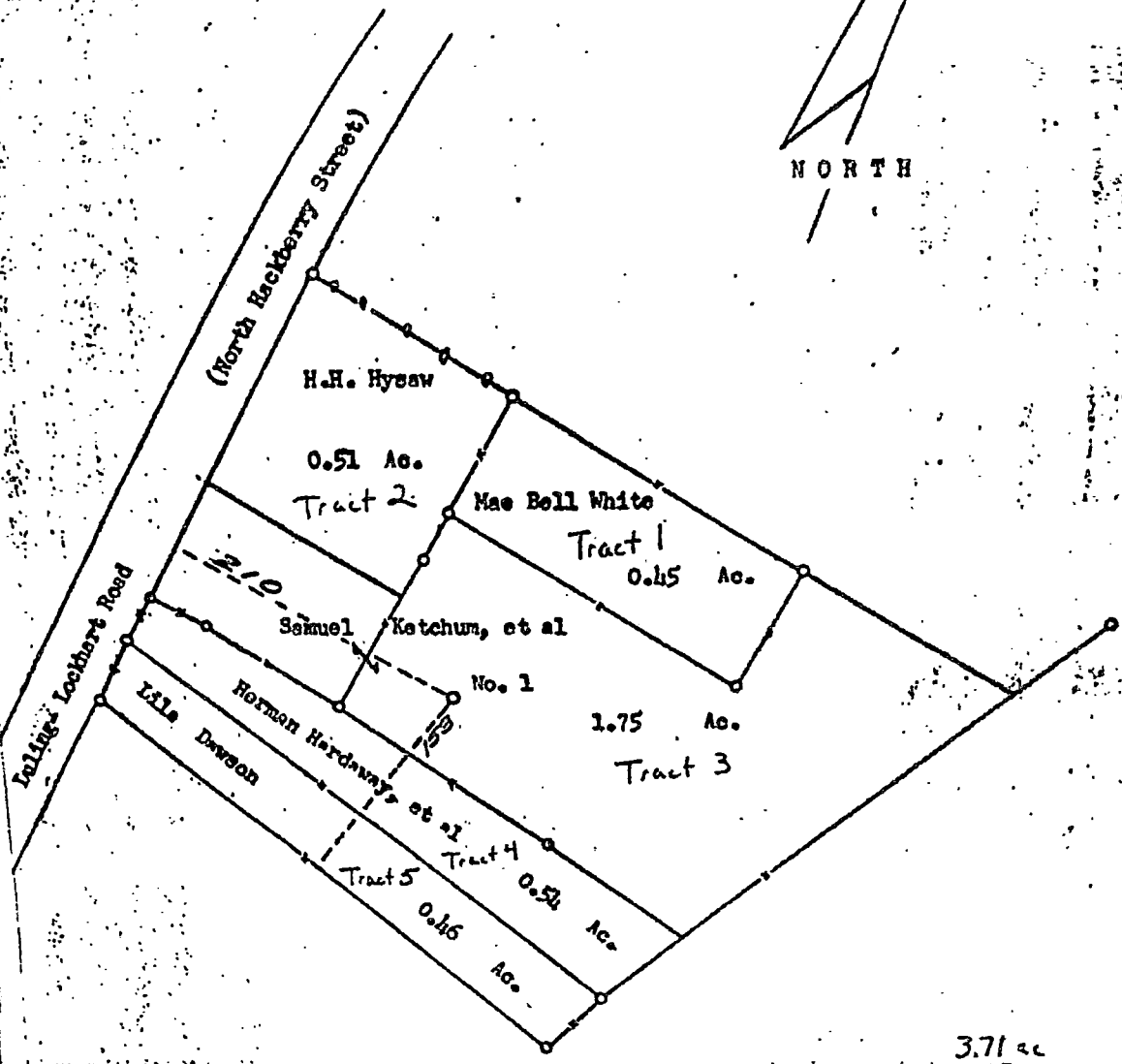
STATE OF TEXAS
COUNTY OF CALDWELL

BEFORE ME, the undersigned, a notary public in and for the State of Texas, on this day personally appeared Pearl Roberts, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.
GIVEN UNDER ME HAND AND SEAL OF OFFICE, on this the 4th day of December, 1980.

Russell W. Jackson
Notary Public in and for
Smith County, Texas,
for the State of Texas.



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Seguin, Texas
November 22, 1980

I hereby certify that No. 1 was
staked under my supervision in
November 1980.

KETCHUM UNIT LEASE 3.71 ACRES
TEXLAN OIL CO., INC., OPR.,
A. FLOYD SURVEY, A-102,
CALDWELL COUNTY, TEXAS.

Scale 1"=100'

Ken Reininger

E. S. GETTERS WORTH & ASSOCIATES, INC.
815 S. CECILET ST.

Filed for Record at 3:50 P. M. January 8, 1981

Recorded at 2:10 P. M. January 13, 1981

By: *Mildred Arnold* Kathleen Royal, Clerk County Court
Deputy Caldwell County, Texas

Probate # 6407
9-21-1977

STATE OF TEXAS
COUNTY OF CALDWELL

KNOW ALL MEN BY THESE PRESENTS:

Be it remembered that I, Monica Beulah Hysaw, (a widow) of Luling, Caldwell County, Texas, on this 19 day of June A.D. 63 on my own free will, and accord and being of sound mind, and health, do hereby, make, and publish before a Notary Public of said County, and State; MY LAST WILL, AND TESTAMENT; hereby revoking all WILLS made by me at any time heretofore made.

I, Monica Beulah Hysaw do direct that all my just debts be paid out of my Estate by Executor, or Executrix hereinafter made.

I, Monica Beulah Hysaw, WILL, BEQUEATH to my brother Samuel Ketchum all my Estates, real, and personal at 1018 N. Hackberry St. (Residence, and Funeral Home, HYSAWS) and all contents, Vehichles, and accessories belonging thereto.

and my Estate on Lamar St. Luling, Texas (The White Front Cafe, and Barber-Shop and all contents therein belonging to me.

I, also WILL BEQUEATH, all my Monies (MONEY) to Samuel Ketchum (my brother and that any monies or deposits in Banks, or balances that may be due the HYSAW FUNERAL HOME be automatically turned over, or paid to him. I WILL that He Samuel Ketchum will give my neices, Mattie Giles, and Hattie Austin One Hundred, and Twenty Five Dollars each, and that he will give, or divide with my foster son Lee Austin Hysaw as he, ^(Samuel Ketchum) so desire .

In the event that the said Samuel Ketchum the Executor of this WILL pre-deceases or become disabled to carry out this my desires, or requests, I, appoint my sister, Frances Hayes as Executrix, and that she will automats-ally become the the possessor of details of this WILL and in addition I WILL to her, Frances Hayes my portien, or interest in undivided property of Fannie Ketchum Estate (my mother) on 1303 Bowie St. Luling, Texas

I WILL that there be no Bond required of him Executor Samuel Ketchum, or Frances Hayes, Executrix for no action in court for settlement of this WILL, other than recordings, inventories, and appraisels, and probations of this WILL

THIS I MAKE AS MY LAST WILL, BEQUEATH, AND TESTAMENT

signed Monica Beulah Hysaw

wit

IULING, CALDWELL CO, TEXAS

JUNE 19, 1963

The above, and foregoing instrument was now here published as her Last Will and subscribed by Monica Beulah Hysaw the Testator, in our presence, and we at her request, in her presence, and in the presence of each other sign, and subscribe our names thereto as attesting witnesses.

Anna K. Askey
Ethel C. Spruell

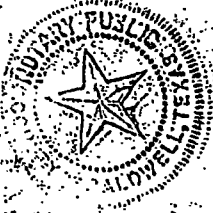
STATE OF TEXAS

COUNTY OF CALDWELL --- June 19, 1963

Before me the undersigned authority, Notary Public of Caldwell County, Texas personally appeared, Monica Beulah Hysaw as Testator of Will and *Anna K. Askey* and *Ethel C. Spruell* as witnesses there to, and upon their oaths each witness stated that ^{they} signed same in the presence of Testator and at her request, who subscribed, and sworn before me, and acknowledged that she executed same solely for the purpose therein expressed.

W. J. McClary

Notary Public Caldwell County, Texas



Filed: *Sept. 21, 1977*

Recorded November 18, 1977

By *Willie B. Banister*
Deputy

Willie B Banister, Clerk County Court
Caldwell County, Texas

NO. 6407

RE: IN THE ESTATE OF I IN THE COUNTY COURT OF CALDWELL
 MONICA BEULAH HYSAW, DECEASED I COUNTY, TEXAS

INVENTORY AND APPRAISEMENT of the fair market value of all
 real property situated in the State of Texas, and all personal property of
 the Estate of Monica Beulah Hysaw, Deceased, as of the date of death, that
 has come to the knowledge of Samuel Ketchum, Executor of said Estate.

Citizens State Bank (Hysaw Funeral Home) Luling, Texas	\$ 1,566.06
The First National Bank, Luling, Texas (Hysaw Funeral Home)	230.18
The First National Bank, Luling, Texas (Monica Hysaw)	1,077.52
Real Property: .630 of an acre, A. Floyd League (Hysaw Funeral Home) Caldwell County, Texas	15,000.00
Lot Three, Block One, Josey's North addition, City of Luling, Caldwell County, Texas (Cafe)	3,500.00
1/12th undivided interest in Two acres, Caldwell County, Texas	500.00
1/2 interest in property located at 1016 N. Hackberry Street, Luling, Texas (Total value, \$2,500.00)	1,250.00
	\$ 23,123.76

Debts & Claims against the Estate:

None

Samuel Ketchum
 Samuel Ketchum, Executor

I do solemnly swear that the foregoing inventory and list of
 claims is a true and complete statement of the property and claims of the estate
 at the time of death that have come to my knowledge.

Samuel Ketchum
 Samuel Ketchum, Executor

SWORN TO AND SUBSCRIBED before me, this the 7th day of

NOVEMBER
 October, A. D. 1977.



Janet Nicholas
 Notary Public in and for Caldwell
 County, Texas

ESTATE OF * IN THE COUNTY COURT AT LAW
LOIS J. KETCHUM * CALDWELL COUNTY, TEXAS
DECEASED * IN MATTERS PROBATE

**PROOF OF DEATH AND OTHER FACTS
REQUIRED FOR ISSUANCE OF LETTERS OF ADMINISTRATION
UNDER SECTION 83, TEXAS PROBATE CODE**

On this 24th day of February, 2005, personally appeared in open Court SAMUEL L. KETCHUM who being duly sworn, deposes and says:

(1) That on May 21, 2003, the said LOIS J. KETCHUM, died in the County of Caldwell, State of Texas;

(2) That she had her domicile in Caldwell County, Texas at and before her death and her principal estate is situated in Caldwell County, Texas;

(3) That she died intestate so far as known to affiant;

(4) That the following children were born to or adopted by the decedent:

Samuel L. Ketchum, a son;

Willard N. Ketchum, a son.

(5) That the decedent was previously married one time, that being the marriage to Samuel F. Ketchum. The marriage was terminated in 1945 by a divorce.

(6) That there is a necessity for administration of the estate of decedent because there is \$14,163.07 being held, from which the estate shall receive approximately \$11,600.00 after the appointment of an Administrator of the Estate of Lois J. Ketchum;

(7) The Applicant for Letters of Administration is not disqualified by law from accepting Letters of Administration or from serving as Administrator, as he is an heir at law of decedent.

Samuel L. Ketchum
SAMUEL L. KETCHUM

SWORN TO AND SUBSCRIBED by the said SAMUEL L. KETCHUM before me this 24th day of February, 2005.

NINA S. SELLS

Clerk, County Court, Caldwell County, Texas

By Carol Halcomb, Deputy

FILED this 24th day of Feb. 2005
1:50 P M

NINA S. SELLS
COUNTY CLERK, CALDWELL COUNTY, TEXAS
By Carol Halcomb Deputy

Caldwell County Unknown Property List

Tract	Completed	Researched	Prop-ID	Description	Comments
0	8/18/2020	8/18/2020	25449	Northwest corner of Hackberry & Newton	Corrected map. Lot size was correct in PACS. No new value added.
1	8/31/2020	8/31/2020	16961	5 foot strip behind #16961	Corrected map and added square feet to PACS. \$500 added value
2	9/16/2020	9/16/2020	27897	Small triangle at NW River road and Skull Crossing	Acreage in PACS was correct. No new value added
3	10/14/2020	10/14/2020	22024	Strip along West side of #22024	Linda Hamilton deed didn't incl Lane, but was intended to purchase
4	3/16/2021	3/16/2021	77645	Land between #77645 & #27008, approximately 19.88 Acres	Map needed updating based on error in deed. No new value added
5	11/9/2020	11/9/2020	39276	Triangle strip next to #39276 possibly old Martindale tract	PID # 120155
6	3/21/2022	12/28/2020	25568	Next to #25668 on Hackberry two tracts next door has new survey	new PID#122522 created for 2022 (duplicate)
7			26086	Next to #26806 on Martin Street	
8	3/21/2022	2/4/2021	25568	Next to #25568 - N Hackberry near Cosey	new PID#122522 created for 2022
9	12/21/2021	3/16/2021	25650	Next to #25650 on Jones Street "Simmons"	Sold to Roy Williams in 1959 but could not confirm if sold or estate heirs
10	9/13/2021	9/9/2021	35183	Next to #35183 off Memorial Drive. Possible City greenbelt??	This is part of the Luling Foundation Farm
11			25476	Next to #2547 at Trinity and Opal Street	
12	6/14/2021	6/14/2021	31916	Next to #31916 off Fourth Street in Maxwell	
13	6/14/2021	6/14/2021	18864	Next to #18864 - Alley on Market Street in Lockhart	City owned Alley
14	11/5/2021	11/5/2021	28183	Next to #28183 on FM 1984 in Reedville	PID #28180 was merge to this account in 1997
15			26690	Next to #26990 on Hwy 80 possible right-of-way	
16	2/4/2021	2/4/2021	33630	Next to #33630 SW corner Taylorsville Road & Hwy 86	Was the old Fischer general store
17			23130	West of #23130 could be old SA&AP Railroad not abandoned	
18		10/18/2021	20905	Next to #20905 need to verify plat & replat	23.24' GAP between deeds and plats. Need to confirm with City
19			18229	West of #18229 intersection Proctor & Alex	
20		9/13/2021	19731	Next to #19731 could be LCRA	City of Lockhart property? Maybe LCRA? Emailed 01/11/2022 & 01/12/2022
21			20197	Next to 20197 gap between surveys	
22			32361	Next to #32361 & #10330 on FM 1854 in Dale. Two tracts	
23			18595	Next to #18595 discovered as unknown per recent survey plat	
24	1/11/2022	3/16/2021	24010	Next to #24010 discovered as unknown per recent recorded subdv.	Created new account and put back in Nelson as owner
25			25950	Next to #25950 gap between deeds.	
26			51335	Next to #51335 old private road	
27			27996	Next to #27996 Old Stone Addition plat shows a church	
28			27751	Next to #27751 abandoned land after 2000 flood	
29			16936	Next to #16936 gap per deed	
30			22236	Next to #22236 & #22100 Old railroad and small sliver on FM 2984	
31			35231	Next to #35231 old lots surrounding Rosenwald school	
32			23622	Next to #23622 old Alley abandoned maybe??	

**CALDWELL COUNTY APPRAISAL DISTRICT
2023 APPRAISAL BUDGET (PROPOSED)**

	PERSONNEL	2022	2023
70101	Chief Appraiser	\$88,180.00	\$82,000.00
70102	Deputy Chief Appraiser	\$50,755.00	\$85,012.20
70103	GIS Mapper/System Mgr/IT	\$71,353.00	\$82,412.40
70105	Field Appraiser II	\$36,608.00	\$47,250.00
70106	Senior Appraiser I	\$48,400.00	\$63,336.00
70107	Senior Appraiser II	\$41,338.00	\$58,800.00
70108	Field Appraiser I	\$36,608.00	\$47,250.00
70109	Field Appraiser III	\$37,531.00	\$49,522.20
70111	Administrative Asst.	\$56,210.00	\$68,250.00
70112	Data entry technician	\$34,785.00	\$44,100.00
70113	Support data entry	\$42,466.00	\$51,277.70
70114	Appraisal Clerk	\$27,500.00	\$35,700.00
70120	Field Appraiser IV	\$36,300.00	\$44,625.00
70130	Part time	\$3,000.00	\$0.00
70135	Payroll contingency	\$2,000.00	\$7,000.00
70136	Annual Longevity Compensation	\$5,300.00	\$5,750.00
	SUBTOTAL	618,334.00	772,285.50
	DEDUCTIONS/BENEFITS		
71000	Payroll Tax	\$53,000.00	\$68,000.00
71002	Retirement/employer	\$70,000.00	\$89,000.00
71004	Health benefits	\$121,000.00	\$139,000.00
71005	Worker comp	\$2,800.00	\$2,800.00
71006	Unemployment	\$4,000.00	\$4,000.00
	SUBTOTAL	250,800.00	302,800.00
	SERVICES		
72000	Appr Engineers	\$66,000.00	\$66,000.00
72001	Appr Review Bd	\$37,500.00	\$37,500.00
72002	Audit	\$6,400.00	\$6,400.00
72003	Board of Directors	\$1,790.00	\$2,000.00
72004	Data Processing Services	\$67,500.00	\$99,800.00
72007	Janitorial service	\$6,200.00	\$6,200.00
72008	Legal	\$27,000.00	\$27,000.00
72009	Title Research	\$3,000.00	\$3,000.00
72010	Aerial Imagery	\$92,585.00	\$84,500.00
	SUBTOTAL	307,975.00	332,400.00

	GENERAL EXPENSES	2022	2023
72500	Bond - Chief - Notary	\$250.00	\$250.00
72501	Membership/Dues	\$3,850.00	\$3,700.00
72502	Computer supplies	\$6,400.00	\$7,600.00
72504	Education & fees	\$11,700.00	\$15,700.00
72505	Insurance - liability	\$1,700.00	\$1,900.00
72506	Insurance Building/ Equip - contents	\$5,300.00	\$5,800.00
72507	Legal notices/printing	\$20,600.00	\$23,600.00
72508	Maint - hardware/equip	\$8,700.00	\$8,800.00
72509	Maint - office equip	\$1,000.00	\$1,000.00
72510	Mileage & travel	\$5,500.00	\$5,500.00
72511	Office supplies	\$8,500.00	\$8,500.00
72512	Postage	\$34,200.00	\$37,200.00
72513	Postage meter/Box rental	\$4,665.00	\$5,565.00
72514	Publications Subcrip & books	\$7,860.00	\$22,570.00
72515	Rental - copier	\$2,650.00	\$2,900.00
72516	Electricity	\$9,000.00	\$9,000.00
72517	Telephone	\$14,000.00	\$14,300.00
72518	Water & sewer	\$3,500.00	\$3,500.00
72519	Mortgage	\$57,300.00	\$57,300.00
72520	Building Maint	\$5,000.00	\$7,000.00
72523	Fuel - Vehicle	\$4,000.00	\$8,500.00
72524	Maint - Vehicle	\$12,500.00	\$12,500.00
72525	Ins - vehicle	\$2,600.00	\$2,600.00
	SUBTOTAL	230,775.00	265,285.00
	CAPITAL INVESTMENTS		
79000	Office equipment	\$5,000.00	\$5,000.00
79001	Computer Equipment	\$16,000.00	\$17,000.00
79003	Vehicle	\$28,000.00	\$28,000.00
	SUBTOTAL	49,000.00	50,000.00
	CONTINGENCY		
79002	Building Expense	\$5,000.00	\$8,000.00
79990	Contingency	\$10,000.00	\$10,000.00
	SUBTOTAL	15,000.00	18,000.00
	TOTAL EXPENSES	1,471,884.00	1,740,770.50

**CALDWELL COUNTY APPRAISAL DISTRICT
2023 COLLECTION BUDGET (PROPOSED)**

	PERSONNEL	2022	2023
90-70101	Chief Appraiser	\$0.00	\$54,663.80
90-70120	Deputy Tax Collector	\$59,570.00	\$85,012.20
90-70121	Collections Specialist I	\$40,656.00	\$49,092.12
90-70122	Public Assist II	\$32,870.00	\$36,750.00
90-70126	Public Assist I	\$28,800.00	\$36,750.00
90-70130	Part time	\$0.00	\$0.00
90-70135	Payroll contingency	\$800.00	\$2,800.00
90-70136	Annual Longevity Compensation	\$1,750.00	\$1,700.00
	SUBTOTAL	\$164,446.00	\$266,768.12

	DEDUCTIONS/BENEFITS		
90-71000	Payroll Tax	\$13,500.00	\$22,000.00
90-71002	Retirement/employer	\$19,000.00	\$30,000.00
90-71004	Health benefits	\$36,900.00	\$41,900.00
90-71005	Worker comp	\$950.00	\$950.00
90-71006	Unemployment	\$3,375.00	\$3,375.00
	SUBTOTAL	\$73,725.00	\$98,225.00

	SERVICES		
90-72002	Audit	\$1,925.00	\$1,925.00
90-72004	Data Processing Services	\$22,000.00	\$23,000.00
90-72005	County employee contract	\$20,000.00	\$21,000.00
90-72007	Janitorial service	\$2,500.00	\$2,500.00
90-72008	Legal	\$2,500.00	\$2,500.00
90-72011	Security	\$0.00	\$2,000.00
	SERVICES	\$48,925.00	\$52,925.00

	GENERAL EXPENSES		
90-72500	Bond - Chief - Notary	\$200.00	\$200.00
90-72501	Membership/Dues	\$750.00	\$850.00
90-72502	Computer supplies	\$2,300.00	\$2,300.00
90-72504	Education & fees	\$5,200.00	\$6,100.00
90-72505	Insurance - liability	\$1,000.00	\$1,000.00
90-72506	Insurance Building/Equip - contents	\$1,500.00	\$1,600.00
90-72507	Legal notices/printing	\$12,000.00	\$14,000.00
90-72508	Maint - hardware/equip	\$2,600.00	\$2,600.00
90-72509	Maint - office equip	\$1,500.00	\$1,500.00
90-72510	Mileage & travel	\$3,100.00	\$3,100.00
90-72511	Office supplies	\$3,500.00	\$3,500.00
90-72512	Postage	\$16,300.00	\$18,000.00
90-72513	Postage meter/Box rental	\$1,450.00	\$1,800.00
90-72515	Rental - copier	\$1,800.00	\$1,800.00
90-72516	Electricity	\$3,000.00	\$3,000.00
90-72517	Telephone	\$3,600.00	\$4,000.00
90-72518	Water & sewer	\$1,200.00	\$1,200.00
90-72519	Mortgage	\$17,200.00	\$17,200.00
90-72520	Building Maint	\$2,300.00	\$2,800.00
	SUBTOTAL	\$80,500.00	\$86,550.00

	CAPITAL INVESTMENTS		
90-79000	Office equipment	\$2,000.00	\$2,000.00
90-79001	Computer Equipment	\$7,200.00	\$8,200.00
	SUBTOTAL	\$9,200.00	\$10,200.00

	CONTINGENCY		
90-79002	Building Expense	\$2,200.00	\$5,200.00
90-79990	Contingency	\$3,000.00	\$3,000.00
	SUBTOTAL	\$5,200.00	\$8,200.00
	TOTAL EXPENSES	\$381,996.00	\$522,868.12