

Central Appraisal District of Bandera County

**Annual Financial Report
For the Year Ended December 31, 2013**

Ede & Company, LLC
Certified Public Accountants

Central Appraisal District of Bandera County
Annual Financial Report
For the Year Ended December 31, 2013

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EDE & COMPANY, LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Central Appraisal District of Bandera County
P. O. Box 1119
Bandera, TX 78003

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Appraisal District of Bandera County, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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


Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Appraisal District of Bandera County, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress retirement plan and budgetary comparison information on pages 3 - 7, 22 and 20 - 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Ede & Company, LLC
Certified Public Accountants
Knippa, Texas

April 1, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Central Appraisal District of Bandera County's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2013. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$148,931.05 at December 31, 2013.
- During the year, the District's expenses were \$2,399.71 more than the \$670,921.65 generated in service fees and other revenues for governmental activities.
- The total cost of the District's programs was virtually unchanged from last year, and no new programs were added this year.
- The general fund reported a fund balance this year of \$44,465.76.
- The District's net position increased \$2,399.71 which represents a 2.5 percent increase from 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District: The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer term view of the district's finances. All of the District's activities are accounted for in the General Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's population.

The government-wide financial statements of the District include the *Governmental activities*. All of the District's basic services are included here.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$148.9 thousand at December 31, 2013. (See Table A-1).

Table A-1
 Central Appraisal District of Bandera County
(in thousands dollars)

	Governmental Activities		Total Change
	2013	2012	2013 - 2012
Current assets:			
Cash and cash equivalents	\$ 218.8	\$ 194.3	\$ 24.5
Prepayments	3.9	4.6	-
Total current assets	<u>222.7</u>	<u>198.9</u>	<u>24.5</u>
Noncurrent assets:			
Capital Assets	434.0	424.2	9.8
Less accumulated depreciation	<u>(329.5)</u>	<u>(310.3)</u>	<u>(19.2)</u>
Total noncurrent assets	<u>104.5</u>	<u>113.9</u>	<u>(9.4)</u>
Total Assets	<u>327.2</u>	<u>312.8</u>	<u>15.1</u>
Current liabilities:			
Accounts payable and accrued liabilities	9.0	7.9	1.1
Deferred Revenue	<u>169.3</u>	<u>158.3</u>	<u>11.0</u>
Total Liabilities	<u>178.3</u>	<u>166.2</u>	<u>12.1</u>
Net Position			
Invested in capital assets	104.5	113.9	(9.4)
Unrestricted	<u>44.5</u>	<u>32.6</u>	<u>11.9</u>
Total Net Positions	<u>\$ 149.0</u>	<u>\$ 146.5</u>	<u>\$ 2.5</u>

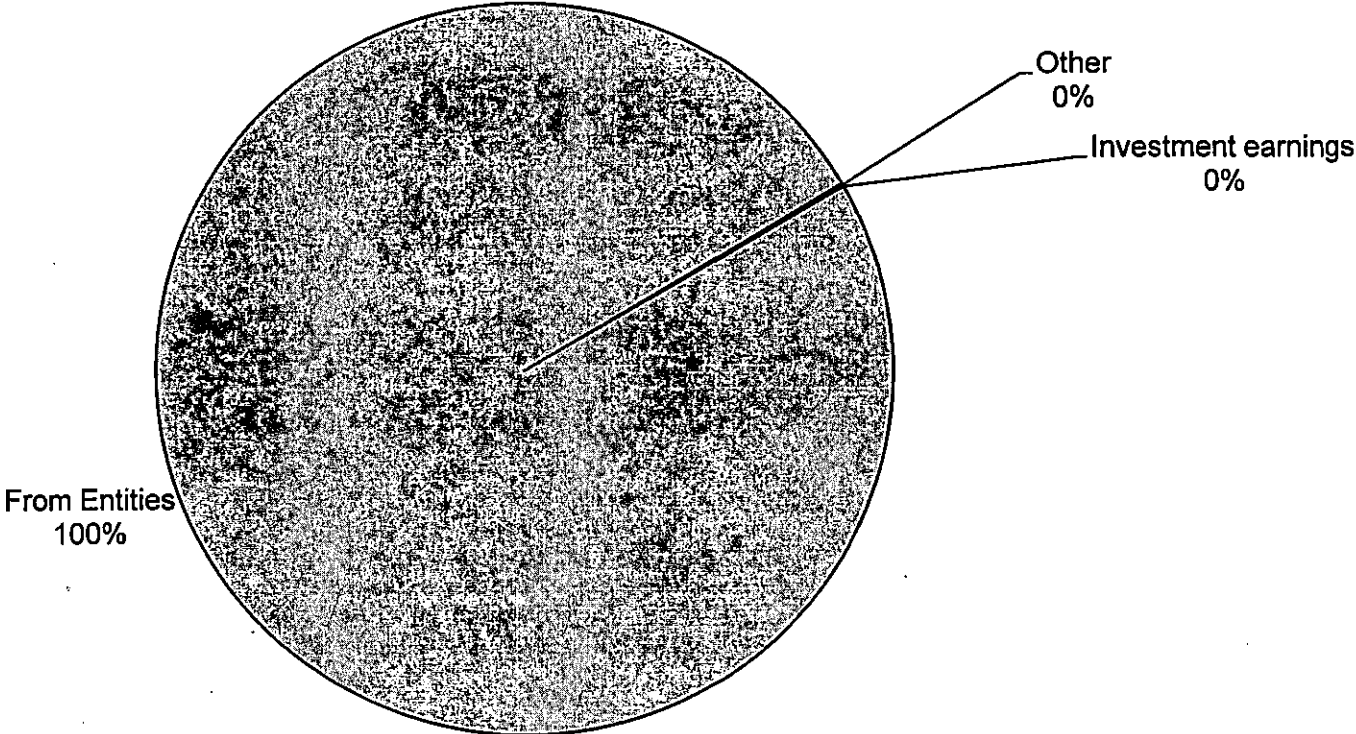
Changes in net position. The District's total revenues were \$670.9 thousand. A significant portion, 99 percent, of the District's revenue comes from contributions from the taxing entities. (See Figure A-3.) Less than 1 percent comes from other income, and less than 1 percent relates investment earnings.

The total cost of all programs and services was \$668.5 thousand; 100 percent of these costs are for General Government.

Table A-2
 Changes in Central Appraisal District of Bandera County's Net Position
(In thousands dollars)

	Governmental Activities		Total Change
	2013	2012	2013-2012
General Revenue			
From Entities	669.9	579.2	90.7
Investment Earnings	-	-	-
Other	<u>1.0</u>	<u>0.8</u>	<u>0.2</u>
Total Revenue	<u>670.9</u>	<u>580.0</u>	<u>90.9</u>
Program Expenses			
General Government	<u>668.5</u>	<u>635.2</u>	<u>33.3</u>
Total Expense	<u>668.5</u>	<u>635.2</u>	<u>33.3</u>
Increase (Decrease) in Net Position	<u>\$ 2.4</u>	<u>\$ (55.2)</u>	<u>\$ 57.6</u>

2013 Revenue Sources



2013 Expenses

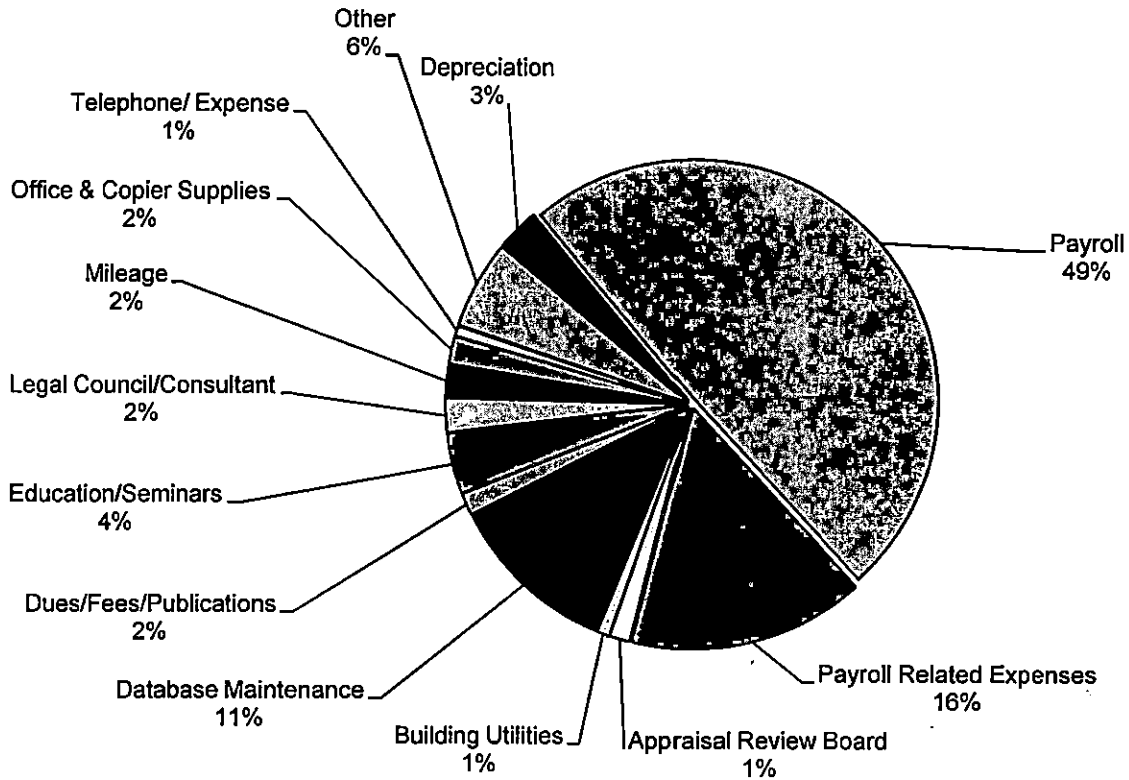


Table A-3 presents the cost of each of the District's largest functions as well as the major administrative categories.

- The cost of all *governmental* activities this year was \$668.5 thousand.
- The cost of all *governmental* activities in the previous year was \$635.2 thousand.

Table A-3
 Net Cost of Selected District Functions & Major Administrative Categories
(in thousands of dollars)

	Total Costs of Services		
	2013	2012	Total Change
Payroll	\$ 329.8	\$ 318.2	\$ 11.6
Payroll related	55.0	52.7	2.3
Health Insurance	49.8	42.9	6.9
Database Maint	76.3	23.9	52.4
Office Equipment Rental	2.1	3.8	(1.7)
Education	27.3	20.7	6.6
Other Expenditures	128.2	173.0	(44.8)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues generated increased 15.7% and expenses increases 5.2%.

General Fund Budgetary Highlights

- Actual expenditures were \$31,129.45 below final budget amounts. Also, resources available were \$14,269.70 less than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the District had invested \$424.2 in buildings, equipment & furniture. (See Table A-4.)

Table A-4
District's Capital Assets
(in thousands of dollars)

	Governmental Activities		Total Change
	2013	2012	2013-2012
Buildings	\$ 162.7	\$ 162.7	\$ -
Equipment & furniture	271.3	261.6	
Totals at historical cost	<u>434.0</u>	<u>424.3</u>	<u>-</u>
Total Accumulated Depreciation	(329.5)	(273.7)	(55.8)
Net Capital Assets	<u>\$ 104.5</u>	<u>\$ 150.6</u>	<u>\$ (55.8)</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

BASIC FINANCIAL STATEMENTS

**CENTRAL APPRAISAL DISTRICT OF
BANDERA COUNTY**
Statement of Net Positions and Governmental Funds Balance Sheet
December 31, 2013

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$ 218,830.05	\$ -	\$ 218,830.05
Prepayments	3,919.90	-	3,919.90
Capital assets (net of accumulated depreciation)			
Building & Improvements	-	96,144.10	96,144.10
Office Equipment and Furniture	-	8,321.19	8,321.19
Computer intallation in progress	-	-	-
Total assets	\$ 222,749.95	104,465.29	327,215.24
LIABILITIES			
Accounts payable	\$ 9,029.38	-	9,029.38
Payroll taxes payable	(42.06)	-	(42.06)
Total liabilities	8,987.32	-	8,987.32
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue- Advanced Collections	169,296.87	-	169,296.87
Total Deferred Inflows of Resources	169,296.87	-	169,296.87
FUND BALANCES/NET POSITION			
Fund balances:			
Unreserved	44,465.76	(44,465.76)	-
Total liabilities deferred infows and fund balances	\$ 222,749.95	(44,465.76)	178,284.19
Net Poition:			
Invested in capital assets, net of related debt		104,465.29	104,465.29
Unassigned		44,465.76	44,465.76
Total net position		\$ 148,931.05	\$ 148,931.05

The accompanying notes are an integral part of this statement.

**CENTRAL APPRAISAL DISTRICT OF
BANDERA COUNTY**
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	General Fund	Adjustments	Statement of Activities
Revenues:			
City of Bandera	\$ 6,835.82	\$ -	\$ 6,835.82
Bandera County	244,861.46	-	244,861.46
Bandera ISD	330,639.11	-	330,639.11
Flying "L" PUD	3,213.99	-	3,213.99
Medina ISD	42,900.71	-	42,900.71
Bandera River Authority	10,062.24	-	10,062.24
Utopia ISD	21,583.02	-	21,583.02
Utopia/Vanderpool ESD#1	2,080.84	-	2,080.84
Northside ISD	7,771.15	-	7,771.15
Investment earnings	12.21	-	12.21
Other income	961.10	-	961.10
Total revenues	670,921.65	-	670,921.65
Expenditures/expenses:			
Service operations:			
Salary	329,813.19	-	329,813.19
Contract Labor	215.10	-	215.10
Retirement	29,668.84	-	29,668.84
Unemployment	105.73	-	105.73
Payroll Taxes	25,230.69	-	25,230.69
Appraisal Review Board	9,107.78	-	9,107.78
Audit	2,300.00	-	2,300.00
Building Janitorial	1,452.30	-	1,452.30
Building Utilities	5,615.06	-	5,615.06
Capital Improvements < \$5,000	7,615.06	-	7,615.06
Data Storage	-	-	-
Database Maintenance	76,276.33	-	76,276.33
Dues/Fees/Publications	9,949.95	-	9,949.95
Education/Seminars/Conference Exp	27,257.72	-	27,257.72
Mapping Maintenance	1,538.37	-	1,538.37
Health Insurance Exp	49,821.15	-	49,821.15
Legal Council/Consultant	15,294.38	-	15,294.38
Liability & Property Insurance	2,742.45	-	2,742.45
Appraisal Notices	4,271.62	-	4,271.62
Mileage	14,769.84	-	14,769.84
Newspaper Notices	2,127.50	-	2,127.50
Office Equip Maint	2,637.64	-	2,637.64
Office Equipment Rental	2,148.68	-	2,148.68

**CENTRAL APPRAISAL DISTRICT OF
BANDERA COUNTY**
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Office & Copier Supplies	12,261.10	-	12,261.10
Bank Service Charge	2,129.87	-	2,129.87
Postage /Env/Ect	6,196.04	-	6,196.04
Storage Rental	660.00	-	660.00
Telephone/ Expense	4,655.54	-	4,655.54
Utilities Appraisal	5,092.00	-	5,092.00
MAP Support Contract	(1,600.08)	-	(1,600.08)
Capital outlay	9,708.05	(9,708.05)	-
Depreciation	-	19,168.09	19,168.09
Total expenditures/expenses	<u>659,061.90</u>	<u>9,460.04</u>	<u>668,521.94</u>
 Excess (deficiency) of revenues over expenditures	 11,859.75	 (9,460.04)	 2,399.71
Change in net position			
 Fund balance/net position			
Beginning of the year	32,606.01	113,925.33	146,531.34
End of the year	<u>\$ 44,465.76</u>	<u>\$ 104,465.29</u>	<u>\$ 148,931.05</u>

The accompanying notes are an integral part of this statement.

Central Appraisal District of Bandera County
Notes to the Financial Statements
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Central Appraisal District of Bandera County was created January 1, 1980, under provisions of the Texas Property Tax Code. The District operates under a Board of Directors form of government.

The District's Board of Directors, has governance responsibilities over all activities related to the District's operations within the jurisdiction of Central Appraisal District of Bandera County. Because members of the Board of Directors are elected by the taxing entities, they have the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial reporting Standards.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who goods or services provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues. Since the District chooses to report all of its activities in the general fund, no individual fund statements are presented.

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

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

The general fund column of the government-wide financial statements is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources.

Central Appraisal District of Bandera County
Notes to the Financial Statements
For the Year Ended December 31, 2013

Expendable assets are assigned to the various governmental funds according to the purpose for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund.

D. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the statement of net position column of the government-wide statement of net position but are not reported in the general fund column.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000 for equipment, and all additions to infrastructure are capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Buildings, furniture and equipment of the District are depreciated using the straight line method over the estimated useful lives.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

F. Reconciliation of Government-wide and General Fund Financial Statements

**Reconciliation of General Fund Balance to
Net Assets of Governmental Activities
December 31, 2013**

Total General Fund Balance	\$	44,465.76
Amounts reported in governmental activities in the statement of net position are different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the governmental funds.		123,633.38
Accumulated depreciation has not been included in the general fund financial statements.		<u>(19,168.09)</u>
Net Position of Governmental Activities	\$	<u>148,931.05</u>

Central Appraisal District of Bandera County
Notes to the Financial Statements
For the Year Ended December 31, 2013

Net Change in Governmental Fund Balances	\$	11,859.75
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Amounts reported for the governmental activities in the statement of activities are different because:

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis

Governmental funds report capital outlays as expenditures. However, they are reported as increases in capital assets in the government-wide financial statements.		9,708.05
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Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.		(19,168.09)
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Change in Net Position of Governmental Activities	\$	<u>2,399.71</u>
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NOTE 2 – DEPOSITS, SECURITIES AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

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. Since the District complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not participating in foreign currency transactions.

District Policies and Legal and Contractual Provisions Governing Investments

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 a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Central Appraisal District of Bandera County
Notes to the Financial Statements
For the Year Ended December 31, 2013

Statutes authorize the entity to invest in (1) obligations of Use U.S. Treasury, certain U.S. agencies, and the State of Texas. (2) certificates of deposit, (3) certain municipal securities. (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances. (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Central Appraisal District of Bandera County is in compliance with the requirements of the Act and with local policies.

Additional polices and contractual provisions governing deposits and investments for Central Appraisal District of Bandera County are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments to depository bank certificates of deposits and state sponsored investment pools.

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District investments in both depository bank certificates of deposits and state sponsored investment pools.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in foreign currencies.

NOTE 3 – CAPITAL ASSET ACTIVITY

Capital asset activity for the twelve months ended December 31, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	162,661	-	-	162,661
Furniture and Equipment	261,584	9,708	-	271,292
Total capital assets being depreciated	<u>424,245</u>	<u>9,708</u>	<u>-</u>	<u>433,953</u>
Less accumulated depreciation for:				
Buildings and Improvements	62,161	4,357		66,518
Furniture and Equipment	248,160	14,811	-	262,972
Total accumulated depreciation	<u>273,746</u>	<u>19,168</u>	<u>-</u>	<u>329,489</u>
Total capital assets being depreciated, net	<u>150,499</u>	<u>(9,460)</u>	<u>-</u>	<u>104,464</u>
Governmental activities capital assets, net	<u>\$ 150,499</u>	<u>\$ (9,460)</u>	<u>\$ -</u>	<u>\$ 104,464</u>

Central Appraisal District of Bandera County

Notes to the Financial Statements

For the Year Ended December 31, 2013

NOTE 4 - PENSION PLAN

A. Plan Description

The Central Appraisal District of Bandera County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The board of trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public retirement system consisting of 586 non-traditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar-year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at Post Office Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages sixty (60) and above with eight (8) years of service, with thirty (30) years of service, regardless of age, or then the sum of their age and years of service equals seventy-five (75) or more. Members are vested after eight (8) years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

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

B. Funding Policy

The Appraisal 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 employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.10% for the year 2013.

The contribution rate payable by the employee members for calendar year 2013 is the rate of 7% as adopted by the governing body of the Appraisal District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

C. Annual Pension Cost

For the Appraisal District's accounting year ended December 31, 2013, the annual pension cost for the TCDRS plan for its employees was \$29,668.84 and the actual contributions were \$22,822.18.

The annual contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27. Since the District needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. The December 31, 2012, actuarial valuation is the most recent valuation.

Central Appraisal District of Bandera County
Notes to the Financial Statements
For the Year Ended December 31, 2013

ACTUARIAL VALUATION INFORMATION

1. Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
2. Actuarial cost method	entry age	entry age	entry age
3. Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
4. Amortization period in years	20.0	20.0	20.0
5. Asset valuation method	SAF 10-yr smoothed value ESF : Fund value	SAF 10-yr smoothed value ESF : Fund value	SAF 10-yr smoothed value ESF : Fund value
6. Assumptions:			
Investment return – includes inflation at the stated rate	8.00%	8.00%	8.00%
Projected salary increases – includes inflation at the stated rates	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN
FOR THE EMPLOYEES OF CENTRAL APPRAISAL DISTRICT OF BANDERA COUNTY

1. Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
2. Actuarial value of assets	222,379	283,949	316,128
3. Actuarial accrued liability (AAL)	258,525	341,795	371,996
4. Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)]	36,146	57,846	55,868
5. Funded ratio	86.02%	83.08%	84.98%
6. Annual covered payroll (actuarial)	300,162	283,515	291,863
7. UAAL or (OAAL) as percentage of covered payroll	12.04%	20.40%	19.14%

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Various lawsuits have been filed against the District. All cases relate to the valuation of the properties of the plaintiffs for the purpose of ad valorem taxation. These suits seek to reduce the appraised values prepared by the District. The plaintiffs are not seeking monetary damages against the District except for the recovery of attorney's fees if the plaintiffs are successful in the lawsuits. The constituent taxing units, rather than the district, would be potentially liable for refunds, interest, and attorney fees for any lawsuits settled in favor of the plaintiffs. In the opinion of the District's legal counsel, the likelihood of a significant loss in these lawsuits is minimal.

NOTE 6 – ECONOMIC DEPENDENCY

The District receives all of its revenue from eight taxing entities.

Central Appraisal District of Bandera County
Notes to the Financial Statements
For the Year Ended December 31, 2013

NOTE 7 – FUND BALANCES

This balance represents interest and miscellaneous revenue earned by the District and unexpended for this and prior years, and the unexpended revenues received from the taxing units. The proration of this fund balance among the taxing units is as follows:

	2013 Entity Allocation Subject to Refund	Unexpended Interest & Misc. Revenue	Total Fund Balance Allocation
City of Bandera	\$ 266.61	\$ 193.31	\$ 459.92
Bandera County	9,550.14	6,044.61	15,594.75
Bandera ISD	12,895.65	9,413.21	22,308.86
Flying "L" PUD	125.35	96.54	221.89
Medina ISD	1,673.22	1,265.24	2,938.46
Bandera River Authority	392.45	257.86	650.31
Utopia ISD	841.79	916.47	1,758.26
Utopia/Vanderpool ESD#1	81.16	54.01	135.17
Northside ISD	303.08	95.06	398.14
Fund Balance	<u>26,129.45</u>	<u>18,336.31</u>	<u>44,465.76</u>

Required Supplementary Information

**CENTRAL APPRAISAL DISTRICT OF
BANDERA COUNTY**
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2013

	Actual	Original Budget	Final Amended Budget	Variance Positive (Negative)
Revenues:				
City of Bandera	\$ 6,835.82	\$ 6,988.95	\$ 6,988.95	\$ (153.13)
Bandera County	244,861.46	250,437.44	250,437.44	(5,575.98)
Bandera ISD	330,639.11	338,210.45	338,210.45	(7,571.34)
Flying "L" PUD	3,213.99	3,288.92	3,288.92	(74.93)
Medina ISD	42,900.71	43,852.25	43,852.25	(951.54)
Bandera River Authority	10,062.24	10,277.87	10,277.87	(215.63)
Utopia ISD	21,583.02	22,063.16	22,063.16	(480.14)
Utopia/Vanderpool ESD#1	2,080.84	2,124.09	2,124.09	(43.25)
Northside ISD	7,771.15	7,948.22	7,948.22	(177.07)
Investment earnings	12.21	-	-	12.21
Other income	961.10	-	-	961.10
Total revenues	<u>670,921.65</u>	<u>685,191.35</u>	<u>685,191.35</u>	<u>(14,269.70)</u>
Expenditures/expenses:				
Service operations:				
Salary	329,813.19	354,950.42	344,694.42	14,881.23
Contract Labor	215.10	-	216.00	0.90
Retirement	29,668.84	30,730.74	30,730.74	1,061.90
Unemployment	105.73	2,871.00	106.00	0.27
Payroll Taxes	25,230.69	26,981.59	26,981.59	1,750.90
Appraisal Review Board	9,107.78	8,000.00	9,108.00	0.22
Audit	2,300.00	2,000.00	2,300.00	-
Building Janitorial	1,452.30	1,500.00	1,453.00	0.70
Building Utilities	5,615.06	6,000.00	5,700.00	84.94
Capital Improvements < \$5,000	7,615.06	6,066.95	7,614.95	(0.11)
Data Storage	-	-	-	-
Database Maintenance	76,276.33	62,602.00	76,277.00	0.67
Dues/Fees/Publications	9,949.95	9,930.00	9,930.00	(19.95)
Education/Seminars/Conference Exp	27,257.72	25,709.00	30,031.00	2,773.28
Mapping Maintenance	1,538.37	900.00	1,529.00	(9.37)
Health Insurance Exp	49,821.15	54,640.60	49,821.60	0.45
Legal Council/Consultant	15,294.38	21,000.00	21,000.00	5,705.62
Liability & Property Insurance	2,742.45	3,000.00	2,930.00	187.55
Appraisal Notices	4,271.62	7,200.00	4,272.00	0.38
Mileage	14,769.84	13,700.00	14,771.00	1.16
Newspaper Notices	2,127.50	3,000.00	2,128.00	0.50
Office Equip Maint	2,637.64	2,753.00	1,968.00	(669.64)
Office Equipment Rental	2,148.68	4,116.00	2,674.00	525.32

**CENTRAL APPRAISAL DISTRICT OF
BANDERA COUNTY**
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2013

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Variance Positive (Negative)</u>
Office & Copier Supplies	12,261.10	8,500.00	12,025.00	(236.10)
Bank Service Charge	2,129.87	2,000.00	2,085.00	(44.87)
Postage /Env/Ect	6,196.04	6,200.00	6,200.00	3.96
Storage Rental	660.00	660.00	660.00	-
Telephone/ Expense	4,655.54	5,379.00	4,784.00	128.46
Utilities Appraisal	5,092.00	5,093.00	5,093.00	1.00
MAP Support Contract	(1,600.08)	-	(1,600.00)	0.08
Contingency	-	5,000.00	5,000.00	5,000.00
Capital Outlay	9,708.05	9,708.05	9,708.05	-
Total expenditures/expenses	<u>659,061.90</u>	<u>690,191.35</u>	<u>690,191.35</u>	<u>31,129.45</u>
Excess (deficiency) of revenues over expenditures	11,859.75	(5,000.00)	(5,000.00)	16,859.75
Fund balance				
Beginning of the year	32,606.01	32,606.01	32,606.01	-
End of the year	<u>\$ 44,465.76</u>	<u>\$ 27,606.01</u>	<u>\$ 27,606.01</u>	<u>\$ 16,859.75</u>

CENTRAL APPRAISAL DISTRICT OF BANDERA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2013

Texas County and District Retirement System
Trend Data Schedule of Funding Progress for the Retirement Plan
For the Employees of Central Appraisal District of Bandera County

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/2009	163,020	198,148	35,128	82.27%	286,000	12.28%
12/31/2010	222,379	258,525	36,146	86.02%	300,162	12.04%
12/31/2011	283,949	341,795	57,846	83.08%	283,515	20.40%
12/31/2012	316,128	371,996	55,868	84.98%	291,863	19.14%