

Financial Report of

COKE CENTRAL APPRAISAL DISTRICT

Robert Lee, Texas

Year Ended December 31, 2020

*Reed, McKee & Co., P.C.
Certified Public Accountants
San Angelo, Texas*

COKE CENTRAL APPRAISAL DISTRICT
Year Ended December 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Net Position Combined with Statement of Assets, Liabilities, and Fund Equity - Cash Basis- General Fund	2
Statement of Activities Combined with Statement of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis - General Fund	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis - Budget and Actual - General Fund	4
Notes to the Financial Statements	5-8

Reed, McKee & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coke Central Appraisal District
P.O. Box 2
Robert Lee, TX 76945

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities of Coke Central Appraisal District as of and for the year ended December 31, 2020, 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 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 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.

As described in Note A, the District's policy is to prepare its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund equity arising from cash transactions of the Coke Central Appraisal District as of December 31, 2020, and the revenues collected and the expenditures paid for the year then ended and the respective budgetary comparison for the general fund for the year then ended on the basis of accounting described in Note A.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the 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.

Reed Mckee & Co. P.C.

REED, MCKEE & CO., P.C.
Certified Public Accountants

March 11, 2021

FINANCIAL STATEMENTS

COKE CENTRAL APPRAISAL DISTRICT
Statement of Net Position Combined with Statement of
Assets, Liabilities, and Fund Equity - Cash Basis- General Fund
December 31, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement Of Net Position</u>
<u>ASSETS</u>			
Cash in Bank	\$ 7,786	\$ -	\$ 7,786
Cash in Time Account	57,942	-	57,942
Certificate of Deposit	28,712	-	28,712
Capital Assets, Net	-	5,808	5,808
	<u>94,440</u>	<u>5,808</u>	<u>100,248</u>
Total Assets	<u>94,440</u>	<u>5,808</u>	<u>100,248</u>
<u>LIABILITIES</u>			
Payable to Taxing Entities	<u>1,675</u>	<u>-</u>	<u>1,675</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance			
Committed for Purchase of Assets	6,985	(6,985)	
Committed for Software/Hardware Replacement	14,694	(14,694)	
Committed for Legal Expenses	3,509	(3,509)	-
Unassigned	<u>67,577</u>	<u>(67,577)</u>	<u>-</u>
Total Fund Balance	<u>92,765</u>	<u>(92,765)</u>	
Total Liabilities and Fund Balance	<u>\$ 94,440</u>		<u>-</u>
Net Position			
Invested in Capital Assets		5,808	5,808
Unrestricted		<u>92,765</u>	<u>92,765</u>
Total Net Position		<u>\$ 98,573</u>	<u>\$ 98,573</u>

The accompanying notes are an integral part of the financial statements.

COKE CENTRAL APPRAISAL DISTRICT
Statement of Activities Combined with Statement of Revenues, Expenditures,
and Changes in Fund Balance - Cash Basis - General Fund
For the Year Ended December 31, 2020

	General Fund	Adjustments	Statement Of Activities
REVENUES			
City of Robert Lee	\$ 4,680	\$ -	\$ 4,680
Coke County	54,833	-	54,833
Robert Lee Independent School District	93,136	-	93,136
Bronte Independent School District	26,742	-	26,742
City of Bronte	3,568	-	3,568
City of Blackwell	5,409	-	5,409
West Coke County Hospital District	18,521	-	18,521
East Coke County Hospital District	14,019	-	14,019
Kickapoo Water District	1,165	-	1,165
Coke County Underground Water Conservation District	1,188	-	1,188
Water Valley Independent School District	5,792	-	5,792
Blackwell Independent School District	5,363	-	5,363
Interest	92	-	92
Miscellaneous	6,696	-	6,696
Total Revenues	<u>241,204</u>	<u>-</u>	<u>241,204</u>
EXPENDITURES			
Salaries	70,904		70,904
Fringe Benefits	36,801		36,801
Telephone and Cellular	2,259		2,259
Office Supplies	4,324	(1,319)	3,005
Office Rent	1,800		1,800
Computer Expense	23,435		23,435
Internet	1,110		1,110
Audit	2,881		2,881
Appraisal Fees	68,330		68,330
Appraisal Review Board	1,050		1,050
Copier Expense	2,382		2,382
Continuing Education	3,622		3,622
Dues	875		875
Postage Meter	264		264
Box Rent, Postage, and Freight	1,492		1,492
Books and Subscriptions	373		373
Bonding Premiums	245		245
Vehicle Expense	1,673		1,673
Legal Fees and Notices	4,230		4,230
Depreciation		1,684	1,684
Total Expenditures	<u>228,050</u>	<u>365</u>	<u>228,415</u>
Excess Revenues (Expenditures)	13,154	(13,154)	
Change In Net Position		12,789	12,789
FUND BALANCE/NET POSITION			
Beginning of the Year	<u>79,611</u>	<u>6,173</u>	<u>85,784</u>
End of the Year	<u>\$ 92,765</u>	<u>\$ 6,173</u>	<u>\$ 98,573</u>

The accompanying notes are an integral part of the financial statements.

COKE CENTRAL APPRAISAL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Cash Basis - Budget and Actual - General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
City of Robert Lee	\$ 4,750	\$ 4,750	\$ 4,680	\$ (70)
Coke County	55,740	55,740	54,833	(907)
Robert Lee Independent School District	94,684	94,684	93,136	(1,548)
Bronte Independent School District	27,200	27,200	26,742	(458)
City of Bronte	3,629	3,629	3,568	(61)
City of Blackwell	-	-	5,409	5,409
West Coke County Hospital District	18,835	18,835	18,521	(314)
East Coke County Hospital District	14,257	14,257	14,019	(238)
Kickapoo Water District	1,173	1,173	1,165	(8)
Coke County Underground Water Conservation District	1,208	1,208	1,188	(20)
Water Valley Independent School District	5,938	5,938	5,792	(146)
Blackwell Independent School District	5,461	5,461	5,363	(98)
Interest	-	-	92	92
Miscellaneous	-	-	6,696	6,696
Total Revenues	<u>232,875</u>	<u>232,875</u>	<u>241,204</u>	<u>8,329</u>
EXPENDITURES				
Salaries	70,904	70,904	70,904	-
Fringe Benefits	38,890	37,501	36,801	700
Telephone and Cellular	2,300	2,259	2,259	-
Office Supplies	4,500	4,500	4,324	176
Internet	1,100	1,110	1,110	-
Office Rent	1,800	1,800	1,800	-
Appraisal Review Board	1,400	1,078	1,050	28
Computer Expense	23,035	23,435	23,435	-
Audit	3,136	2,881	2,881	-
Appraisal Fees	69,000	68,330	68,330	-
Copier Expense	2,400	2,400	2,382	18
Continuing Education	4,000	3,665	3,622	43
Dues	1,000	1,000	875	125
Postage Meter	260	264	264	-
Printing	-	-	-	-
Box Rent, Postage, and Freight	1,500	1,500	1,492	8
Books and Subscriptions	300	373	373	-
Bonding Premiums	450	245	245	-
Vehicle Expense	3,400	3,400	1,673	1,727
Legal Fees and Notices	1,500	4,230	4,230	-
Capital Expenditures	2,000	2,000	-	2,000
Total Expenditures	<u>232,875</u>	<u>232,875</u>	<u>228,050</u>	<u>4,825</u>
Excess Revenues (Expenditures)	-	-	13,154	13,154
FUND BALANCE				
Beginning of the Year	79,611	79,611	79,611	-
End of the Year	<u>\$ 79,611</u>	<u>\$ 79,611</u>	<u>\$ 92,765</u>	<u>\$ 13,154</u>

The accompanying notes are an integral part of the financial statements.

COKE CENTRAL APPRAISAL DISTRICT
Notes to the Financial Statements
December 31, 2020

Note A - Summary of Significant Accounting Policies

The accounting policies of the Coke Central Appraisal District do not conform to generally accepted accounting principles applicable to state and local governments primarily because the District uses the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. The following is a summary of the significant policies:

1. Reporting Entity

The Coke Central Appraisal District (the primary government) was formed January 17, 1980. The District is governed by a Board of Directors consisting of five members who are elected by the governmental taxing entities within Coke County. The primary function of the District is to provide uniform property values to the governmental taxing entities within Coke County. The District is funded annually by quarterly assessments from the governmental taxing entities within Coke County. The District has no component units.

2. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. These statements use the cash basis of accounting with the recording of depreciable assets and the related depreciation expense. The Statement of Assets, Liabilities, and Fund Equity as well as the related Statements of Revenues, Expenditures and Changes in Fund Balance and the Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual are the fund financial statements. The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund type is used by the District:

Governmental Fund Type

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

3. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The District prepares its financial statements on the cash basis of accounting. This basis differs from generally accepted accounting principles, primarily because the financial statements do not give effect to receivables, payables, or accrued items.

4. Budgets and Budgetary Accounting

The District prepares and adopts an official budget for all Governmental Fund Types prior to the beginning of each fiscal year. Expenditures may not exceed the official budget and amendments.

The official budget is prepared for all Governmental Fund Types on the cash basis and covers a one-year period. Appropriations lapse at year end.

The District does not use encumbrance accounting in its accounting system.

COKE CENTRAL APPRAISAL DISTRICT
Notes to the Financial Statements - Continued
December 31, 2020

Note A - Summary of Significant Accounting Policies - Continued

5. Capital Assets

Capital assets are reported in the Statement of Net Position at cost. These assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Donated capital assets are recorded at estimated fair value at the date of donation. 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. Equipment and a vehicle are depreciated on a straight line basis over an estimated life of 5 years.

6. Fund Equity

In the fund financial statements, governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The *nonspendable* classification represents assets that will be consumed or must be maintained intact and therefore will never convert to cash, such as inventories of supplies or prepaid amounts. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of these two classifications precludes a need for a policy from the board. However, the board can develop a policy for the three unrestricted classifications – *committed, assigned, and unassigned*.

From time to time, the board may commit fund balances by a majority vote in a scheduled meeting. The board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. The board's commitment cannot exceed the amount of fund balance that is greater than the sum of *nonspendable* and *restricted* fund balances since that practice would commit funds that the District does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions (rainy day funds), and other purposes determined by the board.

The board may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the board by a majority vote in a scheduled meeting.

When the District makes expenditures that can be made from either restricted or unrestricted balances, the expenditure should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditure should be charged to committed if directly associated with the specific commitment, to assigned if directly associated with the specific assignment, and to unassigned.

7. Compensated Absences

District employees are entitled to vacation and sick leave based on their length of employment. Vacation leave is to be taken during the year following its accumulation, with exceptions as granted by the Chief Appraiser. If any vacation leave has been earned but not taken upon termination of employment, the employee shall be paid for the earned vacation days. Each employee can accumulate up to 30 days of sick leave, but it does not vest. Employees are not paid for sick leave upon separation from service.

COKE CENTRAL APPRAISAL DISTRICT
Notes to the Financial Statements - Continued
December 31, 2020

Note A – Summary of Significant Accounting Policies - Continued

8. Reconciliation of the Government Wide Financial Statements to the Fund Financial Statements

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances – general fund	\$ 92,765
Capital assets, net of accumulated depreciation are not reported in the fund financial statements	5,808
Total net position of governmental activities	\$ 98,573

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in funds balances – general fund	\$13,154
Capital expenses capitalized for Government Wide financial Statements	1,319
Depreciation of capital assets is recognized in the Government-wide financial statements	(1,684)
Change in net assets of governmental activities	\$12,789

Note B - Deposits and Investments

The District's deposits consist of checking accounts and time deposits and were with the contracted depository bank in accounts which were fully secured at the year end by FDIC coverage. The carrying amount of the District's deposits as of December 31, 2020 was \$94,440 and the balance at the bank was \$103,021.

The District's policy is to invest its funds in time deposits with the approved depository bank. All of the District's investing activities during the current year are in time deposits which are collateralized as explained above.

Note C – Capital Assets

The following is a summary of the changes in the Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and Equipment	\$ 34,749	\$ 1,319	\$ 0	\$ 32,369
Vehicle	19,808	0	0	19,808
			0	
Total Cost	54,557	1,319	0	55,876
Accumulated Depreciation	(48,384)	(1,684)	0	(50,068)
Capital Assets, Net	\$ 6,173	\$ (365)	\$ 0	\$ 5,808

COKE CENTRAL APPRAISAL DISTRICT
Notes to the Financial Statements – Continued
December 31, 2020

Note D - Retirement Plan

The District participates in the Texas County and District Retirement System (TCDRS), an agent multiple-employer defined benefit pension plan. For 2020, the employee contributed at a rate of 7% as adopted by the District's board. The District contributed at an actuarially determined rate of 10% as approved by TCERS. Total contributions for 2020 were \$11,827 (\$6,864 District and \$4,963 for employees.)

Measurement/Valuation Date (most recent)	12/31/2019
Total Pension Liability	\$ 191,753
Fiduciary Net Position	\$ 189,814
Net Pension Liability	\$ 1,940

Since the financial statements are presented on the cash basis, information related to the deferred inflows and outflows of this plan are not disclosed in these financial statements. The above information related to the plan and the current net position were considered adequate disclosure for purposes of this cash basis statement.

Note E - Payable to Taxing Entities

There was a \$1,675 amount payable to entities as of yearend. This amount has been spread to each of the taxing entities based upon their proportionate share of the total budget. There were two taxing entities included in the payable that are payments from the prior year.