EideBailly

CPAs & BUSINESS ADVISORS

May 10, 2021

To the Board of Directors of
Williamson Central Appraisal District
Georgetown, Texas

We have audited the financial statements of Williamson Central Appraisal District (the District) as of and for the year ended December 31, 2020, and have issued our report thereon dated May 10, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated February 18, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Williamson Central Appraisal District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses noted during our audit in a separate letter to you dated May 10, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

400 Pine St., Ste. 600 | Abilene, TX 79601-5190 | T 325.672.4000 | TF 800.588.2525 | F 325.672.7049 | EOE

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is described in Note 4 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is:

Management's estimate of its net pension liability is based on reports received from the Texas County and Distict Retirement System (TCDRS). The net pension liability reported by TCDRS is based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TCDRS plan were audited. These financial statements received an unmodified opinion. We evaluated the audited financial statements, census data submitted by the District to TCDRS and the District's controls over the census submission process that were used to develop the estimate of its net pension liability to determine that the estimate is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to fund balance assignments.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements identified as a result of our audit procedures.

The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: 1) proposed adjustment to adjust appraisal assessments and reverse accounts receivable for $130,450; 2) proposed adjustment to adjust accrued payroll and related taxes for $183,199; and 3) proposed adjustment to reclass revenue out of expenditures related to CARES Act funding received from Williamson County for $43,730.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated May 10, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Williamson Central Appraisal District and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Abilene, Texas

To the Board of Directors
Williamson Central Appraisal District
Georgetown, Texas

In planning and performing our audit of the financial statements of the governmental activities and the major fund of Williamson Central Appraisal District (the District) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in internal control to be material weaknesses:

Internal Control over the Preparation of Financial Statements

As is common in governmental entities, the District currently does not prepare GAAP-basis financial statements. That is, the District does not prepare financial statements, complete with footnote disclosures, in accordance with generally accepted accounting principles (GAAP), such as those contained in the annual audit report. Furthermore, the District has not established internal controls over the preparation or review of financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

To put this into perspective, most governmental entities' financial resources and software are designed for reporting their finances on a budgetary basis, which can differ significantly from GAAP basis. Preparing financial statements on a GAAP basis can require an extensive knowledge of ever-changing professional standards (pronouncements issued by the Governmental Accounting Standards Board). Many users of the District's internally-generated financial statements (such as Board members and District management) request or need information on a budgetary basis to make short-term budgeting decisions.

To present the financial statements in accordance with generally accepted accounting principles, we propose various journal entries to convert the modified accrual basis financial statements to the government-wide financial statements which is presented on the full accrual basis of accounting. Although this circumstance is not unusual for an organization of your size, the preparation of financial statements as a part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by District personnel. Further, the absence of controls over the preparation of financial statements increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, by the entity's internal control. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

Material Audit Adjustments

During the course of our engagement, we proposed material audit adjustments to the District's recorded account balances which, if not recorded, could have resulted in a material misstatement of the District's financial statements. The need for these adjustments indicates that the District's interim financial information is not materially correct, which may affect management decisions made during the course of the year. The preparation of adjusting and reclassification journal entries as part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as if prepared by management personnel.

This communication is intended solely for the information and use of management and the Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Abilene, Texas
May 10, 2021

Financial Statements
December 31, 2020

Independent Auditor's Report

To the Board of Directors
Williamson Central Appraisal District
Georgetown, Texas

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and the major fund of the Williamson 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 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.

400 Pine St., Ste. 600 | Abilene, TX 79601-5190 | T 325.672.4000 | TF 800.588.2525 | F 325.672.7049 | EOE

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Williamson Central Appraisal District as of December 31, 2020, 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.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 3-7 and 29-31 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.

Eide Bailly LLP

Abilene, Texas
May 10, 2021

As management of Williamson Central Appraisal District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

Government-Wide

- The District's net position on a government-wide basis totaled $2,713,730 at December 31, 2020, an increase of $295,236 (or 12.21%) from net position at December 31, 2019.

General Fund

- At the end of the current fiscal year, total fund balance for the General Fund was $1,987,069, of which $1,485,436 is assigned for various purposes approved by the Board. $501,633 is available to meet the District's ongoing obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is equivalent to the equity section of a private-sector balance sheet.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation, accrued personal leave).

The government-wide financial statements of the District are principally funded by monies provided from local taxing entities (governmental activities). The District does not have any business-type activities.

The government-wide financial statements can be found on pages 8 through 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District utilizes only a governmental fund.

Governmental fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the general fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the general fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities. The governmental fund financial statements can be found on pages 8 through 11 of this report.

The District adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The budgetary comparison schedule can be found on page 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 28 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that is required by Governmental Accounting Standards Board to be a part of the District's basic financial statements. Required supplementary information can be found on pages 29-31 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A significant portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, furniture and equipment). The District uses these capital assets to provide services to the taxing entities we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the District's net position represents unrestricted financial resources available for future operations.

Williamson Central Appraisal District
Summary of Statement of Net Position

	Governmental Activities	
	2020	2019
Current and other assets	$ 3,631,328	$ 4,508,105
Capital assets, net of depreciation	3,670,888	3,821,979
Total assets	7,302,216	8,330,084
Deferred outflows of resources	1,157,331	2,502,984
Current liabilities	1,644,259	2,682,709
Noncurrent liabilities	3,497,824	5,706,301
Total liabilities	5,142,083	8,389,010
Deferred inflows of resources	603,732	25,564
Net position		
Net investment in capital assets	3,016,147	2,771,736
Unrestricted	(302,415)	(353,242)
Total net position	$ 2,713,732	$ 2,418,494

GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were $9,437,372 while total expenses were $9,142,134. The change in net position was an increase of $295,238. This is an $1,050,010 increase over prior year change in net position. The change is due to decreased pension costs as well as increased appraisal assessments.

Williamson Central Appraisal District
Changes in Net Position
For the Fiscal Year Ended December 31,

	Governmental Activities	
	2020	2019
Revenues		
Appraisal assessments	$ 9,353,500	$ 8,755,800
Miscellaneous income	40,142	99,205
Grant revenue	43,730	-
Total revenues	9,437,372	8,855,005
Expenses		
Appraisal services	9,142,134	9,609,777
Total expenses	9,142,134	9,609,777
Change in net position	295,238	(754,772)
Net position, beginning of year	2,418,494	3,173,266
Net position, end of year	$ 2,713,732	$ 2,418,494

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is discussed below:

Governmental fund. The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. At the end of the fiscal year, the District's general fund (as presented in the government fund balance sheet on page 8) reported an ending fund balance of $1,987,069.

Budgetary highlights. Budget basis expenditures were below budget by $465,735, mainly in salaries, group health, postage, professional development, and professional services.

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATION

Capital assets. The District's net investment in capital assets for its governmental activities as of December 31, 2020, amounts to $3,670,888 (net of accumulated depreciation). This represents a decrease of $151,091 from the prior fiscal year. This investment in capital assets includes land, buildings and improvements and furniture and equipment. Additional information on the District's capital assets can be found in Note 7 (p. 17) in the notes to the financial statements.

Capital Assets Schedule (net of depreciation)

	2020	2019
Land	$ 403,873	$ 403,873
Buildings and improvements	5,733,796	5,637,269
Furniture and equipment	1,436,450	1,391,635
	7,574,119	7,432,777
Less accumulated depreciation	(3,903,231)	(3,610,798)
Total capital assets	$ 3,670,888	$ 3,821,979

Long-term obligations. At the end of the current fiscal year, the District had long-term obligations for its capital lease payable, net pension liability and compensated absences in the amounts of $654,741, $2,048,449 and $794,634, respectively. Additional information on the District's long-term obligations can be found in Notes 8 and 12 (pgs. 18, 20-26) in the notes to the financial statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and accountability. If you have any questions concerning this report, or if you need any additional information, please contact the Williamson Central Appraisal District, Alvin Lankford, 625 FM 1460, Georgetown, Texas 78626.

CERTIFICATE OF EXCELLENCE IN ASSESSMENT ADMINISTRATION

	General Fund	Adjustments (Note A)	Statement of Net Position
Assets			
Cash and cash equivalents	$ 3,631,328	$ -	$ 3,631,328
Capital assets, net	-	3,670,888	3,670,888
Total assets	3,631,328	3,670,888	7,302,216
Deferred outflows of resources			
Deferred outflows - pension	-	1,157,331	1,157,331
Total assets and deferred outflows of resources	$ 3,631,328	4,828,219	8,459,547
Liabilities			
Accounts payable	$ 95,013	-	95,013
Payroll liabilities	233,000	-	233,000
Unearned revenue	1,316,246	-	1,316,246
Noncurrent liabilities			
Due within one year	-	409,365	409,365
Due in more than one year	-	3,088,459	3,088,459
Total liabilities	1,644,259	3,497,824	5,142,083
Deferred inflows of resources			
Deferred inflows - pension	-	603,732	603,732
Fund balance/net position			
Fund balances			
Assigned	1,485,436	(1,485,436)	-
Unassigned	501,633	(501,633)	-
Total fund balances	1,987,069	(1,987,069)	-
Total liabilities, deferred inflows of resources, and fund balances	$ 3,631,328	2,114,487	5,745,815
Net Position			
Net investment in capital assets		3,016,147	3,016,147
Unrestricted		(302,415)	(302,415)
Total net position		$ 2,713,732	$ 2,713,732

Total Fund Balances - Governmental Fund Balance Sheet	$	1,987,069
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 governmental funds. At the end of the year, the cost of these assets was $7,574,119 and the accumulated depreciation was $3,903,231. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position.		3,670,888
Accrued liabilities for compensated absences for personal leave are not due and payable in the current period and therefore have not been included in the fund financial statements. The net effect of including the accrual for compensated absences in the governmental activities is a decrease to net position.		(794,634)
Capital lease payable is not due and payable in the current period, and, therefore is not reported as a liability in the governmental fund. The net effect of including capital lease payable in the governmental activities is a decrease to net position.		(654,741)
The District recognized a net pension liability in the amount of $2,048,449, deferred outflow of resources of $1,157,331 and a deferred inflow of resources of $603,732. The net effect of these is a decrease to net position.		(1,494,850)
Total Net Position - Statement of Net Position	$	2,713,732

	General Fund	Adjustments (Note B)	Statement of Activities
Revenues			
Appraisal assessments	$ 9,353,500	$ -	$ 9,353,500
Miscellaneous income	40,142	-	40,142
Grant revenue	43,730	-	43,730
Total revenues	9,437,372	-	9,437,372
Expenditures / expenses			
Current			
Salaries	4,558,805	52,734	4,611,539
Allowances	277,637	-	277,637
Group health	571,411	-	571,411
Health reimbursement account	66,190	-	66,190
Retirement	926,287	58,112	984,399
Workers compensation insurance	8,214	-	8,214
Social security and disability	67,271	-	67,271
Office supplies	9,810	-	9,810
Postage	143,617	-	143,617
Forms and printing	67,388	-	67,388
Janitorial supplies	5,470	-	5,470
Minor equipment and furniture	70,949	(22,954)	47,995
Computer supplies	13,042	-	13,042
Professional development	67,544	-	67,544
Utilities	204,582	-	204,582
Appraisal review board	200,915	-	200,915
TLO expenses	11,100	-	11,100
Publications	92,252	-	92,252
Professional services	738,367	-	738,367
Maintenance contracts	286,362	-	286,362
Business insurance	18,060	-	18,060
Lease equipment	31,432	-	31,432
Building repair and maintenance	188,231	(96,527)	91,704
Board of directors	3,934	-	3,934
Computer licenses/services	123,797	-	123,797
Contingency	44,020	-	44,020
Debt service			
Principal	395,502	(395,502)	-
Interest	30,015	-	30,015
Capital outlay			
Equipment capital	53,495	(21,861)	31,634
Depreciation	-	292,433	292,433
Total expenditures / expenses	9,275,699	(133,565)	9,142,134
Change in fund balance/net position	161,673	133,565	295,238
Fund balance/net position			
Beginning of year	1,825,396	593,098	2,418,494
End of year	$ 1,987,069	$ 726,663	$ 2,713,732

Net Change in Fund Balance - Governmental Fund	$	161,673
Amounts reported for governmental activities in the statement of activities are different because:		
Increases to liabilities for compensated absences for personal leave are not shown in the fund financial statements. The net effect of the current year's increase in the liabilities is to decrease net position.		(52,734)
Repayment of capital lease payable principal of $395,502 is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position and is not an expense on the statement of activities.		395,502
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. Total additions for the current year which were removed from fund expenditures amount to $141,342.		141,342
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.		(292,433)
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 $930,646. The District's share of the 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 change in net position to decrease in the in the amount of $988,758. The net effect is a decrease in net position.		(58,112)
Net Change in Net Position - Statement of Activities	$	295,238

	Original Budget	Final Budget	Actual amounts Budget basis	Budget to GAAP Differences Over (Under)	Actual amounts GAAP basis
Revenues					
Appraisal assessments	$ 9,353,500	$ 9,353,500	$ 9,353,500	$ -	$ 9,353,500
Miscellaneous income	-	-	40,142	-	40,142
Grant revenue	-	-	43,730	-	43,730
Total revenues	9,353,500	9,353,500	9,437,372	-	9,437,372
Expenditures					
Current					
Salaries	4,650,100	4,650,100	4,558,805	-	4,558,805
Allowances	265,800	265,800	277,637	-	277,637
Group health	675,600	675,600	571,411	-	571,411
Health reimbursement account	-	-	-	66,190	66,190
Retirement	882,200	882,200	926,287	-	926,287
Workers compensation insurance	8,900	8,900	8,214	-	8,214
Social security and disability	71,000	71,000	67,271	-	67,271
Office supplies	13,600	13,600	9,810	-	9,810
Postage	210,900	210,900	143,617	-	143,617
Forms and printing	85,000	85,000	67,388	-	67,388
Janitorial supplies	7,200	7,200	5,470	-	5,470
Minor equipment and furniture	80,800	80,800	70,311	638	70,949
Computer supplies	13,500	13,500	13,042	-	13,042
Professional development	111,700	111,700	67,544	-	67,544
Utilities	167,300	167,300	204,582	-	204,582
Appraisal review board	227,800	227,800	200,915	-	200,915
TLO expenses	10,200	10,200	11,100	-	11,100
Publications	85,300	85,300	92,252	-	92,252
Professional services	857,700	857,700	717,223	21,144	738,367
Maintenance contracts	277,600	277,600	248,154	38,208	286,362
Business insurance	17,800	17,800	18,060	-	18,060
Lease equipment	40,000	40,000	31,432	-	31,432
Building repair and maintenance	129,300	129,300	110,054	78,177	188,231
Board of directors	6,000	6,000	3,934	-	3,934
Computer licenses/services	123,900	123,900	123,797	-	123,797
Contingency	500	500	18,443	25,577	44,020
Debt service					
Principal	425,600	425,600	395,502	-	395,502
Interest	-	-	30,015	-	30,015
Capital outlay	61,200	61,200	53,495	-	53,495
Fund depreciation	5,000	5,000	-	-	-
Total expenditures	9,511,500	9,511,500	9,045,765	229,934	9,275,699
Change in fund balance	(158,000)	(158,000)	391,607	229,934	161,673
Fund balance					
Beginning of the year	1,825,396	1,825,396	1,825,396	-	1,825,396
End of the year	$ 1,667,396	$ 1,667,396	$ 2,217,003	$ 229,934	$ 1,987,069

Explanation of budget to GAAP differences:

Budget basis expenditures reported above are those that are intended to be financed through the current operating budget.

Certain expenditures were budgeted to be paid for out of prior year surpluses, which for GAAP purposes represents fund balance. Thus, expenditures funded out of "reserves", or prior year surpluses, are reported as GAAP expenditures only.

Note 1 - Reporting Entity

Williamson 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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 so have 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.

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.

The District Investment Officer shall use any or all of the following authorized investment instruments consistent with governing law and this policy:

A. Bank Investments:

1. Fully collateralized Time Deposits,
2. Fully collateralized Certificates of Deposits,
3. Fully collateralized Money Market Accounts,
4. Fully collateralized Interest-Bearing Checking Accounts.

B. Direct Investments:

5. United States Treasury Securities,
6. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act and approved by resolution of the Board.
7. Excluded in the direct investments are derivative securities including, but not limited to, Collateralized Mortgage Obligations.

Portfolio maturities will be structured to achieve the highest return of interest consistent with liquidity requirements of the District's cash needs. No investment shall have a legal stated maturity of more than twelve (12) months.

At December 31, 2020, the District had $3,627,388 (bank balances) invested in interest-bearing checking or savings accounts. During the year ended December 31, 2020, the District did not own any types of securities other than those permitted by statute.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the statement of net position. The District defines capital assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. 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
Furniture and equipment	3-15
Buildings and improvements	30

Long-Term Obligations

In the government-wide financial statements, long-term obligations such as capital leases payable and compensated absences for personal leave are reported as liabilities in the statement of net position.

Compensated Absences

Compensated absences are reported as expenditures and a fund liability of the general fund only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are accrued as a long-term liability on the statement of net position when incurred.

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 District's plan with Texas County & District Retirement System (TCDRS) has been determined using the economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS'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 budget basis which differs from generally accepted accounting principles in that expenditures to be paid for out of prior years' surpluses are not budgeted. 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). Budget transfers between expenditure line items require approval by the Board. Budgetary preparation and control is exercised at the fund level. Actual expenditures may not legally exceed appropriations at the fund level.

Note 6 - 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, 2020, were fully secured by federal deposit insurance coverage and by securities pledged to the District and held by an agent of the District in the District's name. As such, the District has no custodial credit risk for deposits.

The District is not exposed to custodial credit risk of investments, interest rate risk, or concentration risk as the District currently only invests in fully collateralized bank deposits, as discussed in the above paragraph. However, the District's investment policy does limit the legal stated maturity of any individual investment to twelve months.

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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments subject to recurring fair value measurements at December 31, 2020.

Note 7 - Capital Assets

Capital asset activity for the year ended December 31, 2020 are as follows:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 403,873	$ -	$ -	$ 403,873
Total capital assets, not being depreciated	403,873	-	-	403,873
Capital assets, being depreciated				
Office building	5,405,867	-	-	5,405,867
Building improvement	231,402	96,527	-	327,929
Office furniture	306,643	-	-	306,643
Office equipment/computers	1,084,992	44,815	-	1,129,807
Total capital assets, being depreciated	7,028,904	141,342	-	7,170,246
Accumulated depreciation				
Office building	(2,387,593)	(180,196)	-	(2,567,789)
Building improvement	(90,770)	(20,910)	-	(111,680)
Office furniture	(306,643)	-	-	(306,643)
Office equipment/computers	(825,792)	(91,327)	-	(917,119)
Total accumulated depreciation	(3,610,798)	(292,433)	-	(3,903,231)
Total capital assets, being depreciated, net	3,418,106	(151,091)	-	3,267,015
Governmental activities capital assets, net	$ 3,821,979	$ (151,091)	$ -	$ 3,670,888

The District recognized depreciation expense of $292,433 in the statement of activities.

Note 8 - Long-Term Obligations

On April 15, 2005, the District signed a lease-purchase agreement to finance the construction of a new building. The District was required to pay monthly interest in the amount of $21,200 through April 2007. Principal payments on the lease began in May 2007. Beginning in May 2007, the payments increased to $34,528 with interest calculated at 5.3% on a principal balance of $4,800,000 for 216 consecutive months. The District refinanced the lease agreement in August 2012 with monthly payments increasing to $35,460 at 3.45% on a remaining principal balance of $3,594,433 for a further 108 consecutive months. The note matures on July 15, 2022. The building serves as collateral for the lease.

The changes in long-term obligations for the year ended December 31, 2020, were as follows:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due Within One Year
Capital lease payable	$ 1,050,243	$ -	$ (395,502)	$ 654,741	$ 409,365
Accrued personal leave	741,900	119,187	(66,453)	794,634	-
Total long-term obligations	$ 1,792,143	$ 119,187	$ (461,955)	$ 1,449,375	$ 409,365

Debt service requirements on the capital lease are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2021	$ 409,365	$ 16,155	$ 425,520
2022	245,376	2,830	248,206
	$ 654,741	$ 18,985	$ 673,726

Note 9 - Unearned Revenue

The District assesses appraisal fees for the first quarter of the following year, prior to year-end. At December 31, 2020, the District had recorded unearned revenue of $1,316,246 for appraisal assessments received for 2021.

Note 10 - 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, 2020, the District had no nonspendable fund balances.

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, 2020, 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, 2020, 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. The Board of Directors collectively is authorized to make assignments. Fund balance assigned for specific purposes at December 31, 2020 included the following:

Assigned for	
Buildings	$ 363,314
TCDRS unfunded liability buydown	2,844
GIS projects	101,942
Contingency operating funds	1,741
Litigation expenses	245,690
Technology	68,787
Short-lived technology	109,738
Computer-aided mass appraisal	110,287
Device applications - debit card	137
Street level imagery	81,503
Buying down next year budget	399,453
	$ 1,485,436

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 11 - 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 obtains workers compensation insurance through the Texas Association of Counties. 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 12 - Retirement 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 approximately 800 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, 2019 consisted of the following:

Inactive Employees' Accounts	
Receiving benefits	47
Entitled to but not yet receiving benefits	40
Total	87
Active Employees' Accounts	69
Total	69

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	
	2020	2019
Member	7.0%	7.0%
Employer	19.00%	18.77%
Employer Contributions	$ 926,287	$ 816,552
Member Contributions	342,868	304,546

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	8.9 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	2.0%

*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, 2019 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 8.1%. 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 April 2020 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 horizon; the most recent analysis was performed in 2017 based on the period of January 1, 2013 through December 31, 2016.

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 below:

Asset Class	Benchmark	Target Allocation[1]	Geometric Real Rate of Return[2]
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index[3]	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Cappex Index	12.00%	3.14%
Direct Lending	S&P/LST A Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index[4]	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index+ 33% Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index[5]	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

[1] Target asset allocation adopted at the June 2020 TCDRS Board meeting.

[2] Geometric real rates of return equal the expected return minus the assumed inflation of 1.80%, per Cliffwater's 2020 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] Incudes 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, 2020, the District reported a net pension liability of $2,048,449 for its share of the TCDRS's net pension liability measured at December 31, 2019. For the fiscal year ended December 31, 2020, the District recognized pension expense of $988,758.

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

Changes in the net pension liability for the measurement year ended December 31, 2019 are as follows:

	Increase (Decrease)		
Changes in Net Pension Liability (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2018	$ 25,870,108	$ 21,955,950	$ 3,914,158
Changes for the year			
Service cost	624,367	-	624,367
Interest on total pension liability [1]	2,099,606	-	2,099,606
Effect of plan changes [2]	-	-	-
Effect of economic/demographic gains or losses	119,533	-	119,533
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(5,948)	(5,948)	-
Benefit payments	(1,163,655)	(1,163,655)	-
Administrative expenses	-	(19,429)	19,429
Member contributions	-	304,546	(304,546)
Net investment income	-	3,605,654	(3,605,654)
Employer contributions	-	816,553	(816,553)
Other [3]	-	1,892	(1,892)
Balances as of December 31, 2019	$ 27,544,011	$ 25,495,563	$ 2,048,449

[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 the allocation of system-wide items.

Discount Rate Sensitivity Analysis

The following 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.

	1% Decrease (7.10%)	Current Discount Rate (8.10%)	1% Increase (9.10%)
Total pension liability	$ 31,123,448	$ 27,544,010	$ 24,513,760
Fiduciary net position	25,495,561	25,495,561	25,495,561
Net pension liability (asset)	$ 5,627,887	$ 2,048,449	$ (981,801)

At December 31, 2020, 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:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	$ -	$ 175,191
Changes in actuarial assumptions	-	51,494
Net difference between projected and actual investment earnings	603,732	-
Contributions paid to TCDRS subsequent to the measurement date	-	930,646
Total	$ 603,732	$ 1,157,331

$930,646 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense
2020	$ (56,398)
2021	(86,312)
2022	107,727
2023	(342,064)
	$ (377,047)

Note 13 - Postemployment Benefits Other Than Pensions

Plan Description: The District participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District Retirement System, Barton Oaks Plaza IV, Suite 500, 901 South Mopac Expressway, Austin, Texas 78746, or by calling 800-823-7782.

Funding Policy: Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The District's contributions to the GTLF for the years ended December 31, 2020, 2019 and 2018 were $5,878, $6,961, and $7,625, respectively, which equaled the contractually required contributions each year.

Note 14 - 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 15 - Commitments

The District has contracted with a company for 2021 and 2022 to provide the District with valuations of oil, gas, and certain other industrial properties for $78,000 per year. The District has contracted with a company for 2021 for commercial real estate database services for $38,000. The District has contracted with a company for imagery products and services to use in appraisal services for a total of $1,758,154 in six installments paid annually beginning in 2021.

Note 16 - Deferred Compensation Plan

The District offers its employees a deferred compensation plan ("the Plan") created in accordance with Internal Revenue Service Code Section 457. The Plan, available to all full time District employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Plan assets are held by a trust or custodian for the exclusive benefit of the participants and beneficiaries.

Note 17 - Operating Leases

The District has an operating lease agreement for equipment. Total lease expense for 2020 was $31,432. Future minimum lease payments are as follows:

Year	
2021	$ 5,718
2022	5,718
2023	5,718
2024	5,718
2025	2,859
	$ 25,731

Required Supplementary Information
December 31, 2020

Williamson Central Appraisal District

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability						
Service cost	$ 624,367	$ 646,623	$ 630,496	$ 630,242	$ 608,489	$ 567,030
Interest on total pension liability	2,099,606	1,977,316	1,831,061	1,681,628	1,571,269	1,452,459
Effect of plan changes	-	-	-	75,708	(141,921)	-
Effect of assumption changes or inputs	-	-	128,738	-	236,165	-
Effect of economic/demographic (gains) or losses	119,533	13,998	169,993	15,852	(127,823)	87,622
Benefit payments/refunds of contributions	(1,169,603)	(1,044,679)	(899,746)	(788,378)	(782,324)	(634,259)
Net change in total pension liability	1,673,903	1,593,258	1,860,542	1,615,052	1,363,855	1,472,852
Total pension liability, beginning	25,870,108	24,276,850	22,416,308	20,801,256	19,437,401	17,964,549
Total pension liability, ending (a)	$ 27,544,011	$ 25,870,108	$ 24,276,850	$ 22,416,308	$ 20,801,256	$ 19,437,401
Fiduciary Net Position						
Contributions - Employer	$ 816,552	$ 697,702	$ 675,586	$ 710,915	$ 604,153	$ 580,824
Contributions - Member	304,546	296,534	293,368	275,529	262,349	252,208
Net investment income	3,605,654	(419,133)	2,854,556	1,331,463	(322,420)	1,128,797
Benefit payments/refunds of contributions	(1,169,603)	(1,044,679)	(899,746)	(788,378)	(782,324)	(634,259)
Administrative expenses	(19,429)	(17,635)	(14,936)	(14,463)	(13,014)	(13,506)
Other	1,892	(15,257)	788	69,457	50,178	(1,166)
Net change in fiduciary net position	3,539,612	(502,468)	2,909,616	1,584,523	(201,078)	1,312,898
Fiduciary net position, beginning	21,955,950	22,458,418	19,548,802	17,964,279	18,165,357	16,852,459
Fiduciary net position, ending (b)	$ 25,495,562	$ 21,955,950	$ 22,458,418	$ 19,548,802	$ 17,964,279	$ 18,165,357
Net pension liability / (asset), ending = (a) - (b)	$ 2,048,449	$ 3,914,158	$ 1,818,432	$ 2,867,506	$ 2,836,977	$ 1,272,044
Fiduciary net position as a percentage of total pension liability	92.56%	84.87%	92.51%	87.21%	86.36%	93.46%
Covered payroll	$ 4,350,654	$ 4,236,199	$ 4,190,977	$ 3,936,133	$ 3,747,845	$ 3,602,966
Net pension liability/(asset) as a percentage of covered payroll	47.08%	92.40%	43.39%	72.85%	75.70%	35.31%

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2011	$ 518,531	$ 527,915	$ (9,384)	$ 3,475,412	15.19%
2012	530,356	1,030,355	(499,999)	3,375,917	30.52%
2013	563,091	598,461	(35,370)	3,465,173	17.27%
2014	560,261	580,824	(20,563)	3,602,966	16.12%
2015	566,299	604,153	(37,854)	3,747,845	16.12%
2016	566,016	710,915	(144,899)	3,936,133	18.06%
2017	656,726	675,586	(18,860)	4,190,977	16.12%
2018	682,875	697,702	(14,827)	4,236,199	16.47%
2019	704,371	816,553	(112,182)	4,350,654	18.77%
2020	926,287	926,287	-	4,348,879	21.30%

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	Normal entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	8.9 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service, 4.9% average, including inflation
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in plan provisions	No changes in plan provisions were reflected in the schedule.