

CONCHO CENTRAL APPRAISAL DISTRICT



2020 ANNUAL REPORT

121 South Roberts Street Paint Rock, Texas 76866

www.conhocad.org

GENERAL SUMMARY

In 2020, the appraisal district saw a change in leadership. Ashley Mayfield resigned as Chief Appraiser in March 2020 and an Interim was brought in soon thereafter. A new Chief Appraiser, D'Andra Warlick, was hired in July 2020 and officially started her position in September 2020. Data in the internal ratio study indicated that there were still some inconsistencies in values compared to sales. An examination of the cost schedules in the previous years showed that those cost schedules had not been updated since the beginning of appraisal districts in 1982. The appraisal company was using unrealistic depreciation on properties to try to adjust the low-cost schedules up to market, but in most cases, they were not able to get the numbers correct. As values were rising, updated cost schedules were implemented into the CAMA (computer-assisted mass appraisal) system.

The appraisal firms continued the process of updating appraisals with the newly implemented depreciation system as the field work was done.

DATA

The district is responsible for establishing, maintaining and appraising approximately 9,122 accounts, covering 994 square miles within Concho County, with a total market value of \$1,247,375,163 billion dollars and a Net Taxable Value of \$369,499,006 million after all deductions. 7,340 of those accounts are classified as Real property. 230 accounts are classified as Personal property and 1,522 accounts are classified as Industrial and Mineral.

RATIO STUDIES

The last ratio study completed by the State Comptroller was released in January 2021. Each school district was checked in the 2020 ratio study to ensure accuracy of appraisals throughout the county. A copy of the results is shown at the end of this report. These findings are preliminary and are subject to change if applicable.

METHODS AND PROCEDURES STUDY

The State Comptroller's office is required by statute to review appraisal district governance, taxpayer assistance, operating procedures and appraisal standards, known as the MAPs study. In 2020, the comptroller continued to work with the staff at Concho CAD to correct issues for 2019. A copy of the 2019 MAPs Review is attached.

REAL ESTATE APPRAISAL ACTIVITY FOR 2020

Western Valuation looked at the properties in Paint Rock ISD for adjustments on 2020 valuations. They alternate back and forth from Paint Rock ISD to Eden CISD/Brady ISD to recheck property and find new improvements. Adjustments were made to many accounts to reflect accurate age and conditions of improvements.

MINERAL VALUES

Mineral values remained rather consistent in early 2020. During this unsure time oil and gas prices took a huge downturn on the market. Capital Appraisal Group appraisers analyze the production of each lease and determined a decline curve for the wells. Using a discounted cash flow, the value of each well is appraised by estimating the future value of economically recoverable reserves. Once the value of the well is estimated, the value is distributed to each operating and royalty interest.

BUSINESS PERSONAL PROPERTY AND UTILITIES

All business personal property used in the production of income in Texas is taxable. Taxpayers are required to render their taxable property to the appraisal district. Taxable items include inventory, furniture, fixtures, equipment, and vehicles. Inventory is taxable at its cost. Other assets are taxed based on their depreciated values. The renditions are due April 15th with extensions on May 15th. After receiving the renditions, the personal property appraisers check the renditions for accuracy and enter the data into the computer assisted mass appraisal system. Beginning in August of each year, the appraisers check all current accounts to ensure that accounts have been rendered appropriately and visit new businesses to estimate personal property values. The notices of value for BPP are generally mailed about May 25th.

APPEALS PROCESS

The appeals process begins in May after the first notices have been mailed. The staff worked with taxpayers who have questions about their values. Through shared information, most of the values are settled informally. In 2020, 304 appeals were filed. Of that number, only 84 people appeared before the appraisal review board and received an order.

LEGISLATIVE CHANGES

The Texas Legislature meets in odd-numbered years. At this time, we are uncertain which bills will be approved. The Comptroller's Property Tax Assistance Division publishes a booklet of property tax law changes and updates from each session. If the booklet is available at the time of this report, a copy will be attached.

FINANCIAL REPORT

The 2019 fiscal year was completed December 31 and the District auditors, Eide Bailly, completed the audit on May 18, 2020. The final expenditures for the year totaled \$276,621. The District completed their fiscal year with a surplus of \$53,549. The Board of Directors will continue to look at the fund balance to determine the actual needs of the district going forward. A copy of the audit is attached to this report.

The Texas Property Tax Classification Guide:

Code	Category Name	Description
A	Real Property: Single-family Residential	Houses, condominiums and mobile homes located on land owned by the occupant.
B	Real Property: Multi-family Residential	Residential structures containing two or more dwelling units belonging to one owner. Includes apartments but not motels or hotels.
C	Real Property: Vacant Lots and Tracts	Unimproved land parcels usually located within or adjacent to cities with no minimum or maximum size requirement.
D1	Real Property: Qualified Agricultural Land	All acreage qualified for productivity valuation under Texas Constitution, Article VIII, 1d or 1-d-1.
D2	Real Property: Farm and Ranch Improvements on Qualified Open-Space Land	Farm and ranch improvements, such as barns and other structures, on qualified open-space land should not be reported as Category E property.
E	Real Property: Rural Land, not qualified for open-space land appraisal, and Improvements	Only rural land that is not qualified for productivity valuation and the improvements, including residential, on that land should be reported as E.
F1	Real Property: Commercial	Land and improvements devoted to sales, entertainment or services to the general public. Primarily Retail. Does not include utility property. The primary consideration is whether the warehouse is used as part of the manufacturing process.
F2	Real Property: Industrial	Land and improvements devoted to the development, manufacturing, fabrication, processing or storage of a product, except for utility. The primary consideration is whether the warehouse is used as part of the manufacturing process.
G	Oil, Gas and Other Minerals	Producing and non-producing wells, all other minerals and mineral interests, and equipment used to bring the oil and gas to the surface, not including surface rights.
H	Tangible Personal Property: Non-business Vehicles	Privately owned automobiles, motorcycles and light trucks not used to produce income.
L1	Personal Property: Commercial	All tangible personal property used by a commercial business to produce income, including fixtures, equipment and inventory.
L2	Personal Property: Industrial	All tangible personal property used by an industrial business to produce income, including fixture, equipment and inventory.

M	Mobile Homes and Other Tangible Personal Property	Taxable personal property not included in other categories, such as mobile homes on land owned by someone else. It also may include privately owned aircraft, boats, travel trailers, and or motor homes on rented or leased land
N	Intangible Personal Property	All taxable intangible property not otherwise classified.
O	Real Property: Residential Inventory	Residential real property inventory held for sale and appraised as provided by Tax Code Section 23.12
S	Special Inventory	Certain property inventories of business that provide items for sale to the public. State law requires the appraisal district to appraise these inventory items based on business's total annual sales in prior tax year. Category S properties include dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, and retail manufactured housing inventory.
X	Exempt Property	Exempt property must have the qualification found in law, mainly the Tax Code.

2020 PRELIMINARY STATE REPORT OF VALUE

048-CONCHO

Category	Number of Ratios **	2020 CAD Rept Appraised Value	Median Level of Appr	Coefficient of Dispersion	% Ratios w /in (+/-) 10 % of Median	% Ratios w /in (+/-) 25 % of Median	Price - Related Differential
A. SINGLE-FAMILY RESIDENCES	105	65,669,782	0.95	6.46	78.30	91.80	1.00
B. MULTI-FAMILY RESIDENCES	0	0	*	*	*	*	*
C1. VACANT LOTS	0	5,069,671	*	*	*	*	*
C2. COLONIA LOTS	0	0	*	*	*	*	*
D2. FARM/RANCH IMP	10	8,052,512	0.97	2.47	96.80	96.80	0.99
E. RURAL-NON-QUAL	40	49,170,514	0.95	13.58	54.98	85.10	1.01
F1. COMMERCIAL REAL	0	8,293,210	*	*	*	*	*
F2. INDUSTRIAL REAL	0	148,721,039	*	*	*	*	*
G. OIL, GAS, MINERALS	9	26,461,607	1.01	1.21	100.44	100.44	1.03
J. UTILITIES	4	42,675,314	0.94	5.32	94.00	94.00	1.04
L1. COMMERCIAL PERSONAL	0	2,655,190	*	*	*	*	*
L2. INDUSTRIAL PERSONAL	0	80,540,669	*	*	*	*	*
M. OTHER PERSONAL	0	1,881,830	*	*	*	*	*
O. RESIDENTIAL INVENTORY	0	167,260	*	*	*	*	*
S. SPECIAL INVENTORY	0	0	*	*	*	*	*
OVERALL	168	439,358,598	0.95	7.88	75.41	91.02	1.01

048-901/Eden CISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	32,083,963	0.9475	33,861,702	32,083,963
B - MULTIFAMILY	0	N/A	0	0
C1 - VACANT LOTS	624,590	N/A	624,590	624,590
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	27,182,351	0.9378	28,986,365	27,182,351
D2 - FARM & RANCH IMP	4,413,784	0.9757	4,523,710	4,413,784
E - NON-AG LAND AND IMPROVEMENTS	28,773,916	0.9670	29,755,859	28,773,916
F1 - COMMERCIAL REAL	6,436,710	N/A	6,436,710	6,436,710
F2 - INDUSTRIAL REAL	148,548,539	N/A	148,548,539	148,548,539
G - ALL MINERALS	25,728,540	0.9933	25,902,084	25,728,540
J - ALL UTILITIES	11,216,183	0.8969	12,505,500	11,216,183
L1 - COMMERCIAL PERSONAL	2,265,650	N/A	2,265,650	2,265,650
L2 - INDUSTRIAL PERSONAL	56,088,141	N/A	56,088,141	56,088,141
M1 - MOBILE HOMES	424,050	N/A	424,050	424,050
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	0	N/A	0	0
S - SPECIAL INVENTORY	0	N/A	0	0
Subtotal	343,786,417	0	349,922,900	343,786,417
Less Total Deductions	139,657,472	0	141,093,422	139,657,472
Total Taxable Value	204,128,945	0	208,829,478	204,128,945

048-903/Paint Rock ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	33,390,709	0.9460	35,296,733	35,296,733
B - MULTIFAMILY	0	N/A	0	0
C1 - VACANT LOTS	4,404,411	N/A	4,404,411	4,404,411
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	13,852,040	0.9178	15,092,556	15,092,556
D2 - FARM & RANCH IMP	2,357,838	N/A	2,357,838	2,357,838
E - NON-AG LAND AND IMPROVEMENTS	15,076,876	0.9665	15,599,458	15,599,458
F1 - COMMERCIAL REAL	1,755,810	N/A	1,755,810	1,755,810
F2 - INDUSTRIAL REAL	172,500	N/A	172,500	172,500
G - ALL MINERALS	727,895	N/A	727,895	727,895
J - ALL UTILITIES	24,668,902	0.9211	26,782,002	26,782,002
L1 - COMMERCIAL PERSONAL	383,540	N/A	383,540	383,540
L2 - INDUSTRIAL PERSONAL	18,335,265	N/A	18,335,265	18,335,265
M1 - MOBILE HOMES	1,445,290	N/A	1,445,290	1,445,290
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	167,260	N/A	167,260	167,260
S - SPECIAL INVENTORY	0	N/A	0	0
Subtotal	116,738,336	0	122,520,558	122,520,558
Less Total Deductions	13,281,256	0	14,240,544	14,240,544
Total Taxable Value	103,457,080	0	108,280,014	108,280,014

160-901/Brady ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	195,110	N/A	195,110	195,110
B - MULTIFAMILY	0	N/A	0	0
C1 - VACANT LOTS	40,670	N/A	40,670	40,670
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	6,529,830	N/A	6,529,830	6,529,830
D2 - FARM & RANCH IMP	1,280,890	N/A	1,280,890	1,280,890
E - NON-AG LAND AND IMPROVEMENTS	5,319,722	N/A	5,319,722	5,319,722
F1 - COMMERCIAL REAL	100,690	N/A	100,690	100,690
F2 - INDUSTRIAL REAL	0	N/A	0	0
G - ALL MINERALS	5,172	N/A	5,172	5,172
J - ALL UTILITIES	6,790,229	N/A	6,790,229	6,790,229
L1 - COMMERCIAL PERSONAL	6,000	N/A	6,000	6,000
L2 - INDUSTRIAL PERSONAL	6,117,263	N/A	6,117,263	6,117,263
M1 - MOBILE HOMES	12,490	N/A	12,490	12,490
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	0	N/A	0	0
S - SPECIAL INVENTORY	0	N/A	0	0
Subtotal	26,398,066	0	26,398,066	26,398,066
Less Total Deductions	1,246,615	0	1,246,615	1,246,615
Total Taxable Value	25,151,451	0	25,151,451	25,151,451

2020 EARS

48-CONCHO COUNTY (2020)

Ptd Recap

Ptd Code	Count	Market Value	Land	Special	Special Mkt	Building	New Homesite	Personal	Mineral	Exempt
	7	249.010	1.300	880	6.660	214.320	0	26.730	0	212.030
- TOTAL	7	249.010	1.300	880	6.660	214.320	0	26.730	0	212.030
A1	771	38.751.682	1.199.850	3.330	155.360	37.396.472	89.340	0	0	254.330
A2	76	2.293.590	152.090	0	0	2.141.500	156.050	0	0	31.900
A3	70	13.473.530	1.027.220	0	0	12.446.310	143.780	0	0	68.770
A4	26	2.015.000	338.600	0	0	1.676.400	27.940	0	0	0
A5	55	6.362.360	599.490	0	0	5.762.870	148.760	0	0	0
A6	62	3.160.130	269.960	0	0	2.890.170	47.420	0	0	0
A7	16	146.210	0	0	0	146.210	0	0	0	0
A - TOTAL	1.076	66.202.502	3.587.210	3.330	155.360	62.459.932	613.290	0	0	355.000
C	3	9.730	9.730	0	0	0	0	0	0	6.480
C1	618	1.050.510	777.850	50	830	271.830	570	0	0	60.100
C3	129	1.951.772	1.522.652	800	30.000	399.120	9.810	0	0	14.270
C4	262	2.168.519	1.774.649	0	0	393.870	20.750	0	0	1.550
C - TOTAL	1.012	5.180.531	4.084.881	850	30.830	1.064.820	31.130	0	0	82.400
D	1	48.950	0	5.540	48.950	0	0	0	0	0
D1	3.807	747.144.777	1.540	47.541.377	747.143.237	0	0	0	0	109.200
D2	762	16.135.010	464.690	0	0	15.670.320	0	0	0	850
D - TOTAL	4.570	763.328.737	466.230	47.546.917	747.192.187	15.670.320	0	0	0	110.050
E	29	504.910	0	0	0	504.910	0	0	0	0
E1	590	44.900.256	858.586	0	0	44.041.670	76.170	0	0	0
E2	47	1.769.228	52.072	0	0	1.717.156	0	0	0	0
E4	79	2.011.100	1.697.790	8.240	28.240	285.070	0	0	0	0
E - TOTAL	745	49.185.494	2.608.448	8.240	28.240	46.548.806	76.170	0	0	0
F1	200	8.564.570	453.490	0	0	8.111.080	0	0	0	271.360
F2	52	148.774.039	281.440	0	0	1.066.910	0	147.425.689	0	53.000
F - TOTAL	252	157.338.609	734.930	0	0	9.177.990	0	147.425.689	0	324.360
G1	1.342	27.026.445	0	0	0	0	0	0	27.026.445	10
G - TOTAL	1.342	27.026.445	0	0	0	0	0	0	27.026.445	10
J3	7	20.969.814	0	0	0	0	0	20.969.814	0	0
J4	13	1.115.827	0	0	0	0	0	1.115.827	0	0
J6	52	20.589.567	0	0	0	0	0	20.589.567	0	0
J7	2	103	0	0	0	0	0	103	0	0
J - TOTAL	74	42.675.311	0	0	0	0	0	42.675.311	0	0

L1	133	2,655,190	0	0	0	0	0	2,655,190	0	0
L2	113	100,173,274	0	0	0	0	0	100,173,274	0	13,355
L2H	1	380,750	0	0	0	0	0	380,750	0	0
L - TOTAL	247	103,209,214	0	0	0	0	0	103,209,214	0	13,355
M1	49	1,812,110	0	0	0	1,812,110	230,450	0	0	0
M3	1	42,990	0	0	0	42,990	0	0	0	0
M - TOTAL	50	1,855,100	0	0	0	1,855,100	230,450	0	0	0
O	4	167,260	164,180	0	0	3,080	0	0	0	0
O - TOTAL	4	167,260	164,180	0	0	3,080	0	0	0	0
X	21	1,789,620	72,010	0	0	1,717,610	0	0	0	1,775,780
XA	3	19,560	19,560	0	0	0	0	0	0	19,560
XCY	1	24,250	24,050	0	0	200	0	0	0	24,250
XG	30	3,570,970	209,220	0	0	1,211,210	0	2,150,540	0	3,570,970
XN	1	48,000	0	0	0	0	0	48,000	0	48,000
XV	373	25,504,550	20,900,900	0	0	4,603,650	0	0	0	25,490,030
X - TOTAL	429	30,956,950	21,225,740	0	0	7,532,670	0	2,198,540	0	30,928,590
MIXED PTD	820	206,174,507	52,140	13,879,061	206,081,577	14,060	0	26,730	0	103,480
PTD TOTAL	9,808	1,247,375,163	32,872,919	47,560,217	747,413,277	144,527,038	951,040	295,535,484	27,026,445	32,025,795

2020 EARS**48-CONCHO COUNTY (2020)**

Acreage Breakdown by Jurisdiction

Total D1 Acres 605,467
Total D1 Market 747,304,077

	Total Qualified Acres	Total Market Value	Total Productivity Value
Irrigated Cropland	5,605	6,730,896	2,090,442
Dryland Cropland	127,087	172,244,029	14,943,698
Barren / Wasteland	292,943	324,515,693	16,405,368
Orchards	30	76,053	12,160
Improved Pastureland	10,799	14,418,696	820,726
Native Pastureland	165,337	225,348,417	13,058,826
Wildlife Management	3,528	3,860,267	215,667
Timberland (at productivity)	0	0	0
Timberland (at 1978 market)	0	0	0
Transition to Timber	0	0	0
Timberland at Restricted Use	0	0	0
Other Agricultural Land	138	110,026	6,070
Total	605,467	747,304,077	47,552,957

2020 Partial Exemptions

Taxing Entity	State-Mandated Homestead Exemption		State-Mandated OV-65 Exemption		State-Mandated Disability Exemption		State-Mandated Veteran's Exemption	
	Total Number	Total Value Exempted	Total Number	Total Value Exempted	Total Number	Total Value Exempted	Total Number	Total Value Exempted
Concho County	N/A	N/A	N/A	N/A	N/A	N/A	46	\$1,721,051
Lateral Road	734	\$2,144,032	0	\$0	0	\$0	45	\$1,665,902
City of Paint Rock	N/A	N/A	N/A	N/A	N/A	N/A	5	\$60,230
Paint Rock ISD	249	\$5,753,650	124	\$1,162,660	3	\$27,150	13	\$363,560
City of Eden	N/A	N/A	N/A	N/A	N/A	N/A	20	\$618,721
Eden CISD	468	\$10,927,776	210	\$1,945,674	21	\$175,910	30	\$894,601
Hospital District	N/A	N/A	N/A	N/A	N/A	N/A	46	\$1,721,051
Lipan Kickapoo Water District	N/A	N/A	N/A	N/A	N/A	N/A	20	\$1,030,100
Hickory Underground Water District	N/A	N/A	N/A	N/A	N/A	N/A	21	\$630,721
Brady ISD	17	\$424,520	15	\$142,760	N/A	N/A	N/A	N/A



**Financial Statements
December 31, 2019**

Concho Central Appraisal District

Concho Central Appraisal District
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December 31, 2019

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Independent Auditor's Report

**The Board of Directors
Concho Central Appraisal District
Paint Rock, Texas**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Concho Central Appraisal District as of and for the year ended December 31, 2019, 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Concho Central Appraisal District as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, the District has early adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which has resulted in a change in reporting from an agency fund to custodial fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 24 through 26 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Ede Sully LLP

Ablene, Texas
May 18, 2020

Concho Central Appraisal District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2019

	General Fund	Adjustments (Note A)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 265,302	\$ -	\$ 265,302
Amounts due from taxing authorities	110	-	110
Due from custodial fund	18,237	-	18,237
Capital assets, net	-	92,762	92,762
Total assets	283,649	92,762	376,411
Deferred outflows of resources			
Deferred outflows - pension	-	20,903	20,903
Total assets and deferred outflows of resources	\$ 283,649	113,665	397,314
Liabilities			
Employee benefits payable	\$ 512	-	512
Unearned revenue	86,574	-	86,574
Noncurrent liabilities			
Net pension liability	-	2,979	2,979
Total liabilities	87,086	2,979	90,065
Deferred inflows of resources			
Deferred inflows - pension	-	2,825	2,825
Fund balance/net position			
Fund balances			
Assigned for litigation	143,014	(143,014)	-
Unassigned	53,549	(53,549)	-
Total fund balances	196,563	(196,563)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 283,649	(190,759)	92,890
Net position			
Investment in capital assets		92,762	92,762
Unrestricted		211,662	211,662
Total net position		\$ 304,424	\$ 304,424

Concho Central Appraisal District
Note A – Adjustments to the Governmental Fund Balance Sheet
December 31, 2019

Total Fund Balances - Governmental Fund Balance Sheet	\$ 196,563
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund. At the end of the year, the cost of these assets was \$127,644 and the accumulated depreciation was \$34,882. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position.	92,762
The District recognized a net pension liability in the amount of \$2,979 and deferred outflows of resources of \$20,903 and deferred inflow of resources of \$2,825. The net effect of these is an increase to net position.	<u>15,099</u>
Total Net Position - Statement of Net Position	<u>\$ 304,424</u>

Concho Central Appraisal District
Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund
Balance
Year Ended December 31, 2019

	<u>General Fund</u>	<u>Adjustments (Note B)</u>	<u>Statement of Activities</u>
Revenues			
Appraisal assessments	\$ 326,452	\$ -	\$ 326,452
Interest income	348	-	348
Other income	3,370	-	3,370
Total revenues	<u>330,170</u>	<u>-</u>	<u>330,170</u>
Expenditures/expenses			
Current			
Salaries, benefits and payroll taxes	157,124	3,332	160,456
Computer services	10,560	-	10,560
Education	2,269	-	2,269
Insurance	3,189	-	3,189
Mapping	5,985	-	5,985
Office expense	11,482	-	11,482
Postage/meter rental	5,494	-	5,494
Professional services	51,205	-	51,205
Utilities	8,949	-	8,949
Miscellaneous	19,665	-	19,665
Capital outlay	699	(699)	-
Depreciation	-	10,895	10,895
Total expenditures/expenses	<u>276,621</u>	<u>13,528</u>	<u>290,149</u>
Change in fund balance/net position	53,549	(13,528)	40,021
Fund balance/net position			
Beginning of year	<u>143,014</u>	<u>121,389</u>	<u>264,403</u>
End of year	<u>\$ 196,563</u>	<u>\$ 107,861</u>	<u>\$ 304,424</u>

Concho Central Appraisal District
Note B – Adjustments to the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2019

Net Change in Fund Balance - Governmental Fund	\$ 53,549
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlays are expenditures in the fund financial statements but are shown as increases in capital assets in the government-wide financial statements.	699
Depreciation is not recognized as an expenditure in the governmental fund since it does not require the use of current financial resources. The effect of recording current year depreciation is to decrease net position.	(10,895)
Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$15,355. The District's unrecognized deferred outflows and inflows for TCDRS as of the measurement date must be amortized and the District's pension expense must be recognized. These cause the changes in net position to decrease in the amount of \$18,687. The net effect is a decrease in net position.	(3,332)
Change in Net Position - Statement of Activities	\$ 40,021

Concho Central Appraisal District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues				
Appraisal assessments	\$ 326,452	\$ 326,452	\$ 326,452	\$ -
Interest income	300	300	348	48
Other income	3,300	3,300	3,370	70
Total revenues	330,052	330,052	330,170	118
Expenditures				
Current				
Salaries, benefits and payroll taxes	177,852	176,452	157,124	19,328
Computer services	21,000	21,000	10,560	10,440
Education	2,500	2,500	2,269	231
Insurance	3,650	3,650	3,189	461
Mapping	14,000	14,000	5,985	8,015
Office expense	18,000	19,100	11,482	7,618
Postage/meter rental	5,100	5,100	5,494	(394)
Professional services	51,850	51,850	51,205	645
Utilities	10,000	10,000	8,949	1,051
Miscellaneous	20,500	20,800	19,665	1,135
Capital outlay	2,000	2,000	699	1,301
Total expenditures	326,452	326,452	276,621	49,831
Change in fund balance	3,600	3,600	53,549	49,949
Fund balance				
Beginning of year	143,014	143,014	143,014	-
End of year	<u>\$ 146,614</u>	<u>\$ 146,614</u>	<u>\$ 196,563</u>	<u>\$ 49,949</u>

Concho Central Appraisal District
Statement of Fiduciary Net Position
December 31, 2019

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 1,211,888</u>
Total assets	<u>1,211,888</u>
Liabilities	
Amounts due to taxing authorities	1,193,651
Due to general fund	<u>18,237</u>
Total liabilities	<u>1,211,888</u>
Net Position	<u>\$ -</u>

Concho Central Appraisal District
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2019

	<u>Custodial Fund</u>
Additions	
Ad valorem tax collections for other governments	<u>\$ 6,667,647</u>
Total additions	<u>6,667,647</u>
Deductions	
Ad valorem tax disbursements to other governments	<u>6,667,647</u>
Total deductions	<u>6,667,647</u>
Change in fiduciary net position	-
Fiduciary net position, beginning	<u>-</u>
Fiduciary net position, ending	<u>\$ -</u>

Note 1 - Reporting Entity

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

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

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements. Interfund balances between governmental funds and fiduciary funds remain as interfund receivables and payables on the government-wide statement of net position. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 District considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

The District reports the following governmental fund:

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

Additionally, the District reports the following fund type:

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

Implementation of GASB Statement No. 84

At January 1, 2019, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. As a result of implementing this Statement, the District is reporting its fiduciary activity in a custodial fund, rather than the previously reported agency fund. In addition, a statement of changes in fiduciary net position is now reported as part of the basic financial statements.

Note 4 - Assets, Liabilities and Net Position or Equity

Deposits and Investments

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

State statutes authorize the District to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, counties, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended December 31, 2019, the District did not own any types of securities other than those permitted by statute.

The Board of Directors of the District authorize the District to invest, with certain stipulations, in obligations of the U.S. Government, its agencies and instrumentalities, direct obligations of the State of Texas or its agencies, money market investment accounts with no load, negotiable order of withdrawal accounts, time deposits and certificates of deposit issued by banks located in Texas. In order to insure timely investment of District funds to obtain maximum interest benefit, the Investment Officer may invest, without prior approval, in the following investments: bank certificate of deposits that are guaranteed with a maximum allowable maturity of 365 days. At December 31, 2019, the District had \$1,550,618 (bank balances) invested in interest-bearing checking or savings accounts.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the statement of net position. The District does not currently have a capitalization threshold policy. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings and improvements	30-40
Office and computer equipment	7

Compensated Absences

District employees are entitled to vacation and sick leave based on their length of employment. Vacation leave does not accumulate or vest. Sick leave may accrue but shall not exceed 30 days. Leave balances exceeding this maximum as of December 31 each year shall be reduced to the allowable limit without compensation. Employees are not paid for unused sick leave upon separation from service.

Use of Estimates

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

Deferred Outflows

In addition to assets, the statement of net position will 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 a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to its pension plan.

Deferred Inflows

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows of resources related to its pension plan.

Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Appraisal Assessments

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

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

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

Note 6 - Detailed Notes on All Funds

Deposits and Investments

Custodial Credit Risk for Deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's deposits at December 31, 2019, exceeded federal deposit insurance coverage and securities pledged to the District and held by an agent of the bank in the District's name by \$66,356. As such, the District has a custodial credit risk for deposits.

Compliance with the Public Funds Investment Act: The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. 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

The District is not exposed to custodial credit risk of investments, interest rate risk, or concentration credit risk as the District currently only invests in fully collateralized bank deposits. The District's investment policy does not address concentration of credit risk, interest rate risk and credit risk of investments. The District does not have any investments subject to recurring fair value measurements at December 31, 2019.

Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2019, is as follows:

	Due From Other Funds	Due to Other Funds
General Fund		
Fiduciary Fund	\$ 18,237	\$ -
Fiduciary Fund		
General Fund	-	18,237
	\$ 18,237	\$ 18,237

These interfund receivables and payables were recorded to record temporary borrowings until the general fund is reimbursed by the fiduciary fund.

Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance January 1, 2019	Additions	Retirements	Balance December 31, 2019
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 300	\$ -	\$ -	\$ 300
Total capital assets, not being depreciated	300	-	-	300
Capital assets, being depreciated				
Building and improvements	43,717	-	-	43,717
Office and computer equipment	82,928	699	-	83,627
Total capital assets, being depreciated	126,645	699	-	127,344
Accumulated depreciation				
Building and improvements	(9,227)	(1,160)	-	(10,387)
Office and computer equipment	(14,760)	(9,735)	-	(24,495)
Total accumulated depreciation	(23,987)	(10,895)	-	(34,882)
Total capital assets, being depreciated, net	102,658	(10,196)	-	92,462
Total capital assets, net	\$ 102,958	\$ (10,196)	\$ -	\$ 92,762

The District recognized depreciation expense of \$10,895 in the statement of activities.

Note 7 - Unearned Revenue

The District assesses appraisal fees for the first quarter of the following year, prior to year-end. At December 31, 2019, the District had recorded unearned revenue of \$86,574 for appraisal assessments received for 2020.

Note 8 - Fund Balance

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

Nonspendable fund balance includes fund balances that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At December 31, 2019, the District had no nonspendable fund balance.

Restricted fund balance includes the amount that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At December 31, 2019, the District had no restricted fund balances.

Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At December 31, 2019, the District had no committed fund balances.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. At December 31, 2019, the District had \$143,014 assigned for future litigation services.

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

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

Note 9 - Risk Management

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

Note 10 - Pension Plan

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer public employee retirement system consisting of 781 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the Texas County & District Retirement System at Barton Oaks Plaza IV, Ste. 500, 901 S. MoPac Expy., Austin, TX 78746, or at <https://www.tcdrs.org>.

Benefits Provided

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

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the District's Board within certain guidelines.

Membership

District membership in the TCDRS plan at December 31, 2018, consisted of the following:

Inactive Employees' Accounts	
Receiving benefits	-
Entitled to but not yet receiving benefits	2
Total	2
Active Employees' Accounts	3
Total	3

Contributions

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

	Contribution Rates	
	2019	2018
Member	7.0%	7.0%
Employer	11.20%	10.28%
Employer Contributions	\$ 15,355	\$ 14,474
Member Contributions	9,297	9,856

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.8 years
Asset Valuation Method	5 year smoothed market
Discount Rate*	8.10%
Long-term expected Investment Rate of Return*	8.10%
Salary Increases*	4.90%, average
Payroll Growth Rate	0.00%
* Includes Inflation of 2.75%	

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

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

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

There were no changes in methods or actuarial assumptions reflected in the December 31, 2018 actuarial valuation.

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

Discount Rate

The discount rate used to measure the total pension liability was 8.10%. There was no change in the discount rate since the previous year.

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

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

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

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 10-year time horizon.

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

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized on the next page.

Concho Central Appraisal District
Notes to Financial Statements
December 31, 2019

Asset Class	Benchmark	Target Allocation ¹	Geometric Real Rate of Return (Expected minus Inflation) ²
US Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ³	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	10.00%	5.40%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁴	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index+ 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁵	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

¹ Target asset allocation adopted at the April 2019 TCDRS Board meeting.

² Geometric real rates of return equal the expected return minus the assumed inflation of 1.70%, per Cliffwater's 2019 capital market assumptions.

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

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

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

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

At December 31, 2019, the District reported a net pension liability of \$2,979 for its share of the TCDRS's net pension liability measured at December 31, 2018. For the year ended December 31, 2019, the District recognized pension expense of \$18,687.

Concho Central Appraisal District
Notes to Financial Statements
December 31, 2019

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

Changes in the net pension liability for the measurement year ended December 31, 2018, are as follows:

<u>Changes in Net Pension Liability (Asset)</u>	<u>Increase (Decrease)</u>		<u>Net Pension Liability (Asset) (a) - (b)</u>
	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	
Balances at December 31, 2017	\$ 22,415	\$ 22,769	\$ (354)
Changes for the year			
Service cost	27,456	-	27,456
Interest on total pension liability [1]	4,040	-	4,040
Effect of plan changes [2]	-	-	-
Effect of economic/demographic gains or losses	(3,296)	-	(3,296)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	(38)	38
Member contributions	-	9,856	(9,856)
Net investment income	-	(152)	152
Employer contributions	-	14,474	(14,474)
Other [3]	-	727	(727)
Balances as of December 31, 2018	<u>\$ 50,615</u>	<u>\$ 47,636</u>	<u>\$ 2,979</u>

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

[2] No plan changes valued.

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

Discount Rate Sensitivity Analysis

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

Concho Central Appraisal District
Notes to Financial Statements
December 31, 2019

	<u>1% Decrease (7.10%)</u>	<u>Current Discount Rate (8.10%)</u>	<u>1% Increase (9.10%)</u>
Total pension liability	\$ 58,549	\$ 50,615	\$ 44,122
Fiduciary net position	47,636	47,636	47,636
Net pension liability (asset)	\$ 10,913	\$ 2,979	\$ (3,514)

At December 31, 2019, the District reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 2,825	\$ 2,723
Changes in actuarial assumptions	-	168
Net difference between projected and actual investment earnings	-	2,657
Contributions paid to TCDRS subsequent to the measurement date	-	15,355
Total	\$ 2,825	\$ 20,903

\$15,355 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the District's fiscal year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the District's fiscal years as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2020	\$ 540
2021	541
2022	528
2023	448
2024	(150)
Thereafter	816
	\$ 2,723

Note 11 - Operating Leases

The District has an operating lease agreement for a copier. Total lease expense for 2019 was \$3,927. Future minimum lease payments for the copier are as follows:

	<u>Lease Payments</u>
2020	<u>\$ 3,272</u>
Total minimum payments	<u>\$ 3,272</u>

Note 12 - Contingencies

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

Note 13 - Commitments

The District has contracted with a company for 2020 and 2021 to provide the District with valuations of mineral, utility, and industrial properties for \$21,000 each year. In addition, the District has contracted with a company for 2020 to provide field appraisals on residential and commercial properties for \$19,000. The District has contracted with a company for 2020 to provide chief appraiser services for \$60,000.



Required Supplementary Information
December 31, 2019
Concho Central Appraisal District

Concho Central Appraisal District
Schedule of Changes in Net Pension Liability and Related Ratios—Texas County & District Retirement System
Year Ended December 31, 2019

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Total Pension Liability			
Service cost	\$ 1,346	\$ 16,067	\$ 27,456
Interest on total pension liability	53	1,415	4,040
Effect of assumption changes or inputs	-	206	-
Effect of economic/demographic (gains) or losses	1	3,326	(3,296)
Net change in total pension liability	1,400	21,014	28,200
Total pension liability, beginning	-	1,401	22,415
Total pension liability, ending (a)	\$ 1,400	\$ 22,415	\$ 50,615
Fiduciary Net Position			
Contributions - Employer	\$ 839	\$ 12,365	\$ 14,474
Contributions - Member	556	8,190	9,856
Investment income net of investment expense	-	537	(152)
Administrative expenses	-	(15)	(38)
Other	21	275	727
Net change in fiduciary net position	1,416	21,353	24,867
Fiduciary net position, beginning	-	1,416	22,769
Fiduciary net position, ending (b)	\$ 1,416	\$ 22,769	\$ 47,636
Net pension liability / (asset), ending = (a) - (b)	\$ (16)	\$ (354)	\$ 2,979
Fiduciary net position as a percentage of total pension liability	101.11%	101.58%	94.11%
Covered payroll	\$ 7,940	\$ 115,650	\$ 140,801
Net pension liability (asset) as a percentage of covered payroll	(0.20%)	(0.31%)	2.12%

Concho Central Appraisal District
Schedule of Employer Contributions – Texas County & District Retirement System
Year Ended December 31, 2019

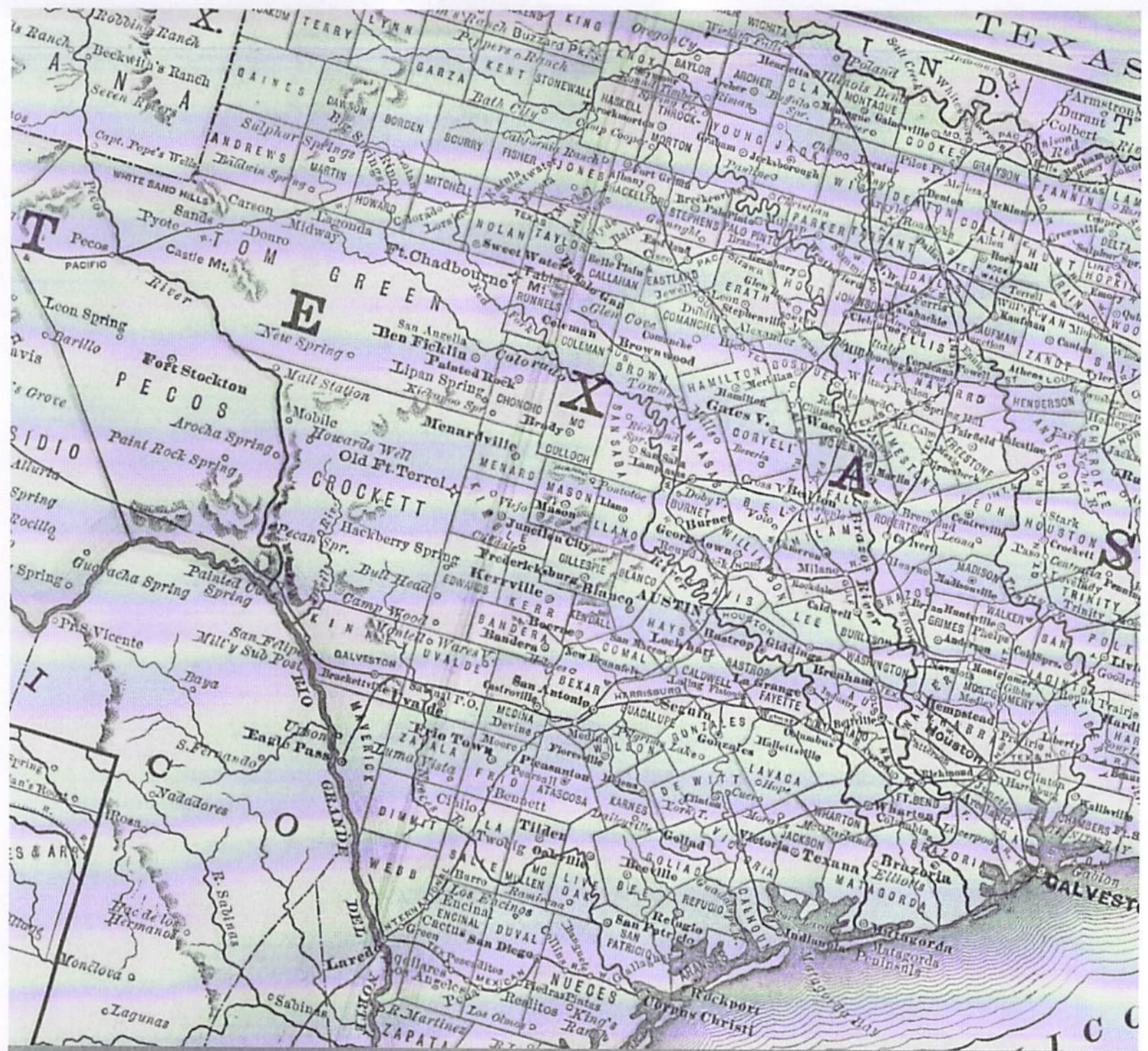
<u>Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2010	\$ -	\$ -	\$ -	\$ -	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	839	839	-	7,940	10.6%
2017	12,224	12,365	(141)	115,650	10.7%
2018	14,474	14,474	-	140,801	10.3%
2019	15,355	15,355	-	137,098	11.2%

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

Assumptions

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

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18.8 years (based on contribution rate calculated in 12/31/2018 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.9% average over career, including inflation
Investment rate of return	8.00%, including inflation, net of administrative and investment expense
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Health Annuitant Mortality Table for females, projected with 110% of the MP-214 Ultimate scale after 2014.
Changes in plan provisions	No changes in plan provisions were reflected in the schedule.



METHODS AND ASSISTANCE PROGRAM 2019 REPORT

Concho Central Appraisal District



Glenn Hegar Texas Comptroller of Public Accounts

**Glenn Hegar
Texas Comptroller of Public Accounts
2018-19 Final Methods and Assistance Program
Review**

Concho Central Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required by statute to review appraisal district governance, taxpayer assistance, operating procedures and appraisal standards.

Mandatory Requirements	PASS/FAIL
Does the appraisal district have up-to-date appraisal maps?	PASS
Is the implementation of the appraisal district's most recent reappraisal plan current?	FAIL
Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	FAIL
Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS

Appraisal District Activities	RATING
Governance	Needs Some Improvement
Taxpayer Assistance	Meets All
Operating Procedures	Unsatisfactory
Appraisal Standards, Procedures and Methodology	Needs Some Improvement

Appraisal District Ratings:

Meets All – The total point score is 100

Meets – The total point score ranges from 90 to less than 100

Needs Some Improvement – The total point score ranges from 85 to less than 90

Needs Significant Improvement – The total point score ranges from 75 to less than 85

Unsatisfactory – The total point score is less than 75

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Governance	14	12	86
Taxpayer Assistance	10	10	100
Operating Procedures	20	14	70
Appraisal Standards, Procedures and Methodology	23	20	87

Glenn Hegar
Texas Comptroller of Public Accounts
2018-19 Final Methods and Assistance Program Tier 3 Review

Concho Central Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required to review appraisal districts' governance, taxpayer assistance, operating procedures and appraisal standards, procedures and methodology. Each appraisal district is reviewed every other year. This report details the results of the review for the appraisal district named above.

GOVERNANCE

Governance Review Question	Answer	Recommendation
1. Does the appraisal district board of directors regularly evaluate the chief appraiser?	Yes	No Recommendation
2. Has the appraisal district's investment officer attended investment training as required by Government Code Section 2256.008?	Yes	No Recommendation
3. Has the chief appraiser calculated the number of votes to which each taxing unit is entitled and delivered written notice of the voting entitlement before October 1 of the most recent odd-numbered year as described in Tax Code Section 6.03(e) or if the appraisal district falls under 6.031, have they received nominating resolutions by December 1 st ?	Yes	No Recommendation
4. Before October 30, did the chief appraisal prepare a ballot, listing the candidates whose names were timely submitted and deliver a copy to each taxing unit that is entitled to vote in accordance with Tax Code Section 6.03(j)?	Yes	No Recommendation
5. Did the board of directors meet at least quarterly with a quorum in the previous year as required by Tax Code Section 6.04(b)?	Yes	No Recommendation
6. Was the most recent written reappraisal plan adopted by the appraisal district's board of directors by the Sept. 15 deadline listed in Tax Code Section 6.05(l)?	Yes	No Recommendation
7. Did the appraisal district board of directors provide notice of and host a public hearing for the 2017-18 reappraisal plan by September 15, 2016 or the 2019-20 reappraisal plan by September 15, 2018 pursuant to Tax Code Section 6.05(l)?	No	Deliver notices of the public hearing to consider the reappraisal plan as required by Tax Code Section 6.05(i).

Governance Review Question	Answer	Recommendation
8. Was the appraisal district's most recent preliminary budget produced and delivered to the taxing units according to the requirements of Tax Code Section 6.06(a)?	Yes	No Recommendation
9. Did the appraisal district prepare and post the most recent budget notice according to the requirements of Tax Code Section 6.062?	Yes	No Recommendation
10. Did the appraisal district board of directors provide notice of and host a public hearing for the most recent budget and approve a budget before September 15 according to the requirements of Tax Code Section 6.06(b)?	No	Deliver notices of the public hearing to consider the proposed budget as required by Tax Code Section 6.06(b).
11. Has the chief appraiser appointed a qualified agricultural appraisal advisory board and has that board met at least once within the previous year, as required by Tax Code Section 6.12?	Yes	No Recommendation
12. Did the appraisal district deliver a copy of the CADs most recent financial audit report to each taxing unit as described in Tax Code Section 6.063(b)?	Yes	No Recommendation
13. Do the current appraisal district board of director members meet the criteria listed in Tax Code Section 6.03(a) and 6.035(a)(2)?	Yes	No Recommendation
14. Did the chief appraiser prepare and deliver to the board of directors a list of nominees submitted by the entities to fulfill a BOD vacancy and did the board of directors elect, by majority vote, one of the nominees in accordance with Tax Code Section 6.03(l)?	N/A	No Recommendation
15. Are allocation statements sent to each taxing unit as described in Tax Code Section 6.06(e)?	Yes	No Recommendation

TAXPAYER ASSISTANCE

Taxpayer Assistance Review Question	Answer	Recommendation
16. Is the information on the appraisal district's website up-to-date?	Yes	No Recommendation

Taxpayer Assistance Review Question	Answer	Recommendation
17. Does the appraisal district report, and make available to the public, the metered amount of electricity, water or natural gas consumed for which it is responsible to pay and the aggregate costs for those utility services as required by Government Code Section 2265.001?	Yes	No Recommendation
18. Has the appraisal district developed an annual report in each of the previous two calendar years, and is it made available to the public as described in IAAO's Standard on Public Relations?	Yes	No Recommendation
19. Are the written complaint procedures for the appraisal district made available to the public?	Yes	No Recommendation
20. Are the complaint procedures for the appraisal review board made available to the public upon request?	Yes	No Recommendation
21. Does the appraisal district have a procedure for receiving and responding to open records requests that complies with Government Code Chapter 552 and is the procedure being followed?	Yes	No Recommendation
22. Does the appraisal district notify property owners when denying, modifying or cancelling exemptions as described in Tax Code Sections 11.43(h) and 11.45(d)?	Yes	No Recommendation
23. For residence homestead exemptions cancelled after Sept. 1, 2015, did the appraisal district follow the procedure described in Tax Code Section 11.43(q) for individuals who are 65 years of age or older?	N/A	No Recommendation
24. Did the appraisal district publicize the notices required by Tax Code Sections 11.44(b), 22.21, 23.43(f), 23.54(g) and 23.75(g) in a manner designed to reasonably notify all property owners?	Yes	No Recommendation
25. Does the appraisal district include with each notice sent under Tax Code Section 25.19 to an eligible property owner, instructions for accessing and using the electronic protest system as described in Tax Code Section 41.415?	Yes	No Recommendation

Taxpayer Assistance Review Question	Answer	Recommendation
26. Has the appraisal district implemented a system that allows the owner of a property that has been granted a homestead exemption to electronically receive and review comparable sales data and other evidence that the chief appraiser intends to use at the protest hearing before the appraisal review board, as required by Tax Code Section 41.415(b)(2)?	Yes	No Recommendation

OPERATING PROCEDURES

Operating Procedures Review Question	Answer	Recommendation
27. Did the appraisal district timely submit the Comptroller's most recent appraisal district operations survey?	Yes	No Recommendation
28. Does the appraisal district receive and process arbitration requests as described in Tax Code Section 41A.05 and Comptroller Rule 9.804(b)(5)?	N/A	No Recommendation
29. Did the appraisal district compile a partial exemption list as described in Tax Code Section 11.46 and Comptroller Rule 9.3010 and was the most recent list made available to the public?	Yes	No Recommendation
30. Not later than April 30 of the most recent year, did the appraisal district prepare and certify to the assessor for each county, municipality and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit as described by Tax Code Section 26.01(e)?	Yes	No Recommendation
31. Did the chief appraiser prepare and certify the two most recent appraisal rolls to the assessor for each taxing unit participating in the district as described in Tax Code Section 26.01(a)?	No	Ensure that written notifications of the form in which the appraisal roll will be provided are sent to the assessors of each taxing unit participating in the appraisal district by the date listed in Tax Code Section 26.01(a).
32. For changes made to the appraisal roll under Tax Code Section 25.25, are the changes coded by the appropriate subsection that authorizes the change?	No	Code appraisal roll changes in accordance with the section of the code that authorizes the change.

Operating Procedures Review Question	Answer	Recommendation
33. Are corrections of the appraisal roll presented to the appraisal district's board of directors and appraisal review board as described in Tax Code Section 25.25(b)?	No	Present corrections of the appraisal roll that decrease the tax liability of property owners to the appraisal review board and board of directors as required by Tax Code Section 25.25(b).
34. When the appraisal roll is changed according to Tax Code Section 25.25(d), does the appraisal district notify the tax assessor-collector that a 10 percent penalty should be charged to the property owner and, if the appraisal district also performs collection functions, is a 10 percent penalty assessed according to the requirements of Tax Code Section 25.25(d)?	N/A	No Recommendation
35. Has the appraisal district's records retention schedule that is on file with the State Library and Archives Commission, as described in Local Government Code Section 203.041, been implemented?	Yes	No Recommendation
36. Does the appraisal district have comprehensive and workable written procedures concerning disaster recovery and mitigation?	Yes	No Recommendation
37. Does the chief appraiser submit the completed appraisal records to the appraisal review board for review and determination of protests as described in Tax Code Section 25.22?	Yes	No Recommendation
38. Do the appraisal review board's orders of determination comply with the requirements of Tax Code Sections 41.47(c)(1) and (2) and the Comptroller's model hearing procedures as they relate to Tax Code Section 5.103(b)(2)?	Yes	No Recommendation
39. Does the appraisal district provide evidence during the appeals process?	Yes	No Recommendation
40. Did the appraisal review board hear and determine all or substantially all timely filed protests; determine all timely filed challenges; submit a list of approved changes in the records to the chief appraiser; and approve the appraisal records by the deadline established in Tax Code Section 41.12 in the previous year?	Yes	No Recommendation
41. Are properties correctly categorized according to PTAD classification guidelines?	No	Follow classification guidelines as set forth in the Property Classification Guide.

Operating Procedures Review Question	Answer	Recommendation
42. Are exempt properties correctly categorized in accordance with the PTAD Property Classification Guide?	Yes	No Recommendation
43. Did the appraisal district send copies of the most recent reappraisal plan to the presiding officers of the governing body of each taxing unit participating in the district and to the Comptroller by the date described in Tax Code Section 6.05(l)?	Yes	No Recommendation
44. Does the appraisal district's written reappraisal plan define the market areas in the county as required by Tax Code Section 25.18?	Yes	No Recommendation
45. Does the appraisal district's written reappraisal plan identify the properties to be appraised in each year covered by the plan as required by Tax Code Section 25.18 and have all scheduled activities been completed timely?	Yes	No Recommendation
46. Did the appraisal district submit the two most recent electronic appraisal rolls to the Comptroller timely?	Yes	No Recommendation
47. Did the appraisal district submit the two most recent electronic property transactions submissions to the Comptroller timely?	No	Submit the electronic property transaction submissions to the Comptroller by the required due dates.
48. Are sales provided in the most recent electronic property transaction submission valid sales?	No	Ensure valid sales are submitted in EPTS submissions.

APPRAISAL STANDARDS, PROCEDURES AND METHODOLOGY

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
49. Have the inspection dates in the appraisal records been updated within the previous six years as discussed in IAAO's <i>Standard on Mass Appraisal of Real Property</i> ?	Yes	No Recommendation
50. Do the appraisal district's appraisal cards contain all of the information as required by Comptroller Rule 9.3001?	No	Ensure appraisal cards contain items listed in Comptroller Rule 9.3001.

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
51. Did the appraisal district complete and produce written mass appraisal reports in the previous two years as required by USPAP Standard 6?	Yes	No Recommendation
52. Do the appraisal district's contracts contain the items described in IAAO's <i>Standard on Contracting for Assessment Services</i> ?	Yes	No Recommendation
53. Does the appraisal district follow a procedure or process for reviewing, verifying or evaluating the work of their appraisal services and mapping contractors?	Yes	No Recommendation
54. Does the appraisal district run ratio studies by market area and neighborhood, property class, or stratum?	Yes	No Recommendation
55. Are the appraisal district's cost schedules and appraisal models used in such a way that adjustments are made for neighborhood factors and property specific factors?	Yes	No Recommendation
56. Has the appraisal district adjusted its residential property cost schedules based on sales data, ratio studies, local conditions or market factors within the previous two years?	Yes	No Recommendation
57. Has the appraisal district adjusted its commercial property cost schedules based on sales data, ratio studies, local conditions or market factors within the previous two years?	Yes	No Recommendation
58. Does the appraisal district follow its written procedures for inspecting new personal property accounts in the 12 months after they are created, as discussed in IAAO's <i>Standard on Valuation of Personal Property</i> ?	Yes	No Recommendation
59. Does the appraisal district apply the rendition penalty for taxpayers who do not render timely according to Tax Code Section 22.28 and are penalties waived when necessary, as described in Tax Code Section 22.30?	No	Apply a 10 percent penalty for taxpayers who do not render timely according to Tax Code Section 22.28. Deliver a notice of imposition of a penalty to any person who fails to timely file a rendition statement, according to Tax Code Section 22.28 (a).
60. Does the appraisal district perform multiple quality control steps to ensure the accuracy and uniformity of property valuations?	Yes	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
61. Does the appraisal district gather income and expense data and calculate values using the income approach for warehouse properties/mini storages?	Yes	No Recommendation
62. Are multi-family low income properties appraised in accordance with Section 23.215 and 11.1825(q) of the Property Tax Code?	N/A	No Recommendation
63. Does the appraisal district collect land sales and maintain a verified land sales file and does the appraisal district gather available real estate transfer documents and use available third-party sources in gathering sales information, according to IAAO's Standard on Verification and Adjustment of Sales, Sections 3.1 and 3.4?	Yes	No Recommendation
64. Does the appraisal district collect residential property sales and maintain a verified residential sales file and does the appraisal district gather available real estate transfer documents and use available third-party sources in gathering sales information, according to IAAO's Standard on Verification and Adjustment of Sales, Sections 3.1 and 3.4?	Yes	No Recommendation
65. Are net-to-land calculations for agricultural use land designated as dry and irrigated cropland reproducible from the appraisal district's records and is the appraisal district following their dry and/or irrigated cropland schedule?	Yes	No Recommendation
66. Are net-to-land calculations for agricultural use land designated as native pasture reproducible from the appraisal district's appraisal records and is the appraisal district following their native pasture schedule?	Yes	No Recommendation
67. Does the appraisal district properly apply minimum acreage requirement for Wildlife properties in accordance with Comptroller Rule 9.2005?	N/A	No Recommendation
68. Does the appraisal district perform inspections of properties as a result of receiving wildlife management use appraisal applications?	Yes	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
69. Does the appraisal district perform inspections of properties as a result of receiving agricultural use appraisal applications?	Yes	No Recommendation
70. For properties that have been granted agricultural use appraisal, are completed applications and required documentation on file?	Yes	No Recommendation
71. Have agricultural appraisal intensity-of-use standards been evaluated or updated within the previous five years?	Yes	No Recommendation
72. Is the appraisal district following their current guidelines for degree of intensity standards when granting special valuation appraisal for agricultural and/or timber use?	Yes	No Recommendation
73. Does the appraisal district make an entry on the appraisal records when agricultural applications are received after April 30 and deliver written notice of imposition of the penalty as described in Tax Code Section 23.431?	No	Make entry in the appraisal records and provide written notification of the imposition of penalty in accordance with Tax Code Section 23.431.