

BOARD OF DIRECTORS MEETING
DECEMBER 4, 2018, 9:00 A.M.
MCLENNAN COUNTY APPRAISAL DISTRICT
315 S. 26TH STREET
WACO, TEXAS 76710

AGENDA

MEETING CALLED TO ORDER

BUSINESS SESSION

ITEMS REQUIRING BOARD ACTION

1. MINUTES OF NOVEMBER 16, 2018, MEETING.
2. BOARD TO CONSIDER CONTRACT WITH LOW, SWINNEY, EVANS & JAMES, PLLC.
3. BOARD TO CONSIDER CONTRACT WITH LOW & SWINNEY, LLP.
4. BOARD TO CONSIDER CONTRACT WITH SHEEHY, LOVELACE & MAYFIELD, P.C.
5. BOARD TO CONSIDER LINE ITEM CHANGES.

DISCUSSION ITEMS

1. REVIEW AND DISCUSS INTERIM FINANCIAL REPORTS.

PUBLIC COMMENT

MANAGEMENT AND COMMITTEE REPORTS

EXECUTIVE SESSION

(NOTE FOR THIS ITEM: THE BOARD OF DIRECTORS WILL BE IN CLOSED SESSION FOR THIS ITEM)

- a. THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF AN OFFICER OR EMPLOYEE, SUPERVISOR, CHIEF APPRAISER (TEX. GOVT. CODE SEC.551.074)(A)
- b. A PRIVATE CONSULTATION WITH THE BOARD'S ATTORNEY ON MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE OPEN MEETINGS ACT OR PENDING OR CONTEMPLATED LITIGATION, AS AUTHORIZED BY LAW (TEX. GOVT. CODE SECTION 551.071, 2012-3723-5 WALGREEN COMPANY, 2013-3711-4 HOLLYWOOD THEATRES, 2014-3244-5 BRAUDAWAY ENTERPRISE, LLC. , 2014-3248-4 SMV WACO GREENVIEW, 2014-3249-5 GRAYHAWKSDENE LP, 2014-3858-5 LAKESHOREPARTNERSLP, 2015-3286-5 BUENGER O C 2015-3519-4 DWIGHTS DISCOUNT VACUUM, 2015-3527-5 BIG DIAMOND LLC, 2015-3573-5 2509 LAKESHORE PARTNERS LP, 2015- 3665-5 CHICK-FIL-A INC, & GANDER MOUNTAIN CO, INC, 2016-2942-4 DHRUVKISH PARTNERS LTD, 2016-2945-3 BDR WACO INVESTMENTS INC, 2016-3002- 5 BRAZOS CONDOS I LP, 2016-3003-4 BRAZOS RIVER PARTNERSHIP, 2016-3004-4 WESTDALE PROPERTIES, 2016-3135- 5 CHICK FIL A , INC, 2016-3159-5 INDIAN RIDGE LLC & PECAN CREEK PARTNERSHIP LTD, 2016-3387-4 2509 LAKESHORE PARTNERS LP, 2016-3390-4 BIG DIAMOND, 2016-3532-4 MARS CHOCOLATE NORTH AMERICA LLC, 2016- 3533-4 WRIGLEY MANUFACTURING, 2016-3581-5 WOODHOLLOW ASSOCIATES LP, 2017-2501-5 BRAZOS RIVER PARTNERSHIP THREE L.P AN ENTITY, 2017-2519-4 BRAZOS RIVER PARTNERSHIP ONE L.P. A LIMITED PARTNERSHIP, 2017-2502-4 WESTDALE HERITAGE

BOARD OF DIRECTORS MEETING
DECEMBER 4, 2018, 9:00 A.M.
MCLENNAN COUNTY APPRAISAL DISTRICT
315 S. 26TH STREET
WACO, TEXAS 76710

LTD A LIMITED PARTNERSHIP, 2017-2513-5 H E BUTT GROCERY CO AND HEB BEVERAGE CO LLC, 2017-2518-3 BRAZOS CONDOS I LP A LIMITED PARTNERSHIP, 2017-2624-4 J C PENNEY CORPORATION, 2017-2658-4 WRIGLEY MANUFACTURING, 2017-2659-4 MARS CHOCOLATE NORTH AMERICA LLC, 2017-2663-4 2509 LAKESHORE PARTNERS LP, 2017-2709-4 AMERICAN MULTI- CINEMA INC, 2017-2738-5 DCII-700 AUSTIN AVENUE LLC AN ENTITY, 2017-2758-5 POP HOLDINGS LP, 2017-2847-4 BEN E KEITH COMPANY, 2017-3035-4 11TH STREET FLATS LLC, 2017-3163-3 H.E. BUTT GROCERY CO AND HEB GROCERY COMPANY LP, , 2017-3166-5 BIG DIAMOND INC AND NTI DROP ONE LLC, 2017-3170-5 MAJ PARTNERS LTD, 2017-3212-5 JOSEPH G BEARD AND SHERRY BEARD, 2017-3537-5 CVS AS LESSEE, 2017-3654-5 WI- ERI WACO H PROPERTY L. P. , 2017-3653-5 WI-ERI WACO CY PROPERTY L.P. , 2018-2478-4 2509 LAKESHORE PARTNERS LP, 2018-2632-4 HARVEST LAKESHORE ESTATES RETIREMENT RESIDENCE LLC, 2018-2665-4 WALGREENS CO. AS LESSEE, 2018-2695-4 HOLLYWOOD THEATERS INC, 2018-2764-4 WAL-MART REAL ESTATE BUSINESS TRUST EAST OP AND TEXAS LLC AS LESSEE, 2018-2765-4 WAL-MART REAL ESTATE BUSINESS TRUST, 2018-2797-5 EIRREK RTT LLC, 2018-2782-4 GRAYHAWKESDENE LP, 2018-2792-5 WRIGLEY MANUFACTURING, 2018-2791-3 MARS CHOCOLATE NORTH AMERICA LLC, 2018-2882-3 BIG DIAMOND INC AND NTI DROP ONE LLC, 2018-2909-4 AVATAR FRONTERA WACO LLC, 2018-2971-4 WACO OSOVERDE LP, 2018-2948-4 BELLTEX ASSETS III TINSLEY LLC, 2018-2940-3 CPC WACO LLC AND CPC WACO II LLC, 2018-2987-4 WACO VILLAGE PARTNERS LLC, 2018-3100-4 CATERPILLAR INC AND CATERPILLAR WORK TOOLS INC, 2018-3031-5 ORION BAY LLC, 2018-3029-4 S2S DOMAIN WACO ASSOCIATES LLC, 2018-3128-5 CHICK FIL A SEVER, 2018-3269-5 CHICK FIL A AS OWNER AND LESSEE, 2018-3072-5 WILLIAM GEORGE SCHROEDER, 2018-3289-5 HTA HILLCREST MOB 1 AND MOB 2 LLC AN ENTITY, 2018-3330-5 SOLIS MANAGEMENT COMPANY, 2018-3319-5 PROGRESSIVE INNS LLC, 2018-3368-5 POP HOLDINGS LP, 2018-3335-3 WREN INTERESTS INC A TEXAS CORPORATION, 2018-3320-4 SPRING WACO LP, 2018-3409-5 SAMS CLUB EAST INC AND WALMART STORES EAST LP, 2018-3413-4 WALMART STORES EAST LP, 2018-3419-4 SMART STOPS LIMITED PARTNERSHIP, 2018-3424-5 BUTT H E GROCERY CO AND HEB GROCERY COMPANY LP, 2018-3440-4 STEVEN O'CONNOR , 2018-3485-4 CSMC 2007 C1 WOODWAY DR LLC, 2018-3482-5 MAJ PARTNERS LTD, 2018-3447-4 AMERICAN MULTI CINEMA INC, 2018-3481-4 Z Z & Z PROPERTIES LTD, 2018-3476-4 TENNYSON ARMS LLC, 2018-3484-5 PRASITI 415 OWEN LANE LLC, 2018-3451-5 ASPEN HEIGHTS WACO PROJECT LTD, 2018-3464-4 UPPER LEVEL ACQUISITIONS II LLC , 2018-3456-4 PROJECT COUNTRY PLACE LTD, 2018-3480-4 TRUE ORCHIDS OF TEXAS LLC, 2018-3483-3 PRASITI 5000 SANGER AVE LLC, 2018-3490-5 TTHFD INVESTMENTS LLC, 2018-3502-5 D & F MARTIN FAMILY PARTNERS LTD, 2018-3505-5 TEXAS E CREST LTD, 2018-3506-3 TX SHERMAN MANOR APTS LTD, 2018-3507-4 BRAZOS PARK APARTMENTS LTD, 2018-3538-5 RICHLAND SPRINGS LLC, 2018-3567-5 NATIONAL RETAIL PROPERTIES LP AN ENTITY, 2018-3617-3 LCS DELANEY VENTURE I LLC, 2018-3831-5 SANDY CREEK ENERGY ASSOCIATES LP, 2018-4135-4 CLOVER INDUSTRIAL LLC, 2018-4183-3 TVA DEVELOPMENT LTD, 2018-4174-5 FLAT ROCK SELF STORAGE LLC, .

BUSINESS SESSION (CONTINUED)

OTHER ITEMS

1. ACTION ON ITEMS DISCUSSED IN CLOSED SESSION.
2. SET NEXT MEETING DATE AND AGENDA ITEMS.
3. ADJOURNMENT.

McLENNAN COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS MEETING
November 16, 2018 1:00 P.M.
McLennan County Appraisal District
315 S. 26th St.
Waco, TX 76710

The Board of Directors of the McLennan County Appraisal District met at 1:00 p.m. on Friday, November 16, 2018, at the McLennan County Appraisal District, 315 S. 26th St., Waco, TX 76710. The notice of such meeting was duly posted by 5:00 p.m., November 9, 2018.

The members present for the meeting were: Mr. John Kinnaird, Mr. Allen Sykes, Mr. Randy Riggs, Mr. Tom Pagel, and Mr. Ben Perry. Also present at the meeting were Mr. Robert Meyers, Mr. Andrew Hahn, Mr. Joe Don Bobbitt, and Mrs. Lisa Gonzalez. Mrs. Mildred Watkins was not present.

John Kinnaird called the meeting to order at 1:03 p.m.

Items for Board Action:

Item #1 Revised Minutes of July 25, 2018, and Minutes from the October 31, 2018, meeting were reviewed. The Revised Minutes from July 25, 2018, and October 31, 2018, were approved.

Item #2 Board to consider renewing contract with Low, Swinney, Evans & James, PLLC for 2019: Andrew Hahn presented. Board discussed and tabled until next meeting due to incorrect wording of agenda item and uncertainty as to the scope of work contemplated.

Item #3 Board to consider line item changes: Joe Don Bobbitt presented. Ben Perry motioned to approve line item changes. Allen Sykes seconded. No opposition. Motion passed.

Discussion Items:

Public Comment: None

Management and Committee Reports: None

Executive Session: Board went into Executive Session at 1:18 pm. Executive Session adjourned at 2:20 pm.

Action on items discussed in closed session: None

The next meeting date: Circulate some dates in December to BOD members and a decision will be made at a later time. Agenda should include contract information for Low, Swinney, Evans and James PLLC.

There is no other business to come before the Board; the meeting adjourned at 2:21 p.m.

McLENNAN COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS MEETING
November 16, 2018 1:00 P.M.
McLennan County Appraisal District
315 S. 26th St.
Waco, TX 76710

Allen Sykes, Secretary

CRITERIA FOR LEGAL FIRM SELECTION

1. Complexity of the case: Industrial/Utility cases with large value implications, i.e., Sandy Creek, Mars, Caterpillar.
2. Large Value Personal Property: Complex Industrial Equipment considered as personal property (complex inventory).
3. Low Income Apartment Complexes: (a) Rent restricted (b) Land restrictions.
4. Larger Value Apartment Complexes.
5. Prior representation of specific cases (time & cost efficiencies).
6. Prior representation of similar cases. (time & cost efficiencies)
7. Cases where both sides are so far apart, they will have to be settled in court.
8. Attorney experience with certain types of cases and courtroom experience involving property valuation for property tax purposes.

CONTRACT FOR LEGAL REPRESENTATION

THE STATE OF TEXAS §
 §
COUNTY OF MCLENNAN §

THIS CONTRACT is made and entered into by and between the **McLennan County Appraisal District** (the “Appraisal District”), acting herein by and through its governing body, and **Low Swinney Evans & James, PLLC** (the “Firm”), 623 S. Baker Circle, Leander, Texas 78641.

I.

The Appraisal District employs the Firm to advise and represent the Appraisal District in matters pertaining to property tax law, and specifically in litigation filed against the Appraisal District under Chapter 42 of the Texas Property Tax Code, and as referred to the Firm by the District’s Chief Appraiser.

II.

Fees for professional services rendered by the Firm pursuant to this contract shall be earned on an hourly basis. The fee shall be One Hundred Seventy-Five dollars (\$175.00) for every hour of legal consultation and legal representation rendered to the Appraisal District. Paralegal time shall be billed at Forty dollars (\$40.00) per hour, and law clerk time at Sixty dollars (\$60.00) per hour. The Appraisal District agrees to reimburse the Firm for reasonable and necessary travel expenses incurred by the Firm in representation of the Appraisal District. Travel time will be charged as if the Firm were located in the county seat of the Appraisal District. The Firm shall invoice the Appraisal District each month for professional fees earned and travel reimbursements due as provided by this contract.

III.

The Appraisal District agrees to furnish all necessary information to the Firm on all property within the boundaries of the Appraisal District as required.

IV.

Costs for necessary fee appraisals, expert witnesses, depositions, and the preparation of records required for review, litigation, costs of trial, or appeal of any matter to the Appraisal Review Board, the District Court, the Court of Appeals, or the Supreme Court will be the responsibility of the Appraisal District.

V.

This contract shall begin on _____, 2018, and shall continue in full force and effect, from year to year. Each party shall have the right to review or to terminate this contract upon delivery of thirty (30) days written notice of such intention with a statement of the cause or reasons for such termination. In the event that the Firm is representing the Appraisal District in a litigation and the Firm is not allowed by the court to withdraw from representation in that litigation, this contract shall continue through the duration of that litigation for purposes of that litigation only.

VI.

This contract is executed on behalf of the Appraisal District by the Chairman of its Board of Directors who is authorized to execute this instrument by order heretofore passed and duly recorded in the minutes of the Board of Directors. Based upon the terms contained herein, the Firm accepts employment.

WITNESS the signatures of all parties hereto this the ____ day of _____, 2018, McLennan County, Texas.

MCLENNAN COUNTY APPRAISAL DISTRICT

By: _____
Chairman of the Board of Directors

By: _____
Andrew Hahn, Chief Appraiser

LOW SWINNEY EVANS & JAMES, PLLC

By: _____
Kirk Swinney

CONTRACT FOR LEGAL REPRESENTATION

THE STATE OF TEXAS §
 §
COUNTY OF MCLENNAN §

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I.

The Appraisal District agrees to employ and does hereby employ the Firm to advise and represent the Appraisal District in matters pertaining to property tax law, and specifically in litigation filed against the Appraisal District under Chapter 42 of the Texas Property Tax Code, and as referred to the Firm by the District's Chief Appraiser.

II.

Fees for professional services rendered by the Firm pursuant to this contract shall be earned on an hourly basis. The fee shall be One Hundred Seventy-Five dollars (\$175.00) for every hour of legal consultation and legal representation rendered to the Appraisal District. Paralegal time shall be billed at Forty dollars (\$40.00) per hour, and law clerk time at Sixty dollars (\$60.00) per hour. The Appraisal District agrees to reimburse the Firm for reasonable and necessary travel expenses incurred by the Firm in representation of the Appraisal District. Travel time will be charged as if the Firm were located in the county seat of the Appraisal District. The Firm shall invoice the Appraisal District each month for professional fees earned and travel reimbursements due as provided by this contract.

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Costs for necessary fee appraisals, expert witnesses, depositions, and the preparation of records required for review, litigation, costs of trial, or appeal of any matter to the Appraisal Review Board, the District Court, the Court of Appeals, or the Supreme Court will be the responsibility of the Appraisal District.

V.

This contract shall begin on January __, 2018, and shall continue in full force and effect, from year to year. Each party shall have the right to review or to terminate this contract upon delivery of thirty (30) days written notice of such intention with a statement of the cause or reasons for such termination. In the event that the Firm is representing the Appraisal District in a litigation and the Firm is not allowed by the court to withdraw from representation in that litigation, this contract shall continue through the duration of that litigation for purposes of that litigation only.

VI.

~~Th Appraisal District shall pay the firm a monthly retainer of \$_____. In exchange, the Firm shall provide up to ___ hours per month of legal services, on a non-cumulative basis for general legal services outside litigation.~~

*Strike per BOD mtg
1-24-18.*

VII.

This contract is executed on behalf of the Appraisal District by the Chairman of its Board of Directors who is authorized to execute this instrument by order heretofore passed and duly recorded in the minutes of the Board of Directors. Based upon the terms contained herein, the Firm accepts employment.

WITNESS the signatures of all parties hereto in duplicate originals this the 24th day of January, 2018, McLennan County, Texas.

MCLENNAN COUNTY APPRAISAL DISTRICT

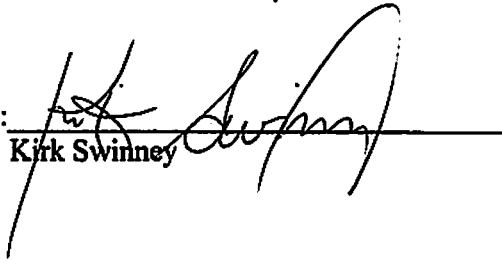
By: [Signature]
Chairman of the Board of Directors

By: [Signature]
Andrew Hahn, Chief Appraiser

LOW & SWINNEY, PLLC

By:

Kirk Swinney

A handwritten signature in black ink, appearing to read "Kirk Swinney", is written over a horizontal line. The signature is stylized and cursive.

SHEEHY, LOVELACE & MAYFIELD, P. C.

ATTORNEYS AND COUNSELORS AT LAW

Established 1893

PHILIP E. McCLEERY
GARY K. JORDAN
PETER K. RUSEK
JEFFREY R. COX
JOHN O'HERREN
MICHAEL J. GULIG
CHRISTIAN J. HACK
E. ALAN BENNETT
DAVID M. MATHEWS
PATRICK O. BRADY
CINDY A CULP
KRUPALIM. PATEL
CHRISTOPHER BRINSER

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FIRM WEBSITE: www.slmpc.com

JOHN F. SHEEHY
(1898-1979)

J. HENRY LOVELACE
(1926-1992)

November 29, 2018

The Appraisal District Board of Directors
P. O. Box 2297
Waco, TX 76703

RE: Fee Agreement

Dear Board of Directors:

The District has requested that the Firm of Sheehy, Lovelace & Mayfield, PC provide it with a written proposed fee agreement letter regarding potential future representation of the Appraisal District (the "District") and we are pleased to do so.

Should the Board choose to take formal action to retain the Firm, we propose to represent the District, as we currently do, on an "as needed" basis in connection with matters presented (referred) to us by the District. As you probably know, the Firm has already been providing legal services to the District as little or as much as needed for a number of years and our proposal is to continue in that vein. As it has been in the past (and is currently), should the Board take formal action to retain the Firm, the District would be under no obligation to the Firm to utilize our legal services. Further, should the Board deem it necessary, the Board could take formal action at any time to affirmatively end any representation by the Firm (with the understanding that doing so would not discharge the District's obligation to pay for services already rendered and expenses already incurred).

On any matters referred to the Firm by the District, we promise to provide the District with reasonable and necessary legal services to the best of our ability.

Our proposal is that the District agree to pay legal fees based upon the hourly rates of the attorneys, law clerks, and legal assistants who have rendered the legal services. The hourly rates will be those in effect at the time the services are rendered. The maximum hourly rate of the attorneys at this time are \$300.00 per hour. The current rate for Peter Rusek is \$295.00 per hour. Associates' time is billed at the current rate of \$150.00 per hour.

The Appraisal District Board of Directors

November 29, 2018

Page 2

The minimum billing unit used is generally two-tenths of an hour and the time expended on any matters referred to the Firm will be computed on the basis of tenth-hour increments. If less than all of any increment is expended on your matter, you will be charged for the full minimum increment. For example, if an attorney should make a 15 minute telephone call concerning your case, you will be charged for .3 hours, even though only a portion of the third increment is used.

The District will be billed monthly, or at our option, more or less frequently, for the time expended, fees earned, and expenses incurred.

Please let us know if you have any questions.

Sincerely,

SHEEHY LOVELACE & MAYFIELD, PC

A handwritten signature in blue ink that reads "Peter Rusek". The signature is written in a cursive style with a large initial "P".

Peter K. Rusek

PKR/rk

MCLENNAN COUNTY APPRAISAL DISTRICT

DECEMBER 4, 2018

LINE ITEM CHANGES TO THE 2018 & 2019 BUDGET

2018 BUDGET		CURRENT BUDGET	ADJUSTMENT	ADJUSTED BUDGET	REASON
		AMOUNT	AMOUNT	AMOUNT	
5003	MAPPING SALARY	\$ 160,413.00	\$ 97,555.83	\$ 257,968.83	JE TO MOVE FUNDS DUE TO EMPLOYEES CHANGING DEPARTMENTS
5004	CLERICAL SALARY	\$ 444,850.00	\$ (97,555.83)	\$ 347,294.17	JE TO MOVE FUNDS DUE TO EMPLOYEES CHANGING DEPARTMENTS
5315	LEGAL PUBLICATIONS	\$ 6,000.00	\$ 775.89	\$ 6,775.89	RISE IN COST OF ADVERTISING
5401	BUILDING MAINTENANCE	\$ 15,528.28	\$ 598.84	\$ 16,127.12	CHANGED OUT FLUORESCENT LIGHTS THROUGHOUT OFFICE
	TRANSFER	\$ 626,791.28	\$ 1,374.73	\$ 612,038.89	
5601	DEBT SVC INTEREST-BLDG	\$ 77,356.00	\$ (27,100.00)	\$ 50,256.00	SWITCH BUDGET LINE ITEMS
5605	DEBT SVC PRINCIPAL-BLDG	\$ 50,256.00	\$ 27,100.00	\$ 77,356.00	SWITCH BUDGET LINE ITEMS
6000	CONTINGENCY FUND	\$ 40,648.44	\$ 1,374.73	\$ 39,273.71	CONTINGENCY AFTER ADJ

McLennan County Appraisal District
General Fund
Financial Statements
October 31, 2018
(With Accountant's Compilation
Report Thereon)

TENTATIVE DRAFT
FOR
DISCUSSION ONLY



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 500 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

To the Board of Trustees of
McLennan County Appraisal District:

Management is responsible for the accompanying financial statements of McLennan County Appraisal District (the "District"), which comprise the general fund balance sheet as of October 31, 2018, and the related general fund statements of revenues, expenditures and changes in fund balance – budget and actual for the one month and ten months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that receivables from exchange-like transactions be recognized at the time of the exchange, with revenue recognized only to the extent that the resources will be received soon enough to be used to liquidate liabilities of the current period. The District recognizes one-fourth of annual assessment fee revenue at the beginning of each quarterly reporting period during its fiscal year. Management has not determined the effect of the departure from accounting principles generally accepted in the United States of America on the accompanying financial statements.

The accompanying budgeted information of the general fund of McLennan County Appraisal District for the year ending December 31, 2018 that is presented in comparison with the statements of revenues, expenditures and changes in fund balance has not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on it.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America for historical financial statements and the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted disclosures were included in the financial statements, and the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the District's assets, liabilities, fund balance, actual revenues and expenditures, and budgeted revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to McLennan County Appraisal District.

November 29, 2018

TENTATIVE DRAFT
FOR
DISCUSSION ONLY

McLennan County Appraisal District
General Fund
Balance Sheet
October 31, 2018

Assets

Cash:		
Extraco money market	\$	1,053,245.31
Extraco bank cash		910,329.01
Extraco flex spending		7,928.39
Flexible spending plan receivable		5,119.70
Prepaid expenditures		24,347.88
Total assets	\$	<u>2,000,970.29</u>

Liabilities and Fund Balance

Accounts payable:		
Accounts payable	\$	18,035.94
Chief Appraiser Mastercard		1,602.74
Assistant Chief Appraiser Mastercard		579.35
Accrued liabilities:		
Pension payable		29,218.75
Total liabilities		<u>49,436.78</u>
Fund balance - Committed for Litigation		300,000.00
Fund balance - Committed for Capital Improvement		80,663.00
Fund balance - Committed for Other		635,845.82
Fund balance - unassigned		935,024.69
Total fund balance		<u>1,951,533.51</u>
 Total liabilities and fund balance	 \$	 <u>2,000,970.29</u>

TENTATIVE DRAFT
FOR
DISCUSSION ONLY

See accompanying accountant's compilation report.

McLennan County Appraisal District
General Fund
Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

**TENTATIVE DRAFT
FOR
DISCUSSION ONLY**

	Actual 1 Month Ended <u>October 31,</u> <u>2018</u>	Actual 10 Months Ended <u>October 31,</u> <u>2018</u>	Original Annual <u>Budget</u>	Amended Annual <u>Budget</u>	Remaining <u>Budget</u>
Revenues:					
Revenue from taxing entities	\$ 770,682.82	\$ 4,240,290.07	\$4,626,143.00	\$4,240,290.07	\$ 0.00
Interest on investments	0.00	0.00	150.00	150.00	150.00
Miscellaneous revenue	1,315.36	12,302.89	4,000.00	4,000.00	(8,302.89)
BPP rendition penalty revenue	54.15	7,631.02	10,000.00	10,000.00	2,368.98
	<u>772,052.33</u>	<u>4,260,223.98</u>	<u>4,640,293.00</u>	<u>4,254,440.07</u>	<u>(5,783.91)</u>
Expenditures:					
Current:					
Salaries					
Administration	21,087.79	222,154.23	358,509.00	358,509.00	136,354.77
Appraisal	74,114.29	738,980.32	963,048.00	963,048.00	224,067.68
Mapping	17,477.67	206,086.84	160,413.00	160,413.00	(45,673.84)
Clerical	21,602.07	237,381.18	444,850.00	444,850.00	207,468.82
Auto and phone allowance	10,290.73	107,180.36	137,020.00	137,020.00	29,839.64
Total salaries	<u>144,572.55</u>	<u>1,511,782.93</u>	<u>2,063,840.00</u>	<u>2,063,840.00</u>	<u>552,057.07</u>
Benefits					
FICA tax expense	10,438.29	110,385.16	158,425.00	158,425.00	48,039.84
Health insurance	15,745.82	163,075.58	234,000.00	234,000.00	70,924.42
Disability long term insurance	524.53	4,755.83	6,000.00	6,000.00	1,244.17
Life insurance	633.22	5,755.11	8,850.00	8,850.00	3,094.89
Longevity	0.00	12,192.00	14,832.00	14,832.00	2,640.00
Pension	19,196.26	196,525.48	269,944.00	269,944.00	73,418.52
Pension UAAL	0.00	30,000.00	30,000.00	30,000.00	0.00
Unemployment compensation	22.37	8,386.36	9,200.00	9,200.00	813.64
Workman's compensation	0.00	8,990.22	16,800.00	16,800.00	7,809.78
Health insurance:PB&H-deductible	1,447.61	5,363.58	34,000.00	34,000.00	28,636.42
Total benefits	<u>48,008.10</u>	<u>545,429.32</u>	<u>782,051.00</u>	<u>782,051.00</u>	<u>236,621.68</u>

See accompanying accountant's compilation report.

McLennan County Appraisal District
General Fund

Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

**TENTATIVE DRAFT
FOR
DISCUSSION ONLY**

	1 Month Ended <u>October 31,</u> <u>2018</u>	10 Months Ended <u>October 31,</u> <u>2018</u>	Original Annual <u>Budget</u>	Amended Annual <u>Budget</u>	Remaining <u>Budget</u>
Professional services					
Appraisal review board	215.10	105,657.68	80,000.00	105,657.68	0.00
Appraisal services	0.00	24,800.00	30,000.00	30,000.00	5,200.00
Audit	0.00	6,500.00	6,500.00	6,500.00	0.00
Board of directors	0.00	174.47	1,200.00	1,200.00	1,025.53
Computer services	150.00	3,519.34	10,000.00	10,000.00	6,480.66
Lawn service	1,700.00	3,330.00	3,000.00	4,030.00	700.00
Janitorial services	1,690.00	16,900.00	22,000.00	22,000.00	5,100.00
Arbitration	0.00	1,344.00	3,000.00	3,000.00	1,656.00
Payroll service fee	196.55	3,478.70	4,869.00	4,869.00	1,390.30
Personal property lists	0.00	2,688.00	2,500.00	2,688.00	0.00
Shredding service	31.50	325.50	500.00	500.00	174.50
Temp service	63.50	26,498.90	75,000.00	75,000.00	48,501.10
Consulting services: accounting	0.00	5,600.00	0.00	13,800.00	8,200.00
Consulting services: Homestead Audit Services	27,650.00	110,600.00	110,600.00	110,600.00	0.00
Legal services:retainer	3,800.00	19,000.00	24,000.00	24,000.00	5,000.00
Legal services:court cost	13,744.25	180,602.84	450,000.00	450,000.00	269,397.16
Legal services:misc legal services	501.50	3,936.50	20,000.00	20,000.00	16,063.50
Legal services:ARB legal counsel	180.05	1,180.05	5,000.00	5,000.00	3,819.95
Total professional services	<u>49,922.45</u>	<u>516,135.98</u>	<u>848,169.00</u>	<u>888,844.68</u>	<u>372,708.70</u>
Office operation					
Dues and memberships	2,216.00	7,933.69	6,000.00	8,548.69	615.00
Insurance	0.00	8,391.74	7,300.00	8,391.74	0.00
Legal publications	2,646.80	6,775.89	6,000.00	6,000.00	(775.89)
Mileage reimbursement	0.00	185.48	1,000.00	1,000.00	814.52
Small equipment and furniture	0.00	21.62	2,000.00	2,000.00	1,978.38
Small software	0.00	0.00	3,000.00	3,000.00	3,000.00
Subscriptions and books	794.42	15,147.86	20,000.00	20,000.00	4,852.14
Training and education	530.00	20,363.00	17,000.00	20,363.00	0.00
Travel	2,414.28	9,061.72	15,000.00	15,000.00	5,938.28

See accompanying accountant's compilation report.

McLennan County Appraisal District
General Fund

Statements of Revenue, Expenditures and Changes in Fund Balance
 Budget and Actual

**TENTATIVE DRAFT
 FOR
 DISCUSSION ONLY**

	1 Month Ended October 31, <u>2018</u>	10 Months Ended October 31, <u>2018</u>	Original Annual <u>Budget</u>	Amended Annual <u>Budget</u>	Remaining <u>Budget</u>
Misc expenses	0.00	244.84	1,350.00	1,351.00	1,106.16
Forms and printing: notices	0.00	27,856.22	24,200.00	27,856.22	0.00
Forms and printing: renditions	0.00	3,791.79	8,250.00	8,250.00	4,458.21
Forms and printing: misc	280.00	3,392.50	4,400.00	4,400.00	1,007.50
Office equipment rental: postage machine	740.00	4,104.43	6,700.00	6,700.00	2,595.57
Office equipment rental: copiers	1,642.29	9,003.21	12,000.00	12,000.00	2,996.79
Postage and freight: postage	3,625.87	82,620.37	94,500.00	94,500.00	11,879.63
Postage and freight: freight	9.98	643.19	900.00	900.00	256.81
Supplies: office supplies	2,038.01	20,164.49	24,000.00	24,000.00	3,835.51
Utilities: phone and internet	2,193.98	16,168.30	20,000.00	20,000.00	3,831.70
Utilities: electric	2,908.93	20,019.91	27,000.00	27,000.00	6,980.09
Utilities: water and sewer	492.74	3,041.71	4,800.00	4,800.00	1,758.29
Total office operation	<u>22,533.30</u>	<u>258,931.96</u>	<u>305,400.00</u>	<u>316,060.65</u>	<u>57,128.69</u>
Maintenance					
Building	810.84	15,092.12	10,000.00	15,528.28	436.16
Elevator	0.00	0.00	5,000.00	5,000.00	5,000.00
Computer equipment-hardware	0.00	1,282.51	6,000.00	6,000.00	4,717.49
Small equipment and furniture	0.00	1,344.94	3,000.00	3,000.00	1,655.06
Telephone maintenance	0.00	0.00	1,800.00	1,800.00	1,800.00
Software maintenance: true automation	0.00	108,580.84	104,421.00	104,421.00	(4,159.84)
Software maintenance: software service	0.00	3,254.10	6,000.00	6,000.00	2,745.90
Software maintenance: ESRI	0.00	9,900.00	10,000.00	10,000.00	100.00
Total maintenance	<u>810.84</u>	<u>139,454.51</u>	<u>146,221.00</u>	<u>151,749.28</u>	<u>12,294.77</u>
Contingency fund					
General contingency fund	0.00	0.00	100,000.00	40,648.44	40,648.44
Total contingency fund	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>40,648.44</u>	<u>40,648.44</u>

See accompanying accountant's compilation report.

McLennan County Appraisal District
General Fund
Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

	<u>1 Month</u> <u>Ended</u> <u>October 31,</u> <u>2018</u>	<u>10 Months</u> <u>Ended</u> <u>October 31,</u> <u>2018</u>	<u>Original</u> <u>Annual</u> <u>Budget</u>	<u>Amended</u> <u>Annual</u> <u>Budget</u>	<u>Remaining</u> <u>Budget</u>
Capital Outlay:					
Capital outlay					
Building improvements	0.00	7,487.95	5,000.00	7,487.95	0.00
Small equipment	0.00	0.00	5,000.00	5,000.00	5,000.00
Large equipment	0.00	57,849.20	60,000.00	60,000.00	2,150.80
Large furniture	0.00	0.00	1,000.00	1,000.00	1,000.00
Aerial photography	0.00	160,516.05	196,000.00	196,000.00	35,483.95
Total capital outlay	<u>0.00</u>	<u>225,853.20</u>	<u>267,000.00</u>	<u>269,487.95</u>	<u>43,634.75</u>
Debt service:					
Debt service					
Debt service interest-building	0.00	50,255.80	77,356.00	77,356.00	27,100.20
Debt service principal-building	0.00	77,355.59	50,256.00	50,256.00	(27,099.59)
Total debt service	<u>0.00</u>	<u>127,611.39</u>	<u>127,612.00</u>	<u>127,612.00</u>	<u>0.61</u>
Total expenditures	<u>265,847.24</u>	<u>3,325,199.29</u>	<u>4,640,293.00</u>	<u>4,640,294.00</u>	<u>1,315,094.71</u>
Net change in fund balance	<u>506,205.09</u>	<u>935,024.69</u>	<u>\$ 0.00</u>	<u>\$(385,853.93)</u>	<u>\$1,320,878.62</u>
Fund balance at beginning of period	<u>1,445,328.42</u>	<u>1,016,508.82</u>			
Fund balance at end of period	<u>\$ 1,951,533.51</u>	<u>\$ 1,951,533.51</u>			

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McLennan County Appraisal District

SELECTED INFORMATION—Substantially All Disclosures Required by Accounting Principles
Generally Accepted in the United States of America Are Not Included

Basis of Presentation

The accompanying financial statements present only the general fund and do not purport to, and do not present fairly, the financial position of McLennan County Appraisal District as of October 31, 2018, or the changes in its financial position for the one month and ten months ended in accordance with accounting principles generally accepted in the United States of America.

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