

BANDERA CENTRAL APPRASIAL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

Bandera Central Appraisal District
Annual Financial Report
For the Year Ended December 31, 2022

	<u>Page</u>
Table of Contents	
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 7
Statement of Net Position and Governmental Funds Balance Sheet	9
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances	10-11
Notes to the Financial Statements	12-22
Required Supplementary Information	
Budgetary Comparison Statement - General Fund	24-25
Schedule of Changes in Net Pension Liability and Related Ratios	26
Schedule of Employer Contributions	27
Notes to the Required Supplementary Information - TCD&RS	28

EDE & COMPANY, LLC

Certified Public Accountants

Eric Ede, CPA
Donna Ede Jones, CPA

133 N. Camp St.
Uvalde, Texas 78801
Telephone (830) 278-2513
Fax (830) 278-6288
Email ede@edecpa.com

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bandera Central Appraisal District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Bandera Central Appraisal District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bandera Central Appraisal District as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in the notes to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, 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 Bandera Central 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 generally accepted auditing standards will always detect a material



misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bandera Central 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 Bandera Central 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions for Pensions, as listed in the table of contents 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 Government 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 an 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
Uvalde, Texas

May 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of the Bandera Central Appraisal District (the "District") offers the following narrative on the financial performance of the District for the year ended December 31, 2022. Please read it in connection with the District's financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$388,985.46 at December 31, 2022.
- During the year, the District's expenses were \$98,049.04 less than the \$1,125,834.79 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 \$216,607.64.
- The District's net position increased \$98,049.04 which represents a 33.7 percent increase from 2021.

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 \$389.0 thousand at December 31, 2022. (See Table A-1).

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

	Governmental Activities		Total Change
	2022	2021	2022 - 2021
Current assets:			
Cash and cash equivalents	\$ 405.3	\$ 404.2	\$ 1.1
Prepayments	4.5	48.1	-
Total current assets	<u>409.8</u>	<u>452.3</u>	<u>1.1</u>
Noncurrent assets:			
Net Pension Asset	284.5	85.7	198.8
Capital Assets	531.1	521.5	9.6
Less accumulated depreciation	<u>(458.6)</u>	<u>(440.8)</u>	<u>(17.8)</u>
Total noncurrent assets	<u>357.0</u>	<u>166.4</u>	<u>(8.2)</u>
Total Assets	<u>766.8</u>	<u>618.7</u>	<u>(7.1)</u>
Deferred Outflows of Resources			
Deferred Outflow - Pensions	86.2	106.3	(20.1)
Total Deferred Outflows of Resources	<u>86.2</u>	<u>106.3</u>	<u>(20.1)</u>
Current liabilities:			
Accounts payable and accrued liabilities	22.4	0.5	21.9
Deferred Revenue	170.8	281.3	(110.5)
Compensated Absences	30.3	30.7	(0.4)
Right to use liability - Lease	<u>5.4</u>	<u>-</u>	<u>5.4</u>
Total Liabilities	<u>228.9</u>	<u>312.5</u>	<u>(83.6)</u>
Deferred Inflows of Resources			
Deferred Inflow - Pensions	235.2	121.6	113.6
Total Deferred Outflows of Resources	<u>235.2</u>	<u>121.6</u>	<u>113.6</u>
Net Position			
Invested in capital assets	36.3	57.6	(21.3)
Unrestricted	<u>352.7</u>	<u>233.3</u>	<u>119.4</u>
Total Net Positions	<u>\$ 389.0</u>	<u>\$ 290.9</u>	<u>\$ 98.1</u>

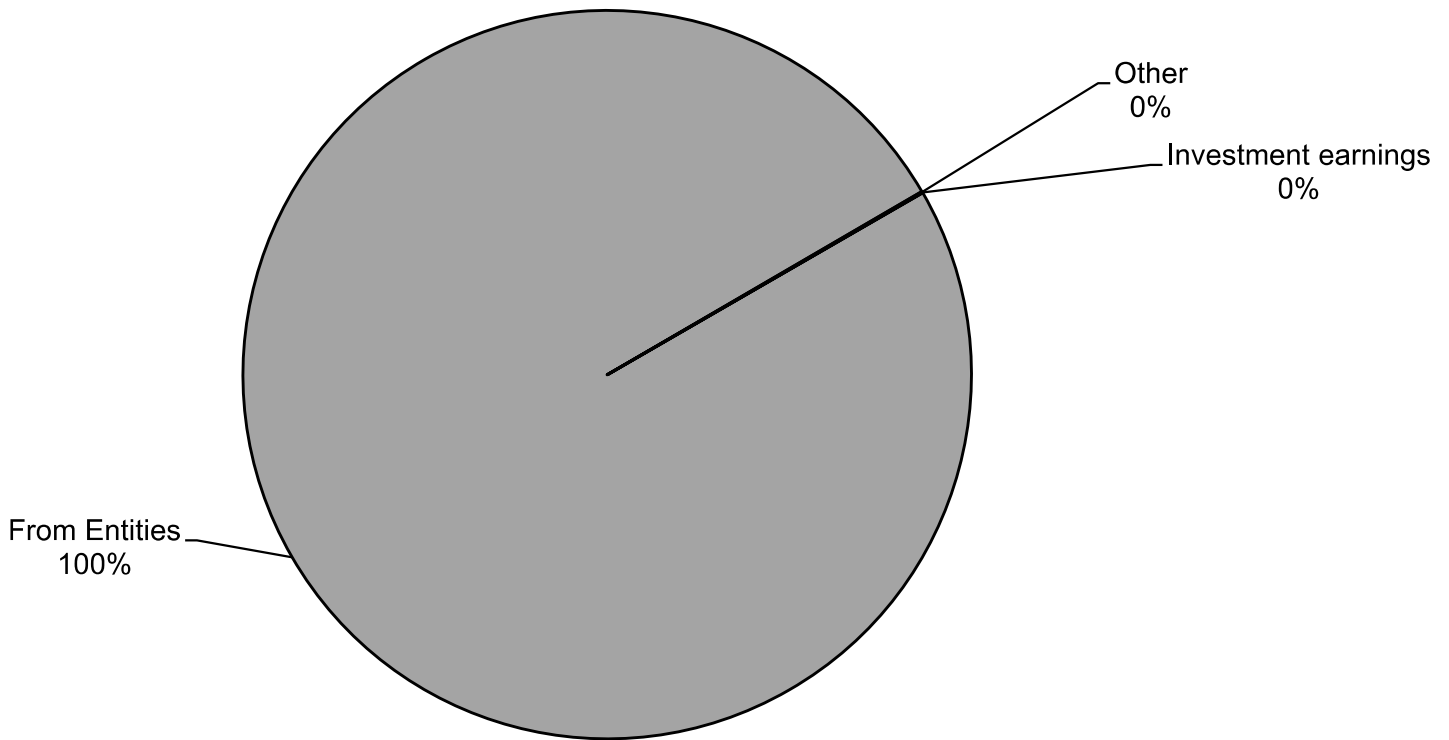
Changes in net position. The District's total revenues were \$1,125.8 thousand. A significant portion, 99 percent, of the District's revenue comes from contributions from the taxing entities. (See Figure A-3.) Less than 1 percent comes from other income, and less than 1 percent relates investment earnings.

The total cost of all programs and services was \$1,027.8 thousand; 100 percent of these costs are for General Government.

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

	Governmental Activities		Total Change 2022-2021
	2022	2021	
General Revenue			
From Entities	1,125.2	1,155.8	(30.6)
Investment Earnings	-	-	-
Other	0.6	1.7	(1.1)
Total Revenue	<u>1,125.8</u>	<u>1,157.5</u>	<u>(31.7)</u>
Program Expenses			
General Government	1,027.8	1,075.4	(47.6)
Total Expense	<u>1,027.8</u>	<u>1,075.4</u>	<u>(47.6)</u>
Increase (Decrease) in Net Position	<u>\$ 98.0</u>	<u>\$ 82.1</u>	<u>\$ 15.9</u>

2022 Revenue Sources



2022 Expenses

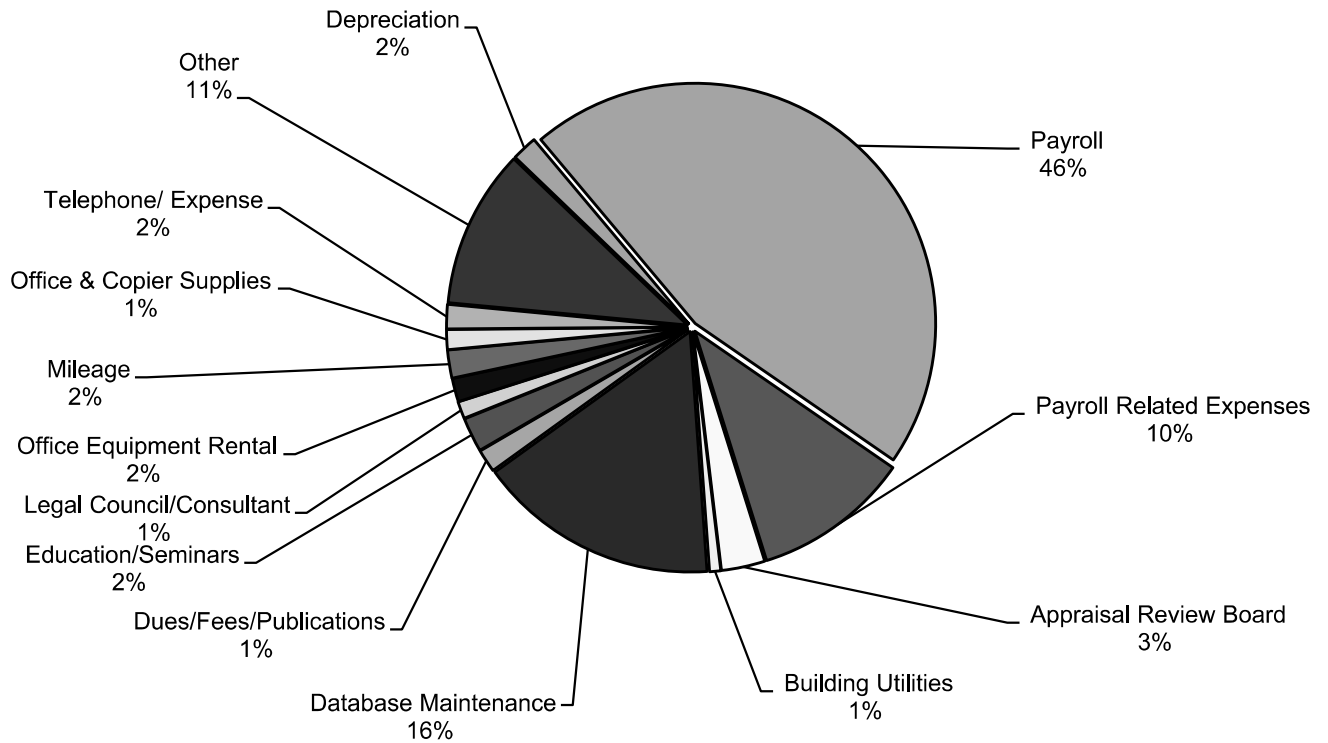


Table A-3 presents the cost of each of the District's largest functions as well as the major administrative categories.

- The cost of all *governmental* activities this year was \$1,027.8 thousand.
- The cost of all *governmental* activities in the previous year was 1,075.4 thousand.

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

	Total Costs of Services		
	2022	2021	Total Change
Payroll	\$ 469.9	\$ 466.7	\$ 3.2
Payroll related	29.7	111.1	(81.4)
Health Insurance	78.8	73.8	5.0
Database Maint	166.4	178.2	(11.8)
Office Equipment Rental	16.1	29.8	(13.7)
Education	24.0	29.4	(5.4)
Other Expenditures	242.9	186.4	56.5

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues generated decreased 2.8% and expenses decreased 4.6%.

General Fund Budgetary Highlights

- Actual expenditures were \$45,211.12 less than the final budget amounts. Also, resources available were \$837.83 more than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had invested \$531.1 in buildings, equipment & furniture. (See Table A-4.)

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

	Governmental Activities		Total Change
	2022	2021	2022-2021
Buildings	\$ 188.3	\$ 188.3	\$ -
Equipment & furniture	342.8	333.3	9.5
Totals at historical cost	<u>531.1</u>	<u>521.6</u>	<u>9.5</u>
Total Accumulated Depreciation	<u>(458.6)</u>	<u>(440.8)</u>	<u>(17.8)</u>
Net Capital Assets	<u>\$ 72.5</u>	<u>\$ 80.8</u>	<u>\$ (8.3)</u>

Debt

There District's debt consisted of liability for compensate absences and right to use liability – leases at the end of the year.

ECONOMIC FACTORS AND NEXT YEAR'S GENERAL FUND BUDGET

The Bandera Central Appraisal District's General Fund budget is developed annually and intended to provide efficient, effective, and controlled usage of the District's resources.

The District's 2023 budget expense is \$1,274,951.90. This is an increase of \$149,954.90 from 2022.

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

BANDERA CENTRAL APPRAISAL DISTRICT
Statement of Net Positions and Governmental Funds Balance Sheet
December 31, 2022

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$ 405,312.59	\$ -	\$ 405,312.59
Prepayments	4,521.06	-	4,521.06
Net Pension Asset		284,494.00	284,494.00
Capital assets (net of accumulated depreciation)			
Building & Improvements	-	65,966.31	65,966.31
Office Equipment and Furniture	-	6,498.40	6,498.40
Total assets	\$ 409,833.65	356,958.71	766,792.36
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	-	86,225.52	86,225.52
Total Deferred Outflows of Resources	-	86,225.52	86,225.52
LIABILITIES			
Accounts payable	\$ 14,718.47	-	14,718.47
Retirement payable	7,733.19	-	7,733.19
Unearned Revenue - Advanced Collections	170,774.35	-	170,774.35
Compensated Absences	-	30,273.37	30,273.37
Right to use liability - Leases	-	5,367.04	5,367.04
Total liabilities	193,226.01	35,640.41	228,866.42
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	-	235,166.00	235,166.00
Total Deferred Inflows of Resources	-	235,166.00	235,166.00
FUND BALANCES/NET POSITION			
Fund balances:			
Committed	40,000.00	(40,000.00)	
Uncommitted	176,607.64	(176,607.64)	-
Total Fund Balance	216,607.64	(216,607.64)	-
Total liabilities, deferred inflows and fund balances	\$ 409,833.65	(180,967.23)	
Net Position:			
Invested in capital assets, net of related debt		36,323.32	36,323.32
Unrestricted		352,662.14	352,662.14
Total net position		\$ 388,985.46	\$ 388,985.46

The accompanying notes are an integral part of this statement.

BANDERA CENTRAL APPRAISAL DISTRICT
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	General Fund	Adjustments	Statement of Activities
Revenues:			
City of Bandera	\$ 13,025.60	\$ -	\$ 13,025.60
Bandera County	410,559.88	-	410,559.88
Bandera ISD	499,157.68	-	499,157.68
Flying "L" PUD	5,820.24	-	5,820.24
Medina ISD	89,701.60	-	89,701.60
Bandera River Authority	31,363.20	-	31,363.20
Utopia ISD	58,345.04	-	58,345.04
Utopia/Vanderpool ESD#1	3,328.60	-	3,328.60
Northside ISD	13,866.31	-	13,866.31
Investment earnings	156.54	-	156.54
Other income	510.10	-	510.10
Total revenues	<u>1,125,834.79</u>	<u>-</u>	<u>1,125,834.79</u>
Expenditures/expenses:			
Service operations:			
Salary	470,393.74	(500.98)	469,892.76
Contract Labor	17,765.17	-	17,765.17
Retirement	52,447.52	(65,111.75)	(12,664.23)
Unemployment	-	-	-
Payroll Taxes & Other Benefits	42,375.12	-	42,375.12
Appraisal Review Board	30,294.46	-	30,294.46
Audit	3,750.00	-	3,750.00
Building Janitorial	2,823.12	-	2,823.12
Building Utilities	7,652.25	-	7,652.25
Building Repair	18,434.36	-	18,434.36
Records Management	5,960.10	-	5,960.10
Database Maintenance	166,441.16	-	166,441.16
Dues/Fees/Publications	15,831.95	-	15,831.95
Education/Seminars/Conference Exp	23,967.29	-	23,967.29
Health Insurance Exp	78,816.47	-	78,816.47
Legal Council/Consultant	11,893.50	-	11,893.50
Liability & Property Insurance	5,127.18	-	5,127.18
Appraisal Notices	29,773.60	-	29,773.60
Mileage	19,304.64	-	19,304.64
Newspaper Notices	875.00	-	875.00
Office Equipment Rental	20,223.16	(4,151.22)	16,071.94

BANDERA CENTRAL APPRAISAL DISTRICT
Statement of Activities and Governmental Funds
Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Office & Copier Supplies	13,807.47	-	13,807.47
Bank Service Charge/Payroll Fees	3,525.33	-	3,525.33
Telephone/ Expense	16,751.00	-	16,751.00
Utilities & Contract Appraisal	21,042.55	-	21,042.55
Misc.	-	-	-
Capital outlay	509.74	-	509.74
Depreciation		17,763.82	17,763.82
Total expenditures/expenses	<u>1,079,785.88</u>	<u>(52,000.13)</u>	<u>1,027,785.75</u>
 Excess (deficiency) of revenues over expenditures	 46,048.91	 52,000.13	 98,049.04
Fund balance/net position			
Beginning of the year	170,558.73	120,377.69	290,936.42
Refunded to entities	-	-	-
End of the year	<u>\$ 216,607.64</u>	<u>\$ 172,377.82</u>	<u>\$ 388,985.46</u>

The accompanying notes are an integral part of this statement.

Bandera Central Appraisal District

Notes to the Financial Statements

For the Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Bandera Central Appraisal District 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 Bandera Central Appraisal District. 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 it’s 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.

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 the accounted for in another fund.

Bandera Central Appraisal District

Notes to the Financial Statements

For the Year Ended December 31, 2022

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. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation, comp. absence, and sick pay benefits.

The District may pay up to 160 accumulated earned but unused vacation, comp. absence, and sick pay benefits. When a regular full time employee leaves the District, and is in good standing, and has been employed by the district for more than 12 months.

All vacation and comp. absences are accrued when incurred in the government- wide financial statements. A liability for these amounts is reported in government- wide financial statements.

G. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of differences between expected and actual actuarial experience (pension), changes in actuarial assumptions (pension), change in proportion and differences between employer's contributions and the proportionate share of contributions (pension), and contributions paid to TC&DRS subsequent to the measurement date (pension).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports a deferred inflow of resources for differences between expected and actual actuarial experience (pension), changes in actuarial assumptions (pension), differences between projected and actual investment earnings (pension), and changes in proportion and differences between employer's contributions and the proportionate share of contributions (pension).

H. Fund Balances

Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications are defined as:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

Restricted — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

Committed — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Directors. These amounts cannot be used for any other purpose unless the District Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Unassigned — All other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

**Reconciliation of General Fund Balance to
Net Position of Governmental Activities
December 31, 2022**

Total General Fund Balance	\$ 216,607.64
-----------------------------------	---------------

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$531,064 and accumulate depreciation was \$440,835. In addition, long-term liabilities including compensated absences are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The long-term debt was \$40,293.	49,935.92
--	-----------

Current year capital outlays and compensated absences changes are expended in the fund financial statements, but the should be shown as increases in capital assets and reduction in long-term debt in the government-wide financial statements. The net effect of including the 2022 capital outlays and changes in compensated absences is to decrease net position.	4,652.20
--	----------

Included in the items related to debt is the recognition of the District's net pension asset required by GASB 68 in the amount of \$284,494. a Deferred Resource Inflow in the amount of \$86,226 and a Deferred Resource Outflow related to TRS in the amount of \$235,166. This resulted in a increase in Net Position	135,553.52
--	------------

The 2021 depreciation expense increases accumulated depreciation. The net effect to the current year's depreciation is to decrease net position.	(17,763.82)
--	-------------

Net Position of Governmental Activities	\$ <u><u>388,985.46</u></u>
--	------------------------------------

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**

Net Change in Governmental Fund Balances	\$	46,048.91
---	----	-----------

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

Current year capital outlays and changes in compensate absences are expenditures in the fund financial statements, but the should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements The net effect of removing the 2021 capital outlays and changes in compensated absences is to decrease net position.		4,652.20
---	--	----------

Current year changes in Net Pension Liability, Deferred Inflow of Recourses, and Deferred Outflow of Recourses, due to GASB 68 required adjustments to the retirement expense of (16,725.06) resulting in an increase in net position.		65,111.75
--	--	-----------

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.		(17,763.82)
---	--	-------------

Change in Net Position of Governmental Activities	\$	<u>98,049.04</u>
--	----	------------------

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.

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

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. Bandera Central Appraisal District is in compliance with the requirements of the Act and with local policies.

Additional polices and contractual provisions governing deposits and investments for Bandera Central Appraisal District 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, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	188,288	-	-	188,288
Furniture and Equipment	* 342,776	-	-	342,776
Total capital assets being depreciated	<u>531,064</u>	<u>-</u>	<u>-</u>	<u>531,064</u>
Less accumulated depreciation for:				
Buildings and Improvements	116,044	6,277		122,321
Furniture and Equipment	324,791	11,487	-	336,278
Total accumulated depreciation	<u>440,835</u>	<u>17,764</u>	<u>-</u>	<u>458,599</u>
Total capital assets being depreciated, net	<u>90,229</u>	<u>(17,764)</u>	<u>-</u>	<u>72,465</u>
Governmental activities capital assets, net	<u>\$ 90,229</u>	<u>\$ (17,764)</u>	<u>\$ -</u>	<u>\$ 72,465</u>

* Restated balance the result of implementation of GASB 87, Lease

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 4 – LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Right to Use Lease Liability *	\$ 9,518	\$ -	\$ 4,151	\$ 5,367	\$ 4,277
Compensated Absences	30,774	30,273	30,774	30,273	30,273
Total	<u>\$ 40,293</u>	<u>\$ 30,273</u>	<u>\$ 34,926</u>	<u>\$ 35,640</u>	<u>\$ 34,551</u>

*Restated Balance as the result of implementation of GASB 87, Leases

Right to Uses Lease Liability

The District has entered into various leases as a lessee. These leases vary in nature, substance, terms, and conditions dependent upon the asset being leased. Examples of assets leased are copiers. Beginning FY 2022, leases are presented in the financial statements and accompanying footnotes in accordance with GASB 87. GASB 87 requires leases to be categorized as either short-term (12 months or less in length, including renewal options) or long-term. In determining future minimum lease payments and receipts, the District includes the right to extend option terms in the noncancelable lease term. Short-term lease transactions are reflected in the government-wide and fund financial statements.

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2023	\$ 4,277	\$ 103	\$ 4,380
2024	1,090	5	1,095
Totals	<u>\$ 5,367</u>	<u>\$ 108</u>	<u>\$ 5,475</u>

NOTE 5 - PENSION PLAN

Plan Description.

Bandera Central Appraisal District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional agent multiemployer defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiemployer public employee retirement system consisting of more than 830 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis, which is available online at www.tcdrs.org or upon written request from the Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

Benefits Provided

The plan provisions are adopted by Bandera Central Appraisal District Board of Directors, within the options available in the state statutes governing TCDRS (“TCDRS Act”). Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, when the sum of their age and years of service equals 80 or more, or if they become disabled. Members are vested after combined 10 years of employment with any organization(s) with an accredited plan (not just the District) 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 District. Benefit amounts

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 Bandera Central Appraisal District Board of Directors, 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. By law, employee accounts earn 7% interest. 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. The District's current match is 225%

Employees Covered by Benefit Terms

At the measurement date, the following employees were covered by the benefit terms of the Bandera Central Appraisal District plan:

Membership Information

Members	Dec.31,2020	Dec.31,2021
Number of inactive employees entitled to but not yet receiving benefits:	19	18
Number of active employees:	9	10
Average monthly salary*:	\$ 3,702	\$ 3,335
Average age*:	39.29	41.04
Average length of service in years*:	5.37	5.04
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	4	6
Average monthly benefit:	\$304	\$473

*Averages reported for all active and inactive employees.

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 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 11.42% for the months of the accounting year in 2022. The deposit rate payable by the employee members for calendar year 2022 is the rate of 7.0% as adopted by the governing body of the employer. 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.

Actuarial assumptions:

For the District's fiscal year ending December 31, 2022, the net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

TCDRS system-wide economic assumptions:

Real rate of return	5.0% per year
Inflation	2.50% per year
Long-term investment return	7.5%

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	0.00%

Bandera Central Appraisal District

Notes to the Financial Statements

For the Year Ended December 31, 2022

The payroll growth assumption is for the aggregate covered payroll of an employer.

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 2022 information for a 10 year time horizon and are re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2021 and reviewed annually for continued compliance with relevant standards of practice. The following target asset allocation was adopted by the TCDRS board in March 2022.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
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%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index(3)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index(4)	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity Venture Capital Index(5)	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

(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 2.60%, per Cliffwater's 2022 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 Horizon IRRs.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate ⁽¹⁾	7.60%
Long-term expected rate of return, net of investment expense ⁽¹⁾	7.60%
Municipal bond rate ⁽²⁾	Does not apply

¹ This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus a 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

² The Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return and the municipal bond rate does not apply.

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Fiduciary	Net Pension
	Liability	Net Position	Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2020	\$ 1,334,619	\$ 1,420,366	\$ (85,747)
Changes for the year:			
Service cost	62,852	-	62,852
Interest on total pension liability	104,227	-	104,227
Effect of plan changes	22,731	-	22,731
Effect of economic/demographic gains or losses	9,630	-	9,630
Effect of assumptions changes or inputs	(710)	-	(710)
Refund of Contributions	(21,284)	(21,284)	-
Benefit payments	(31,811)	(31,811)	-
Administrative expenses		(955)	955
Member contributions		31,144	(31,144)
Net investment income		315,298	(315,298)
Employer contributions		50,782	(50,782)
Other	-	1,208	(1,208)
Balances as of December 31, 2021	\$ 1,480,254	\$ 1,764,748	\$ (284,494)

Sensitivity Analysis

The following presents the net pension liability 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 (8.6%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 1,708,512	\$ 1,480,254	\$ 1,290,882
Fiduciary net position	1,764,749	1,764,749	1,764,749
Net pension liability/(Asset)	\$ (56,237)	\$ (284,495)	\$ (473,867)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www/tcdrs.org.

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

For the current year, the District recognized pension expense of \$(12,664).

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

As of December 31, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 41,029	\$ 6,707
Changes in assumptions	473	27,071
Net difference between projected and actual earnings	193,664	-
Contributions made subsequent to measurement date	N/A	52,448
Total	\$ 235,166	\$ 86,226

Amounts currently reported deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

2022	(54,076)
2023	(59,490)
2024	(46,568)
2025	(41,254)
2026	0
Thereafter	0

NOTE 6 – 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 7 – ECONOMIC DEPENDENCY

The District receives all its revenue from nine taxing entities.

Bandera Central Appraisal District
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 8 – 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:

	Entity Allocation Subject to Refund	Unexpended Interest & Misc. Revenue	Total Fund Balance Allocation
City of Bandera	\$ 2,553.30	\$ 168.70	\$ 2,722.00
Bandera County	76,876.62	5,026.83	81,903.45
Bandera ISD	93,700.00	6,135.56	99,835.56
Flying "L" PUD	957.93	60.09	1,018.02
Medina ISD	14,403.61	1,009.26	15,412.87
Bandera River Authority	5,464.04	343.44	5,807.48
Utopia ISD	7,130.61	425.97	7,556.58
Utopia/Vanderpool ESD#1	(267.69)	40.28	(227.41)
Northside ISD	2,422.85	156.24	2,579.09
Fund Balance	203,241.27	13,366.37	216,607.64

NOTE 9 – IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARD

During the year the District implemented Governmental Accounting Standards Board Statement No. 87 - Leases ("GASB 87"). The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions in the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The adoption of GASB 87 resulted in a restatement to beginning balances of the right-to-use assets and leases payable. For governmental activities, right-to-use assets and leases payable were restated by \$9,518.

Required Supplementary Information

BANDERA CENTRAL APPRAISAL DISTRICT
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2022

	Actual	Original Budget	Final Amended Budget	Variance Positive (Negative)
Revenues:				
City of Bandera	\$ 13,025.60	\$ 13,025.60	\$ 13,025.60	\$ -
Bandera County	410,559.88	410,559.88	410,559.88	-
Bandera ISD	499,157.68	499,157.68	499,157.68	-
Flying "L" PUD	5,820.24	5,820.24	5,820.24	-
Medina ISD	89,701.60	89,701.60	89,701.60	-
Bandera River Authority	31,363.20	31,363.20	31,363.20	-
Utopia ISD	58,345.04	58,345.04	58,345.04	-
Utopia/Vanderpool ESD#1	3,328.60	3,328.60	3,328.60	-
Northside ISD	13,866.31	13,695.12	13,695.12	171.19
Investment earnings	156.54	-	-	156.54
Other income	510.10	-	-	510.10
Total revenues	<u>1,125,834.79</u>	<u>1,124,996.96</u>	<u>1,124,996.96</u>	<u>837.83</u>
Expenditures/expenses:				
Service operations:				
Salary	470,393.74	489,201.00	489,201.00	18,807.26
Contract Labor	17,765.17	-	-	(17,765.17)
Retirement	52,447.52	54,380.00	54,380.00	1,932.48
Unemployment	-	2,070.00	2,070.00	2,070.00
Payroll Taxes & Other Benefits	42,375.12	39,902.00	39,902.00	(2,473.12)
Appraisal Review Board	30,294.46	18,400.00	18,400.00	(11,894.46)
Audit	3,750.00	3,500.00	3,500.00	(250.00)
Building Janitorial	2,823.12	4,200.00	4,200.00	1,376.88
Building Utilities	7,652.25	8,650.00	8,650.00	997.75
Building Repair	18,434.36	15,000.00	15,000.00	(3,434.36)
Records Management	5,960.10	3,000.00	3,000.00	(2,960.10)
Database Maintenance	166,441.16	156,200.00	156,200.00	(10,241.16)
Dues/Fees/Publications	15,831.95	17,500.00	17,500.00	1,668.05
Education/Seminars/Conference Exp	23,967.29	25,000.00	25,000.00	1,032.71
Health Insurance Exp	78,816.47	76,494.00	76,494.00	(2,322.47)
Legal Council/Consultant	11,893.50	60,000.00	60,000.00	48,106.50
Liability & Property Insurance	5,127.18	5,000.00	5,000.00	(127.18)
Appraisal Notices	29,773.60	31,400.00	31,400.00	1,626.40
Mileage	19,304.64	25,000.00	25,000.00	5,695.36
Newspaper Notices	875.00	2,000.00	2,000.00	1,125.00
Office Equipment Rental	20,223.16	25,400.00	25,400.00	5,176.84

BANDERA CENTRAL APPRAISAL DISTRICT
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2022

	Actual	Original Budget	Final Amended Budget	Variance Positive (Negative)
Office & Copier Supplies	13,807.47	15,000.00	15,000.00	1,192.53
Bank Service Charge/Payroll Fees	3,525.33	4,800.00	4,800.00	1,274.67
Telephone/ Expense	16,751.00	16,250.00	16,250.00	(501.00)
Utilities & Contract Appraisal	21,042.55	11,750.00	11,750.00	(9,292.55)
Misc.	-	-	-	-
Capital Outlay	509.74	4,900.00	4,900.00	4,390.26
General Contingency	-	10,000.00	10,000.00	10,000.00
Total expenditures/expenses	<u>1,079,785.88</u>	<u>1,124,997.00</u>	<u>1,124,997.00</u>	<u>45,211.12</u>
Excess (deficiency) of revenues over expenditures	46,048.91	(0.04)	(0.04)	46,048.95
Fund balance/net position				
Beginning of the year	170,558.73	170,558.73	170,558.73	-
Refunded to entities	-	-	-	
End of the year	<u>\$ 216,607.64</u>	<u>170,558.69</u>	<u>170,558.69</u>	<u>46,048.95</u>

BANDERA CENTRAL APPRAISAL DISTRICT
Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pension Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2012	26,209	26,209	-	291,863	9.0%
2013	29,669	29,669	-	326,031	9.1%
2014	33,267	33,267	-	356,172	9.3%
2015	36,167	56,167	(20,000)	417,635	13.4%
2016	50,764	53,480	(2,716)	468,302	11.4%
2017	59,108	82,122	(23,014)	526,807	15.6%
2018	54,968	61,968	(7,000)	542,626	11.4%
2019	57,488	65,694	(8,206)	572,024	11.5%
2020	43,369	49,281	(5,912)	431,529	11.4%
2021	42,444	50,782	(8,338)	444,911	11.4%

(1) Payroll is calculated based on contributions as reported to TCDRS

BANDERA CENTRAL APPRAISAL DISTRICT

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service cost	\$ 62,852	83,452	88,776	84,641	75,241	67,438	54,982	44,947	N/A	N/A
Interest on total pension liability	104,227	104,777	92,823	80,371	67,697	57,300	50,935	40,534	N/A	N/A
Effect of plan changes	22,731	-	-	-	-	14,139	18,641	-	N/A	N/A
Effect of assumption changes or input	(710)	81,215	-	-	3,827	-	9,022	-	N/A	N/A
Effect of economic gains or losses	9,630	(123,087)	1,148	3,377	15,550	(29,485)	(35,070)	38,258	N/A	N/A
Benefit payments/refund of contributions	(53,095)	(42,827)	(17,341)	(20,203)	(10,492)	(21,844)	(17,045)	(10,724)	N/A	N/A
Net change in total pension liability	145,635	103,530	165,406	148,186	151,823	87,548	81,465	113,015	N/A	N/A
Total pension liability, beginning	1,334,619	1,231,089	1,065,684	917,498	765,674	678,126	596,682	483,647	N/A	N/A
Total pension liability, ending	\$ 1,480,254	1,334,619	1,231,090	1,065,684	917,497	765,674	678,147	596,662	N/A	N/A
Fiduciary Net Position										
Employer contributions	\$ 50,782	49,281	65,694	61,968	82,122	53,480	56,167	33,267	N/A	N/A
Member contributions	31,144	30,207	40,042	37,984	36,877	32,781	29,234	24,932	N/A	N/A
Investment income net of investment expenses	315,298	129,613	164,011	(16,516)	106,611	44,984	(5,784)	32,232	N/A	N/A
Benefit payments/refunds of contributions	(53,095)	(42,827)	(17,341)	(20,203)	(10,492)	(21,844)	(17,045)	(10,724)	N/A	N/A
Administrative expenses	(955)	(1,039)	(956)	(803)	(621)	(496)	(421)	(394)	N/A	N/A
Other	1,208	1,209	3,201	2,469	1,448	(1,855)	(329)	(24)	N/A	N/A
Net change in fiduciary net position	344,382	166,444	254,651	64,899	215,945	107,050	61,822	79,289	N/A	N/A
Fiduciary net position, beginning	1,420,366	1,253,922	999,272	934,373	718,428	611,379	549,555	470,220	N/A	N/A
Fiduciary net position, ending	\$ 1,764,748	1,420,366	1,253,923	999,272	934,373	718,429	611,377	549,509	N/A	N/A
Net pension liability/asset	\$ (284,494)	(85,747)	(22,833)	66,412	(16,876)	47,245	66,770	47,153	N/A	N/A
Fiduciary net position as a % of total pension liability	119.22%	106.42%	101.85%	93.77%	101.84%	93.83%	90.15%	92.10%	N/A	N/A
Pension covered payroll	\$ 444,911	431,529	572,024	542,626	526,807	468,302	417,635	356,172	N/A	N/A
Net pension liability as a % of covered payroll	-63.94%	-19.87%	-3.99%	12.24%	-3.20%	10.09%	15.99%	13.24%	N/A	N/A

**BANDERA CENTRAL APPRAISAL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub 2010 Healthy Annuitant Mortality Table for males and 120% of the RP-2010 Healthy Annuitant Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: Employer contributions reflect that the current service matching rate was increased to 200%. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule.

**Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedules*