

Shackelford County Appraisal District

2017 Adopted Budget

Adopted September 9, 2016

Shackelford CAD
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Shackelford CAD
 Adopted Budget - Statement of Revenues, Expenditures, and Change in Fund Balance
 Year Ended December 31, 2017

	2017
Revenues	
Local funding	360,308
Other income	11,400
	371,708
Expenditures	
Appraisal services	36,000
Appraisal review board	2,000
Audit	4,000
Appraising expense	3,000
Software and computer maintenance:	38,000
Consulting	18,000
Education and training	7,000
Employee expense	219,874
Office expense	11,400
Building expense	21,634
Capital outlay	-
	360,908
Excess of revenues over (under) expenditures	10,800
<u>Unassigned funds:</u>	
Revenues committed to building contingency fund	(10,800)
Beginning unassigned fund balance (estimated)	29,341
Ending general fund balance (estimated)	29,342
<u>Committed funds:</u>	
Beginning building contingency fund balance (estimated)	16,695
Committed funds (used) added during year	10,800
Ending contingency fund balance	27,495

Shackelford County Appraisal District
Adopted Budget - Management Discussion and Analysis
Year Ended December 31, 2017

	Budgeted Amount
Total Revenue	\$ 371,708

The following describes the individual line items that make up total revenues for the District:

Local Funding from Taxing Units	360,308
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The local funding required by the Shackelford County Appraisal District (hereafter referred to as "the District") is calculated considering total expenditures, less any other revenues, and excluding any restricted revenues designated for specific funds. The calculated local funding need is allocated based on the taxing units' percentage of total taxes levied in the second prior year. The amount of local funding allocated to each taxing entity is collected from the first prior year's tax levy, of which is being collected in the current budget year. Below is the calculation of the above process applicable to the 2017 adopted budget.

Reconciliation of Total Revenues to Local Funding:

Local funding	\$ 360,308
Add: other income	11,400
Total revenues	\$ 371,708

Calculation of Preliminary Budget Local Funding Allocation	2015 % of Levy	2017 Collections
Shackelford County	32.35%	\$ 116,573
Shackelford County Hospital District	11.27%	40,607
City of Albany	5.06%	18,236
Albany ISD	28.08%	101,161
City of Moran	0.18%	637
Moran ISD	4.99%	17,971
Clyde CISD	15.85%	57,098
Lueders-Avooca ISD	2.23%	8,025
	100.00%	\$ 360,308

*see page 9 for further detail on local funding

Shackelford County Appraisal District
Adopted Budget - Management Discussion and Analysis
Year Ended December 31, 2017

	Budgeted Amount
Other Income	\$ 11,400

Other revenues consist of interest, miscellaneous, and office rent income. Interest is earned on deposits associated with the Central Tax Office, a fiduciary fund of the District, as well as deposits associated with the District. Rent income is earned from leasing out the unused office space located at the District's office location. However, through actions taken by the Board of Directors rental income has been designated as '*Committed*' for use in the upkeep of the office facility, through a contingency fund. Use of this fund for ordinary budget items is only permissible through action from the Board of Directors. Below is a breakdown of the above amount.

Interest income	\$ 100
Miscellaneous income	500
Rent income (committed revenues)	10,800
	\$ 11,400

Shackelford County Appraisal District
Adopted Budget - Management Discussion and Analysis
Year Ended December 31, 2017

	Budgeted Amount
Total Expenditures	\$ 360,908

The following describes the individual line items that make up total expenditures for the District:

Appraisal Services **36,000**

The District contracts with Capitol Appraisal Group, LLC for appraisal services on mineral, and utility properties that require specialized valuation techniques. The District plans to start taking over mineral division orders from Capitol Appraisal Group by 2017, thus reducing the cost of appraisal services by approximately \$12,000. Below is a estimated cost reduction as compared with the year ended 2015.

2017 estimated budgeted expenditure	36,000
2016 budgeted expenditure	48,000
Estimated cost reduction	(12,000)

Appraisal Review Board **2,000**

The Appraisal Review Board (ARB) is a required panel that reviews taxpayer appeals during the protest period. The ARB members are required by state law to attend training and to have legal representation. ARB members are compensated at a rate of \$100 per day of service to the board, and are entitled to be reimbursed for expenditures associated with out-of-town travel for ARB purposes.

Audit **4,000**

An annual audit of the District's financial statements is required in accordance with state law. An audit must be completed by the 150th day following the fiscal year end, and must be in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Shackelford County Appraisal District
Adopted Budget - Management Discussion and Analysis
Year Ended December 31, 2017

	Budgeted Amount
Appraising Expense	\$ 3,000

Employees of the District are entitled to reimbursements for travel while performing appraisal services for the District in their own vehicle. Mileage is reimbursed at the standard government rate as stated by the IRS.

Software and Computer Maintenance	38,000
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The District contracts with True Automation to provide license and support for PACS software, used to compute annual tax levies and appraise individual properties as well as the collection of tax levies. BIS Consulting provides mapping of property lines and aerial overlays as well as IT services through a contract. Lesser software licenses are payable to Intuit for QuickBooks. This line item includes all updates required by law. Below is a breakdown of the above amount.

Appraisal, collection, and other software	\$ 26,000
Mapping and IT services	<u>12,000</u>
	<u><u>\$ 38,000</u></u>

Consulting	18,000
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State law requires that a chief appraiser be a Registered Professional Appraiser under the provisions of the Texas Department of Licensing and Regulation and a Registered Tax Assessor to conduct collection matters. The District does not have such a person at this time. Until that time, it is necessary for the District to have a consultant to meet this requirement. The consultant will be training the staff in appraisal work and administrative processes spending several days each month with the District. The consultant performs some of the commercial appraisal services previously awarded to Capitol Appraisal Group, LLC in 2015. Consulting expense is expected to decrease by \$12,000 compared to the prior year, due to improved employee ability, performance, and less need for appraisal consulting services.

Education and Training	7,000
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As mentioned in the note above for consulting, state law requires the District to be under the supervision of licensed chief appraiser. In order to gain independence from outside consulting, the District must incur expenses for the required training and certification of the assistant chief appraiser. In addition, employees need additional training to stay current with software and law updates.

Shackelford County Appraisal District
Adopted Budget - Management Discussion and Analysis
Year Ended December 31, 2017

	Budgeted
	Amount
Employee Expense	\$ 219,874

The District has budgeted an additional part time employee for 2017 as a result of the plan to move toward performing mineral appraisals in house, and therefore, will need the additional labor in order to handle the increased work load. The increase cost in staff is expected to be offset with the reduction in cost of appraisal services, approximately \$12,000. The District has also initiated a plan to help retain quality employees in order to improve both operations and stability. The District's plan is to consider employees for increases in annual salaries contingent upon any reductions in other budgeted expenses. If the budget permits, employee salaries will then be evaluated individually based on merit, level of responsibility, and labor market conditions. Based on the previously mentioned conditions and a decrease in the budgeted expense for consulting as compared to 2016, the district has adopted an \$12,000 increase in salary for certain employees for 2017. As a result of wage increases through increased staff size and monetary compensation, payroll taxes will increase slightly.

The District currently contributes 250% in matching employee contributions to retirement as an additional incentive for employee retainage. Exceptional retirement contributions are made affordable to the District through the exemption from the social security tax. As a condition for the exemption, employees must contribute 7% to retirement, of which is roughly equal to the employees' would be portion of social security. The reduction in retirement expense for 2017 compared to 2016, is due to over estimating the contribution rate for the 2016 budget.

In response to the requirement for small businesses to comply with the Affordable Care Act, beginning in 2017, the District approved health insurance coverage for employees beginning in October 2015 (the insurance plan year). A 15% increase in insurance cost has been estimated for budgeting purposes. Providing health insurance also serves as another incentive for employee retainage as discussed above.

The above employee expenditures make up 47.10% of the expenditures budgeted and is the highest cost of the District. The following is a breakdown and analysis of the employee expenditures discussed above.

	Budgeted		Yr.-Over-Yr.
	2016	2017	% Change
Salary	\$ 145,550	\$ 170,000	16.80%
Payroll taxes	2,110	2,465	16.80%
Retirement	21,934	23,811	8.55%
Health insurance	20,520	23,598	15.00%
	\$ 190,115	\$ 219,874	15.65%

*see page 8 for further detail on employee expense

Shackelford County Appraisal District
Adopted Budget - Management Discussion and Analysis
Year Ended December 31, 2017

	Budgeted Amount
Office Expenditures	\$ 11,400

Office expenditures consist of various items considered necessary to operate the District's office. The budget reflects small decreases when compared to the prior year. Aside from basic office supplies, this includes general liability insurance, postage and mailing services, as well as various fees associated with licenses and dues, legal fees, county document fees, and etc. The District purchases as much locally as is possible. Below is a breakdown of the amount above.

Insurance	\$ 1,250
Office supplies and administrative expenses	2,500
Postage/mailing	6,500
Licenses, fees, and dues	1,150
	\$ 11,400

Building Expense	21,634
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Building expense consists of the costs associated with the maintenance and cost of servicing the debt obligations of the office and rental properties owned by the District. In 2015, the District approved the creation of a contingency fund for which rent income would be '*Committed*', to protect the District against major repairs and damages or other property related contingencies that might exceed budgeted expenses. Through this committed fund, the board of directors may also approve the use of funds for general operating purposes if all other options are exhausted. The expected contingency fund balance for the years ended 2016 and 2017, is \$16,945 and \$27,495 respectively. Because funds are committed for repairs, if necessary, the District does not budget repairs. Below is a breakdown of the amount above.

Insurance	\$ 945
Debt service	13,800
Utilities	6,000
Property tax	889
	\$ 21,634

Estimated excess of revenues over (under) expenditures	10,800
Estimated unassigned fund balance - beginning of year (12/31/2016)	29,341
Less: revenues committed to contingency fund	(10,800)
Estimated unassigned fund balance - end of year (12/31/2017)	29,341

Shackelford CAD
 Adopted Budget - Detail and Comparison of Employee Expense
 Year Ended December 31, 2017

Approved 2017

Position	Salary	Retirement	FICA	Health Insr.
Assistant Chief Appraiser	56,000	8,439	812	7,866
Collections Clerk/Office Manager	39,000	5,877	566	-
Appraisal Clerk	33,600	5,064	487	7,866
Assistant Appraisal Clerk	29,400	4,431	426	7,866
Office Assistant (part time)	12,000	-	174	-
	170,000	23,811	2,465	23,598

Approved 2016

Position	Salary	Retirement	FICA	Health Insr.
Assistant Chief Appraiser	50,000	7,535	725	6,840
	38,800	5,847	563	-
Appraisal Clerk	30,000	4,521	435	6,840
Assistant Appraisal Clerk	26,750	4,031	388	6,840
Office Assistant (part time)	-	-	-	-
	145,550	21,934	2,110	20,520

Salary expense increase (decrease)	24,450	1,876	355	3,078
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Comparison of budgeted salary and benefit expenditures - 2017 vs. 2016

Position	Salary	Retirement	FICA	Health Insr.
Assistant Chief Appraiser	12.00%	12.00%	12.00%	15.00%
Collections Clerk/Office Manager	0.52%	0.52%	0.52%	0.00%
Appraisal Clerk	12.00%	12.00%	12.00%	15.00%
Assistant Appraisal Clerk	9.91%	9.91%	9.91%	15.00%
Office Assistant (part time)	100.00%	0.00%	100.00%	0.00%

Shackelford CAD
 Adopted Budget - Detail and Comparison of Local Funding Allocations to Taxing Units
 Year Ended December 31, 2017

	2016	2017	Increase
	\$ Allocation	\$ Allocation	(Decrease)
Local funding:			
Shackelford County	103,592	116,573	12,981
Shackelford County Hospital District	34,819	40,607	5,788
City of Albany	17,651	18,236	585
Albany ISD	105,597	101,161	(4,436)
City of Moran	638	637	(1)
Moran ISD	22,151	17,971	(4,180)
Clyde CISD	62,358	57,098	(5,260)
Lueders-Avoca ISD	8,430	8,025	(405)
	<u>355,236</u>	<u>360,308</u>	<u>5,072</u>

	2016	2017	Increase
	% Allocation	% Allocation	(-) Decrease
Local funding:			
Shackelford County	29.16%	32.35%	3.19%
Shackelford County Hospital District	9.80%	11.27%	1.47%
City of Albany	4.97%	5.06%	0.09%
Albany ISD	29.73%	28.08%	-1.65%
City of Moran	0.18%	0.18%	0.00%
Moran ISD	6.24%	4.99%	-1.25%
Clyde CISD	17.55%	15.85%	-1.71%
Lueders-Avoca ISD	2.37%	2.23%	-0.15%
	<u>100.00%</u>	<u>100.00%</u>	

Shackelford CAD
 Budget Analysis - Change Year-Over-Year
 Year Ended December 31, 2017

	2016	2017	\$	%
	Adopted Budget	Adopted Budget	Increase (Decrease)	
Revenues				
Local funding	355,234	360,308	5,074	1.43%
Other income:				
Interest income	100	100	-	0.00%
Rent income	6,300	10,800	4,500	71.43%
Miscellaneous income	500	500	-	0.00%
	<u>362,134</u>	<u>371,708</u>	<u>9,574</u>	<u>2.64%</u>
Expenditures				
Appraisal services	48,000	36,000	(12,000)	-25.00%
Appraisal review board	1,957	2,000	43	2.20%
Audit	3,800	4,000	200	5.26%
Appraising expense	2,546	3,000	454	17.83%
Software and computer maintenance:	38,000	38,000	-	0.00%
Consulting	30,000	18,000	(12,000)	-40.00%
Education and training	6,500	7,000	500	7.69%
Employee expenditures	190,115	219,874	29,759	15.65%
Insurance - liability and bond	1,743	1,250	(493)	-28.28%
Office expense	10,150	10,150	-	0.00%
Building:				
Insurance - building	945	945	-	0.00%
Repairs and maintenance	-	-	-	0.00%
Debt service	13,800	13,800	-	0.00%
Utilities	6,500	6,000	(500)	-7.69%
Property taxes	1,778	889	(889)	-50.00%
Capital outlay	-	-	-	0.00%
	<u>355,834</u>	<u>360,908</u>	<u>5,074</u>	<u>1.43%</u>
Excess of revenues over (under) expenditures	6,300	10,800	4,500	71.43%
<u>Unassigned funds:</u>				
Revenues committed to building contingency fund	(6,300)	(10,800)	(4,500)	71.43%
Beginning unassigned fund balance (estimated)	29,341	29,341	-	0.00%
Ending general fund balance (estimated)	<u>29,341</u>	<u>29,341</u>	<u>-</u>	<u>0.00%</u>
<u>Committed funds:</u>				
Beginning building contingency fund balance (estimated)	10,645	16,695	6,050	56.83%
Committed funds (used) added during year	6,300	10,800	4,500	71.43%
Ending contingency fund balance (estimated)	<u>16,945</u>	<u>27,495</u>	<u>10,550</u>	<u>162.26%</u>

Shackelford CAD
 Budget Analysis - Revenue/Expenditure as a Percentage of Total Revenues/Expenditures
 Year Ended December 31, 2017

	2016	2017	
	Adopted	Adopted	Increase
	Budget	Budget	(Decrease)
Revenues			
Local funding	98.09%	96.93%	-1.16%
Other income:			
Interest income	0.03%	0.03%	0.00%
Rent income	1.74%	2.91%	1.17%
Miscellaneous income	0.14%	0.13%	0.00%
	100.00%	100.00%	0.00%
Expenditures			
Appraisal services	13.59%	9.97%	-3.61%
Appraisal review board	0.55%	0.55%	0.00%
Audit	1.08%	1.11%	0.03%
Appraising expense	0.72%	0.83%	0.11%
Software and computer maintenance:	10.76%	10.53%	-0.23%
Consulting	8.49%	4.99%	-3.50%
Education and training	1.42%	1.94%	0.52%
Employee expense:			
Salary	41.20%	47.10%	5.91%
Payroll taxes	0.60%	0.68%	0.09%
Retirement	6.21%	6.60%	0.39%
Health insurance	5.81%	6.54%	0.73%
Insurance - liability and bond	0.35%	0.35%	0.00%
Office expense	2.87%	2.81%	-0.06%
Building expense:			
Insurance - building	0.27%	0.26%	-0.01%
Repairs and maintenance	0.00%	0.00%	0.00%
Debt service	3.91%	3.82%	-0.08%
Utilities	1.70%	1.66%	-0.04%
Property taxes	0.50%	0.25%	-0.26%
Capital outlay	0.00%	0.00%	0.00%
	100.00%	100.00%	0.00%