

Cameron Appraisal District

San Benito, Texas

Comprehensive Annual Financial Report

For Year Ended December 31, 2016



Prepared By:

Administration Department of Cameron Appraisal District

Independent Auditors:

Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants

Cameron Appraisal District

San Benito, Texas

Comprehensive Annual Financial Report

For Year Ended December 31, 2016

CAMERON APPRAISAL DISTRICT

San Benito, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED DECEMBER 31, 2016

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CAMERON APPRAISAL DISTRICT

San Benito, Texas

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INTRODUCTORY SECTION



CAMERON APPRAISAL DISTRICT

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MEMBERS OF THE BOARD
Vicente Mendez, **Chairman**
David Garza, **Vice-Chairman**
David Argabright, **Secretary**
Gloria Casas
Cesar Lopez
J. Ruben Montemayor
Ricardo Morado
Bharat Patel
Jesse Villarreal
Tony Yzaguirre, Jr.

August 7, 2017

The Honorable Members of the Board
Cameron Appraisal District
San Benito, Texas

Ladies and Gentlemen:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Cameron County Appraisal District (the District) for the year ended December 31, 2016, with the Independent Auditor's Report, submitted in compliance with Section 6.063, Texas Tax Code, which requires an audit of the financial affairs of an appraisal district by an independent certified public accountant.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. I believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the results of the District's operations as measure by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the District's financial affairs.

This is the tenth year the District prepares the CAFR using the new financial reporting requirements as prescribed by the GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion Analysis – for State and Local Governments (GASB 34)*. This GASB Statement requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of Management's Discussion & Analysis to accompany the Basis Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both protect the District's assets for loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent certified public accounting firm of Oscar R. Gonzalez, CPA & Associated, PLLC had audited the financial statements and related notes. The goal of the independent audit was to provide reasonable assurance that the District's financial statements, for the year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management: and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an opinion that the District's financial statements for the year ended December 31, 2016, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

The District and its Services

The District is a political subdivision of the State of Texas established in 1980, following the codification of property tax law by the 66th Texas Legislature in 1979. The 1979 codification established one appraisal district in each of the state's 254 counties, with the exception of Potter and Randall Counties that are combined for one appraisal district, for the purpose of discovering and appraising property for *ad valorem* tax purposes for each tax unit within the boundaries of the appraisal district. The District, the fifteenth largest in the state, serves 42 taxing units.

Board of Directors

The District is governed by a ten-member Board of Directors. Nine directors are appointed by the taxing units within the county. The tenth member is the county tax assessor-collector and serves as a nonvoting director.

The Board of Directors has policy-making authority; appoints the chief appraiser who is administrator of the District, the taxpayer liaison officer, and the Appraisal Review Board; primary responsibility for fiscal matters, including approval of major contracts; and adoption of the annual budget.

Purpose

The primary purpose and responsibility of the District is to provide to the taxing units and property owners within its boundaries fair and equitable appraisal of property subject to *ad valorem* taxation.

In Texas, the property tax is the primary source of funding for local governmental units (school districts, cities, counties, junior college districts, and other special districts). Property taxes pay much of the cost of public schools, police and fire protection, courts, health services, streets, water and sewage, parks and most other local government activities. The District does not determine how much each of these local governments will spend to provide services, nor does it set their tax rates. Each local government adopts its own budget, then sets a tax rate that will generate the amount of money required to pay for its services. The District provides each local government with a list of its taxable property, together with the January 1 value of each property and appropriate exemptions and our special valuations. The appraisals serve to allocate the tax burden among all property owners on an equitable basis, based upon market value except when where special valuations apply.

Departmental Functions

The Office of the Chief Appraiser is primarily responsible for the overall planning, organizing, staffing and controlling of District operations as required by the Texas Property Tax Code. The Taxpayer Assistance Department provides support functions relating to exemptions and customer service to property owners. The Real Estate and Personal Property Departments are responsible for the valuation of all property accounts. The Data Processing Department maintains the District's mainframe data processing facility, local area networks, software applications, records management and provides support on all hearings, maintains records of those hearings and coordinates postal services. The Property ID Department is responsible for the mapping function and deed maintenance for all properties within the District. The Administration Department is responsible for the business support functions including Human Resources, Budget, Finance, Employee Benefits, Purchasing, Fixed Assets, facilities and litigation coordination.

Budget

The District uses a detailed line item budget. Department managers submit their budget recommendations to the Chief Appraiser in March. Section 6.06 of the Texas Property Tax Code requires the Chief Appraiser to formulate his proposed budget and submit it to the Board of Directors and presiding officers of the taxing units prior to June 15. The statute also provides that the Board of Directors publish a ¼ page advertisement on the budget, conduct a public hearing and finally adopt a budget before June 15. Texas law also provides that each of the 42 taxing units entitled to vote on the appointment of Board Members is required to maintain a copy of the proposed budget for public inspection at its principal administrative office. Additional information about the budgeting process is available in the notes to the financial statement.

The taxing units participating in the District, fund the District. The annual allocation to the taxing units is based upon the proportion of each taxing unit's property tax levy to the sum of the tax levies of all participating taxing units. Taxing units pay their share quarterly with the first quarter due by December 31 of the year before the budget takes effect. The taxing units pay an equal amount of the District's budget based on their tax units' share of the total county-wide levy for District services.

The Chief Appraiser may transfer budgeted amounts among departments or line items; however, supplemental appropriations require the approval of the Board of Directors and notification to the taxing units. Information regarding this upcoming year's budget can be referenced in the management discussion and analysis Section of this report.

Changes in Rendition Reporting

In 2004, the implementation of Senate Bill 340 and the new laws regarding the rendition of business personal property was put in effect. As a result of Senate Bill 340, over \$50,000.00 was added to the personal property roll. The 2004 rendition law imposed a penalty for business property owners who fail to render their business personal property in a timely manner. This was the first year that a penalty existed for such actions. The penalty is 10% of the tax liability of the business personal property. Additionally, if evidence demonstrates that a rendition has been falsified in any manner, or if the owner intentionally omits required information in an attempt to evade taxation and is found by the district attorney to be guilty of fraud, the monetary penalty for such a crime is 50% of the tax liability of the business personal property. It is anticipated that these new rendition penalties will boost the number of personal property accounts.

In 2005, H.B. 2491 amends Chapter 22, Section 22.28 of the Property Tax Code, Subsection (b) and adds Subsection (c) to require the Chief Appraiser to certify two assessors that the Chief Appraiser has imposed a rendition related penalty. The assessor must add the penalty to the original amount of tax on the property and include the penalty in the tax bill for that year. The penalty becomes part of the tax on the property and is secured by the tax lien that attaches to the property. A collector who collects a rendition related penalty must remit to the appraisal district imposing the penalty, 5 percent of the penalty amount collected. The law is effective September 1, 2005, and affects business owners, appraisal districts and all taxing units.

S.B. 286 adds Sections 551.005 and 552.012 to the Government Code to require elected and appointed public officials and designated public information officers to complete a course of training on the Open Meetings Act and the Public Information Act no later than the 90th day after the official takes the oath of office or otherwise assumes responsibilities as a member of a governing body. The bill is effective January 1, 2006, and affects chief appraisers, boards of directors, appraisal review boards, agricultural advisory boards, information officers and taxing units.

Economic Development, Condition and Outlook

According to information collected by the Real Estate Center at the Texas A&M University, non-farm employment has had a constant increase from year to year it has risen from being approximately 109,700 in the year 2000 to 145,325 in the year 2016, a percent change of 32.47% since 2000. We recorded an increase of 3200 during the past year for the Brownsville-Harlingen Metropolitan Area. This percentage change is very positive considering that the average non-farm employment change over the past years for the State of Texas has been approximately 28.47% which is lower than the 32.47% growth shown by the Brownsville-Harlingen Metropolitan Area.

Looking at the trends of the 2016 employment growth rate by sector we concluded that the area with the highest percentage growth were jobs in the field of Education and Health Services with a growth rate of 4.7%, Mining-Logging-Construction jobs with a decrease -10.4% and Financial Activities with a growth rate of 2.5%. The 2016 average hourly wage in the Brownsville-Harlingen Metropolitan Area averaged \$16.52 per hour, while the average wage rate nationwide is at an average of \$23.86, according to the Bureau of Labor Statistics, most recent year surveyed. Unemployment figures for the year 2016 indicate that the Brownsville-Harlingen Area has an unemployment rate of 7.2 while the unemployment rate in the State of Texas 4.3, and despite this we have been incurring a positive growth in employment. Positive employment growth rate reflects a healthy economy, if more jobs are being created more opportunities for expansion and investment are also generated.

The median-priced home around the Brownsville-Harlingen Metropolitan area is found to be \$129,000, while the Texas median-priced home average is \$215,950 and the United States median-priced home average is \$332,700. Maintaining a low price on homes means more accessible relocation prices for businesses willing to migrate to this area.

According to the most recent results and information released by the U.S. Census Bureau, Cameron County has a population estimated of approximately 422,156 which translate into approximately to 1.53% of the total population of the State of Texas. Population has increased at an estimated percentage rate of 62.3% since 2000, a figure that goes hand in hand with our constant job growth rate. The average household in the Cameron County area is 3.44, which is more than the household average for the State of Texas which is currently at 2.83. Percent of population between the ages of 0-18 is approximately 33.2% which is greater than the average for the State of Texas which is currently at 26.9%, while population over 65 years of age is 11.6% for Cameron County and 11.6% for the State of Texas.

If the Valley is insulated from the broader U.S. economy, it is largely because of its proximity to Mexico, and local businesses can more accurately forecast future sales activity based on the strength of the Mexican peso to the dollar. The relative stability of the Mexican peso in recent years has sustained the Valley through the front end of the storm. Lately, that has been changing. The peso has been losing ground to the dollar amid a global economic slowdown, leaving the Valley especially vulnerable. When essentials become too expensive, communities along the border once again benefit from their proximity to Mexico. Gasoline consumers, from framers to shrimp boat captains, headed to Mexico to fill their tanks at prices far lower than those found on the U.S. side of the border. Consumer dollars will continue to be the main driver of the economy, but to what extent is unclear. Alberto Davila, chairman of the department of economics and finance at the University of Texas-Pan American in Edinburg, believes the Valley will emerge from this economic crisis more resilient than before, though it is less clear how it will change the local economy. A shift to a public-private business model could be unfolding locally. Further information about economic trends can be referred to in the statistical section as well as in the MD & A section of this report.

Other Information

The District's employees are subject to the provisions of the Property Taxation Professional Certification Act. The purpose of this act is to assure the people of Texas that the responsibility of assessing property for taxation is entrusted only to those persons duly registered and competent and that it be practiced and regulated as a learned profession. Effective September 1, 2009, The Texas Board of Tax Professional Examiners ("BTPE") was abolished and replaced by the Texas Department of Licensing and Regulation (TDLR). The TDLR is now responsible for establishing standards of professional practice, conduct, education, registration, certification, and ethics for appraisers, assessors, and collectors. Although the TDLR is responsible for establishing standards and approving curricula and materials for use in training and educating appraisers, the task of developing courses of instruction and training programs remains with public agencies, educational institutions, or private organizations.


Appraisers have five years to complete a specific curriculum to qualify for exams administered by the TDLR. The "designation of Registered Professional Appraiser (RPA)" is conferred on those successfully completing the course of instruction. Not less than 75 hours of continuing education is required for recertification every two years.

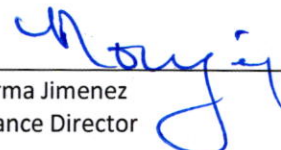
The District's web site makes a broad range of information available for public access, including: detailed information of the appraisal process, protest and appeal procedures, a tax calendar, and various forms such as exemption applications and business personal property renditions. Users can gain access to real and personal property appraisal records by account number, address, owner's name, and several other search criteria. The District's server may be reached on the World Wide Web at <http://www.cameroncad.org/>.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report involves the entire Administrative Team staff. Managing departmental budgets of the District involved over 6 managers with primary budget responsibility, which includes managers from each functional department, and the finance director. We are grateful for their stewardship in making this system work smoothly and efficiently. Finally, we wish to thank our independent auditor, Oscar R. Gonzalez, CPA and Associates PLLC, whose professional competence and leadership have assisted us in developing this report.

Respectfully Submitted,


Richard Molina
Chief Appraiser


Norma Jimenez
Finance Director



**CAMERON APPRAISAL DISTRICT
BOARD OF DIRECTORS**

VICENTE MENDEZ
Chairman of the Board

DAVID GARZA
Vice-Chairman of the Board

DAVID ARGABRIGHT
Secretary of the Board

GLORIA CASAS
Member of the Board

CESAR LOPEZ
Member of the Board

J. RUBEN MONTEMAYOR
Member of the Board

RICARDO MORADO
Member of the Board

BHARAT PATEL
Member of the Board

JESSE VILLARREAL
Member of the Board

TONY YZAGUIRRE, JR. (Ex-officio)
Member of the Board

FINANCIAL SECTION





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Oscar R. González
Melissa González

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Cameron Appraisal District
San Benito, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities each major fund, and the aggregate remaining fund information of Cameron Appraisal District as of and for the year ended December 31, 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cameron Appraisal District, as of December 31, 2016, and the respective changes in financial position, thereof 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 budgetary comparison information on pages 9-14 and 43 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.

Other Information

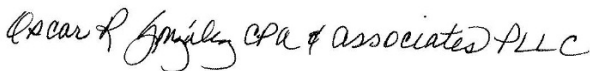
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cameron Appraisal District’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2017, on our consideration of Cameron Appraisal District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Appraisal District’s internal control over financial reporting and compliance.



Oscar R. Gonzalez, CPA & Associates PLLC
Certified Public Accountants
Pharr, Texas

August 7, 2017

MANAGEMENT DISCUSSION AND ANALYSIS



CAMERON APPRAISAL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cameron Appraisal District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2016. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$2,536,348 at December 31, 2016.
- During the year, the District's expenses were \$4,199,857, \$48,298 more than the \$4,151,559 generated in charges for services and for governmental activities.
- The general fund reported a fund balance this year of \$1,842,548 or 44% of current year expenditures.

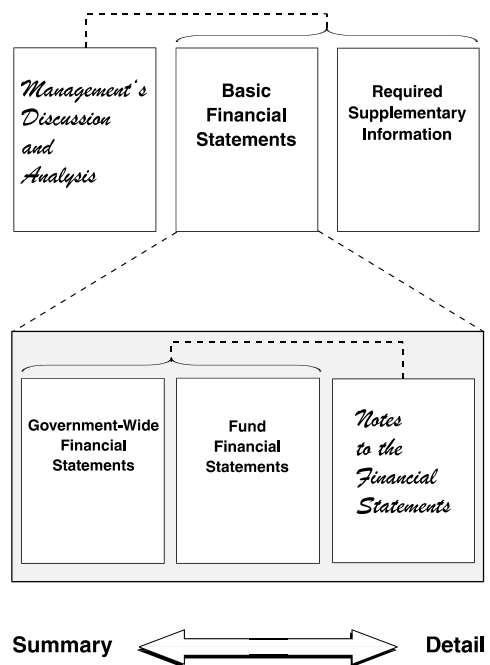
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the District's Annual Financial Report



Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities as well as deferred outflows and inflows of resources, with the difference being reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid

The two government-wide statements report the District's net position and how it has changed. Net position "the difference between the District's assets and outflows and liabilities and inflows" is one way to measure the District's financial health or *position*.

CAMERON APPRAISAL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's assessment base.

The government-wide financial statements of the District include the *Governmental activities*. The basic service of the District's, assessment services is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and/or by bond covenants.
- The Board of Directors establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The District's progress in funding its obligations to provide retirement benefits to its employees can be found at the end of the notes to the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the result of activities comparing the budget versus actual.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**CAMERON APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was \$2,536,348 at December 31, 2016. (See Table A-1).

Cameron Appraisal District's
Net Position
Table A-1
(In dollars)

	Primary Government		Increase / (Decrease)
	2016	2015	2016-2015
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,156,671	\$ 3,049,719	\$ 106,952
Prepaid Expenses	27,882	26,218	1,664
Account Receivable	-	303	(303)
Total Current Assets	3,184,553	3,076,240	108,313
Non-Current Assets			
Land	27,738	27,738	-
Building and Improvements	732,267	732,267	-
Furniture and Equipment	1,798,821	1,761,572	37,249
Construction in Progress	26,368	26,368	-
Accumulated Depreciation	(2,283,043)	(2,217,668)	(65,375)
Total Non-Current Assets	302,151	330,277	(28,126)
Total Assets	3,486,704	3,406,517	80,187
Deferred Outflow of Resources:			
Related to Pension	1,645,458	1,333,499	311,959
Total Deferred Outflows	1,645,458	1,333,499	311,959
Liabilities			
Account Payable	101,109	69,657	31,452
Due to Governmental Entities	242,193	155,558	86,635
Deferred Revenue	995,795	1,035,766	(39,971)
Other Current Liabilities	2,515	5,318	(2,803)
Total Current Liabilities	1,341,612	1,266,299	75,313
Non-Current Liabilities:			
Net Pension Liability	1,113,203	1,113,203	-
Compensated Absences	54,301	42,433	11,868
Total Liabilities	2,509,116	2,421,935	87,181
Deferred Inflow of Resources			
Related to Pension	86,698	86,698	-
Total Deferred Inflows	86,698	86,698	-
Net Position:			
Net Investment in Capital Assets	302,151	330,277	(28,126)
Restricted	941,842	941,842	-
Unrestricted	1,292,355	959,265	333,090
Total Net Position	\$ 2,536,348	\$ 2,231,384	\$ 304,964

CAMERON APPRAISAL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in 2016

- Total current assets increased by \$108,313; due to an increase in cash and cash equivalents.
- Net capital assets activity decreased by \$28,126; mostly due to the depreciation of the equipment.
- Due to governmental entities increased by \$86,632.
- Total liabilities increased by \$87,181, mostly due to an increase in payroll liabilities.
- Total Deferred Revenue collections decreased by \$39,971.
- Net position increased by \$304,964.

Changes in net position

The District's total revenues were \$4,151,559 with assessments revenues of \$4,118,557. The total cost of appraisal services was \$4,134,482 and depreciation was \$65,375 for the year ending December 31, 2016. (See Table A-2).

Cameron Appraisal District's
Changes in Net Position
Table A-2

	Primary Government		Increase / Decrease
	2016	2015	2016-2015
Revenues:			
Assessments	\$ 4,118,557	\$ 4,096,053	\$ 22,504
Interest income	5,088	1,438	3,650
Miscellaneous income	27,914	40,831	(12,917)
Total Revenues	4,151,559	4,138,322	13,237
Expenses:			
Appraisal Services Expenses	4,199,857	4,183,290	16,567
Total Expenses	4,199,857	4,183,290	16,567
Excess of Revenues over Expenses	(48,298)	(44,968)	(3,330)
Change in Net Position	(48,298)	(44,968)	(3,330)
Prior Period Adjustment	353,262	322,032	31,230
Net Position - Beginning	2,231,384	1,954,320	277,064
Net Position - Ending	\$ 2,536,348	\$ 2,231,384	\$ 304,964

Change in 2016

- Revenues increased by \$13,237; with the majority of the increased due to an increased in assessments proceeds.
- Expenses increased by \$16,567.
- Net change in net position increased by \$3,300; mostly decrease in expenses.
- Net position increased by \$304,964.

**CAMERON APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

Actual expenditures were \$242,189 under final budget amounts while revenues available were \$209,195 under the final budgeted amount. Overall net change in fund balance was \$32,994 over the expected change.

Capital Assets

At the end of 2016, the District has invested \$302,151 in a broad range of capital assets, including land, equipment, buildings, and furniture. (See Table A-3).

Cameron Appraisal District's
Capital Assets
Table A-3

	Governmental Activities		Increase (Decrease)
	2016	2015	
Capital assets, not being depreciated:			
Land	\$ 27,738	\$ 27,738	\$ -
	<u>27,738</u>	<u>27,738</u>	<u>-</u>
Capital assets, being depreciated:			
Buildings & Improvements	732,267	732,267	-
Furnitures & Equipment	1,798,821	1,761,572	37,249
Construction in Progress	26,368	26,368	-
	<u>2,557,456</u>	<u>2,520,207</u>	<u>37,249</u>
Accumulated Depreciation	<u>(2,283,043)</u>	<u>(2,217,668)</u>	<u>(65,375)</u>
Total Capital Assets, being Depreciated, net	<u>274,413</u>	<u>302,539</u>	<u>(28,126)</u>
Capital Assets, Net	<u><u>\$ 302,151</u></u>	<u><u>\$ 330,277</u></u>	<u><u>\$ (28,126)</u></u>

The District's capital project spending was \$37,249 for furniture and equipment. More detailed information about the District's capital assets is presented in this report under Note 4 – Capital Assets of the financial statements.

Long-Term Debt

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Net Pension Liability/(Asset)	\$ (140,613)	\$ 1,253,816	\$ -	\$ 1,113,203

The adoption of Statement No. 68 resulted in the District's reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. The increase in the District's net pension liability/(Asset) from \$ (140,613) at December 31, 2015 to \$1,113,203 at December 31, 2016 was the result of a significant increase in net investment income in the TCDRS plan during 2015.

CAMERON APPRAISAL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The table below provides the District's key pension statistics related to the TCDRS plan as of and for the fiscal year ended December 31, 2016:

PENSION		
Key Pension Statistics		
Net Pension Liability (Asset)	\$	1,113,203
Pension Expense	\$	353,266

Additional information on the District's net pension liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

Next Year's Budget

The Board of Directors adopted a 2017 expenditure budget of \$4,497,392 on August 15, 2016. This amount represented an increase of \$136,642 over the prior year or 3.13% higher than the prior year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, taxing entities, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Cameron Appraisal District, Finance Director, P.O. Box 1010, 2021 Amistad Drive, San Benito, Texas 78586-1010.

BASIC FINANCIAL STATEMENTS



**Cameron Appraisal District
Statement of Net Position
December 31, 2016**

	Primary Government	
	Governmental Activities	Total
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 3,156,671	\$ 3,156,671
Prepaid Expenses	27,882	27,882
Account Receivable	-	-
Total Current Assets	3,184,553	3,184,553
Non-Current Assets:		
Land	27,738	27,738
Construction in Progress	26,368	26,368
Building and Improvements, (Net)	129,534	129,534
Furniture and Equipment, (Net)	118,511	118,511
Total Non-Current Assets	302,151	302,151
Total Assets	3,486,704	3,486,704
 DEFERRED OUTFLOW OF RESOURCES		
Related from Pension	1,645,458	1,645,458
Total Deferred Outflow of Resources	1,645,458	1,645,458
 LIABILITIES		
Current Liabilities:		
Accounts Payable	101,109	101,109
Due to Governmental Entities	242,193	242,193
Deferred Revenue	995,795	995,795
Other Current Liabilities	2,515	2,515
Total Current Liabilities	1,341,612	1,341,612
Non-current Liabilities:		
Net Pension Liability	1,113,203	1,113,203
Compensated Absences	54,301	54,301
Total Liabilities	2,509,116	2,509,116
 DEFERRED INFLOW OF RESOURCES		
Related to Pension	86,698	86,698
Total Deferred Inflow of Resources	86,698	86,698
 NET POSITION		
Net Investment in Capital Assets	302,151	302,151
Restricted	941,842	941,842
Unrestricted	1,292,355	1,292,355
Total Net Position	\$ 2,536,348	\$ 2,536,348

The notes to the financial statements are an integral part of this statements.

**Cameron Appraisal District
Statement of Activities
For the Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities:				
Appraisal Services	\$ 4,199,857	\$ 4,118,557	\$ -	\$ -
<i>Total Governmental Activities</i>	<u>\$ 4,199,857</u>	<u>\$ 4,118,557</u>	<u>\$ -</u>	<u>\$ -</u>

General Purpose Revenues and Transfers:

Revenues

Interest Income

Miscellaneous Income

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Period

Prior Period Adjustment

Net Position at End of Period

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net
Position**

Primary Government

<u>Governmental Activities</u>	<u>Total</u>
\$ (81,300)	\$ (81,300)
(81,300)	(81,300)
5,088	5,088
27,914	27,914
<u>33,002</u>	<u>33,002</u>
(48,298)	(48,298)
2,231,384	2,231,384
353,262	353,262
<u>\$ 2,536,348</u>	<u>\$ 2,536,348</u>

**Cameron Appraisal District
Balance Sheet
Governmental Funds
December 31, 2016**

	<u>General Fund</u>	<u>Special Revenue Collection Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,147,815	\$ 8,855	\$ 3,156,670
Prepaid Expenses	27,882	-	27,882
Account Receivable	-	-	-
<i>Total Assets</i>	<u>3,175,697</u>	<u>8,855</u>	<u>3,184,552</u>
DEFERRED OUTFLOW OF RESOURCES			
Aggregated Deferred Outflow	-	-	-
<i>Total Assets and Deferred Outflow of Resources</i>	<u>\$ 3,175,697</u>	<u>\$ 8,855</u>	<u>\$ 3,184,552</u>
LIABILITIES			
Account Payable	\$ 92,646	\$ 8,463	\$ 101,109
Due to Governmental Entities	242,193	-	242,193
Deferred Revenue	995,795	-	995,795
Other Current Liabilities	2,515	-	2,515
<i>Total Liabilities</i>	<u>1,333,149</u>	<u>8,463</u>	<u>1,341,612</u>
DEFERRED INFLOW OF RESOURCES			
Aggregated Deferred Inflow	-	-	-
<i>Total Deferred Inflow of Resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Committed	941,842	-	941,842
Assigned	867,709	-	867,709
Unassigned	32,997	392	33,389
<i>Total Fund Balance</i>	<u>1,842,548</u>	<u>392</u>	<u>1,842,940</u>
<i>Total Liabilities, Deferred Inflow of Resources and Fund Balance</i>	<u>\$ 3,175,697</u>	<u>\$ 8,855</u>	<u>\$ 3,184,552</u>

The notes to the financial statements are an integral part of this statement.

Cameron Appraisal District
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2016

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

Total Fund Balance - Governmental Funds Balance Sheet	\$	1,842,940
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Position.		(54,301)
Fixed assets are capitalized in the Statement of Net Position and depreciation expense in the Statement of Activities. These are expenses when acquired in the Statement of Revenues, Expenditures, and Changes in the Fund Balance.		302,151
Long term liabilities applicable to the District's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. GASB 68 is recorded in the Statement of Net Position.		445,558
Total Net Position-Governmental Funds - Statement of Net Position	\$	2,536,348

The notes to the financial statements are an integral part of this statement.

Cameron Appraisal District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Special Revenue</u> <u>Special Collection</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues			
Assessments	\$ 4,118,557	\$ -	\$ 4,118,557
Interest Income	5,084	4	5,088
Miscellaneous Income	27,914	-	27,914
Total Revenues	<u>4,151,555</u>	<u>4</u>	<u>4,151,559</u>
Expenditures			
Salaries and Other Compensation	2,336,769	-	2,336,769
Contractual Services	171,616	-	171,616
Supplies and Training	459,145	-	459,145
Insurance and Benefits	590,298	-	590,298
Pension Expense	311,960	-	311,960
Other Expenses	87,442	-	87,442
Capital Outlay	161,331	-	161,331
Total Expenditures	<u>4,118,561</u>	<u>-</u>	<u>4,118,561</u>
Excess of Revenues Over (Under) Expenditures	<u>32,994</u>	<u>4</u>	<u>32,998</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	32,994	4	32,998
<i>Fund Balance at Beginning of Period</i>	1,809,554	388	1,809,942
<i>Prior Period Adjustment</i>	-	-	-
Fund Balance at End of Period	<u>\$ 1,842,548</u>	<u>\$ 392</u>	<u>\$ 1,842,940</u>

The notes to the financial statements are an integral part of this statement.

Cameron Appraisal District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2016

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

Total Net Change in Fund Balances - Governmental Funds	\$	32,998
Fixed assets expensed as capital outlay in governmental fund statements, capitalized as fixed assets in Statement of Net Position.		37,249
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Position.		(11,868)
Depreciation expense reflected in entity wide statements, not reflected in governmental fund statements.		(65,375)
Long term liabilities applicable to the District's governmental activities are not due in the current period and accordingly are not reported as fund liabilities. GASB 68 is recorded in the Statement of Net Position.		(41,306)
Rounding		4
Changes in Net Position-Governmental Funds	\$	(48,298)

The notes to the financial statements are an integral part of this statement.

**Cameron Appraisal District
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016**

	Private Purpose Trust
	Education & Public Relations
ASSETS	
Cash and Cash Equivalents	\$ 38,159
<i>Total Assets</i>	38,159
DEFERRED OUTFLOW OF RESOURCES	
Aggregated Deferred Outflow	-
<i>Total Deferred Outflow of Resources</i>	-
LIABILITIES	
Due to Employee	38,159
<i>Total Liabilities</i>	38,159
DEFERRED INFLOW OF RESOURCES	
Aggregated Deferred Inflow	-
Total Deferred Inflow of Resources	-
NET POSITION	
Held in Trust	\$ -

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS



Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The ratification of Senate Bill 621 by the Texas Legislature provided, in part, for each county within Texas to organize and operate a separate and distinct appraisal district. Consequently, in April 1980, a Board of Directors was named to direct the affairs of the then newly created Cameron Appraisal District (the "District"). The organization is responsible for conducting property appraisals and providing property values for each of forty separate taxing jurisdictions in Cameron County. Effective October 1980, the organization began operation with the hiring of a chief appraiser.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable. The discussion of component units below summarizes the relevant guidelines considered by the District in determining the nature of their operational or financial relationships.

The blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units are combined with data of the primary government. The District does not have any component units that are considered blended component units.

The discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the District. The District does not have any component units that are considered discretely presented component units.

C. Financial Statement Presentation

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements-and Managements' Discussion and Analysis for State and Local Governments* ("GASB Statement No. 34"). This statement, known as the "reporting model" statement, affects the way the District prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial information.

Management's Discussion and Analysis

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. GASB Statement No. 34 was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

GASB Statement No. 34 requires financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis." This analysis is similar to the analysis that private-sector companies provide in their annual reports.

Government-Wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities, such as building and infrastructure, including roads and bridges, and general obligation debt. Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current or soon thereafter, as in the case with the modified accrual basis of accounting.

Statement of Net Position

The schedule of net position is designed to display the financial position of the primary government, governmental and business-type activities, and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide schedule of net position and report related depreciation expense, the cost of "using up" capital assets, in the statement of activities. The net position of a government is divided into three categories:

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- 1) Invested in capital assets-net of related debt;
- 2) Restricted;
- 3) Unrestricted;

Statement of Activities

The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function, such as user charges or intergovernmental grants.

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many governments revise their original budget throughout the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of the final budget and actual results.

D. Government-Wide and Fund Accounting

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. While the previous reporting model emphasized fund types-the total of all funds of a particular type-in the new reporting model, the focus is on either the District as a whole or on major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental.

In the government-wide statement of net position, the governmental activity column is presented on a consolidated basis and is reflected on a full accrual, economic resource basis, which incorporates long-term assets, deferred outflows, receivables, as well as long-term debt and deferred inflows. The District generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The District may defer the use of restricted assets based on a review of the specific transaction.

The government-wide financial statements report information on all non-fiduciary activities of the primary government.

The government-wide statement of activities reflects both the gross and net cost per functional category, which is otherwise being supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function. The District does not allocate indirect expenses.

The governmental fund major fund statement in the fund financial statements is presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile fund-based financial statement with the governmental column of the government-wide presentation.

The focus of the revised reporting model is on the District as a whole and the fund financial statements, including the major individual fund of the governmental category. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

- *Governmental Funds:* Governmental funds are those funds through which most governmental functions are typically financed.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

D. Government-Wide and Fund Accounting *(continued)*

- *General Fund:* The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include charges for services. Expenditures include administrative services, information systems, appraisal services, capital expenditures, building and equipment debt services, if applicable

E. Basis of Accounting

The accounting and financial report treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The District utilizes the modified accrual basis of accounting in the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

The basic financial statements of Cameron Appraisal District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting reporting principles.

F. 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 liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

G. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

The District considers all deposits and investments with an original maturity of three months or less to be cash and cash equivalents.

Deposits and Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (“Act”), to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity’s fund may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area are conducted as part of the audit of the general purpose financial statements disclosed in the areas of investment practices, management reports and establish appropriate policies. The District adheres to the requirements of the Act. Additionally, investment practices of the District are in accordance with local policies. For District investments, both the statutes of the state of Texas and policies mandated by the District’s Board of Directors, which are more restrictive, authorize the District to invest only in certificates of deposit issued by federally insured banks or savings and loans associations.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

G. Assets, Liabilities, and Net Position or Equity *(continued)*

In accordance with GASB Statement No. 31, money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported as amortized costs.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2256 of the Texas Government Code, in addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investment in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at amortized cost. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advice with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advice in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average of \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured.

The District's investment at December 31, 2016 are shown below:

Reported At	Description	Reported Amount	Weighted Average Maturity (days)	Weighted Average Life (days)	Standard & Poor's Rating	Concentration of Credit Risk
Market Value	TexPool Investment Fund	\$ 1,225,012	45	93	AAA-m	0%

Analysis of Specific Deposit and Investment Risk

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

- a. *Interest Rate Risk* – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk. The District's investment policy states that no investment shall have a legal stated maturity of more than twelve months. By limiting the exposure of its investments, the District reduces its risk to the rising or decreasing interest rates.
- b. *Credit Risk*– Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designated to give an indication of credit risk. At year end, the District was not exposed to credit risk.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

G. Assets, Liabilities, and Net Position or Equity *(continued)*

- c. *Custodial Credit Risk* – Deposits and investments are exposed to custodial risk if they are not covered by depository insurance and the deposits and investments are uncollateralized, collateralized securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name. At year end, the District was not exposed to custodial risk. See Note III for more information on the coverage of this risk.
- d. *Concentration of Credit Risk* – This risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. It is the policy of Cameron Appraisal District to diversify its portfolio to eliminate the risk of loss resulting from over concentration of liquid assets with a specific maturity, a specific insurer or a specific class of investments. At year end the District was not exposed to concentration of credit risk.
- e. *Foreign Currency Risk* – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Due From Governmental Entities

The District’s primary revenue source is from assessments to taxing jurisdictions for services provided by the District. Assessments are imposed annually based on the amount approved by the Board of Directors in the annual budget. As required by law, the assessment is allocated in four equal payments due on the last day of each quarter, with the first quarterly payment due before January 1 of the year in which the budget takes effect. If unpaid on the due date, such assessments become delinquent. A delinquent payment incurs a penalty of 5 percent of the amount of the payment and accrues interest at an annual rate of 10 percent. Assessments that are applicable to the District’s subsequent fiscal year are recorded as Advance Payments of Assessments a form of deferred revenue.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when the un-collectability of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. As of December 31, 2015, there was no allowance for doubtful accounts as all are considered collectible.

Capital Assets

Capital assets, which include equipment, improvements, and vehicles, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements that add to the value of the asset or materially extend asset lives are capitalized.

The District provides for depreciation on assets using the straight-line method in order to amortize costs of assets over their estimated useful lives. The following estimated useful lives are used in providing for depreciation:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and improvements	20-50 years
Furniture and fixtures	10 years
Software	5 years
Equipment	5-10 years

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

G. Assets, Liabilities, and Net Position or Equity *(continued)*

Due to Governmental Entities

By Texas Property Tax Code Sec. 6.06 (j) each calendar year, the chief appraiser and finance director review the actual assessments versus the amount actually spent or obligated to be spent during the calendar. If assessments are greater than the amount spent or obligated, then the chief appraiser shall credit the excess amount against each taxing unit’s allocated payments for the following year in proportion to the amount of each unit’s budget allocation for the fiscal year for which the payments were made. The District generally credits the excess in the second quarter of the following year. The following table is the calculation of the excess amount for the year ended December 31, 2016. The District generally credits the excess in the second quarter of the following year.

The following table is the calculation of the excess amount for the year ended December 31, 2016:

Assessments	\$ 4,360,750
District's Expenses	4,118,557
Amount Due to Entities	\$ 242,193

It has been the District’s practice not to include investment and miscellaneous income into the determination of the actual assessments versus the amount actually spent or obligated to be spent.

Compensated Absences

All regular employees are granted sick and vacation leave benefits in varying amounts. A maximum of fifteen days of annual vacation leave may be accrued, and if annual vacation balances exceeding fifteen days will be reduced to fifteen days as of January of each year. As for sick leave, an employee may earn up to twelve days per year. Unused sick time can be carried over up to a maximum of 90 days. Sick leave may be accrued but will not be paid to employees that leave before retirement. All vested compensated absences are accrued when incurred in the government-wide financial statements. The liability was increased by \$11,868 for December 31, 2016.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Long-term debt consists primarily of notes payable and compensated absences. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, and the payment of principal and interest is reported as expenditures. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resource.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the General Fund. Lease payments representing both principal and interest are recorded as expenditures in the General Fund upon payment, with an appropriate reduction of principal recorded in the government-wide financial statements.

Net Position

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Unreserved fund balance is that portion of fund balance which is undesignated and available for budgeting in future years.

The reporting standard established a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB Statement no. 54 provides for two major types of fund balances which are non-spendable and spendable. Below are the District’s classifications of the types of fund balances:

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

G. Assets, Liabilities, and Net Position or Equity *(continued)*

- Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, noncurrent advances to other funds that not expected to be collected in the next fiscal year, and the principal (corpus) of an endowment fund. The District does not have any prepaid items or non spendable funds related to an endowment. In addition to non-spendable fund balance, GASB statement no. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.
- Restricted: Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. All of the District's restricted funds are from Special Revenue Funds, whose funds are revenues legally restricted to expenditures for a particular purpose.
- Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The responsibility to commit funds rests with the elected Board of Directors. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. The District formally approved the recording of fund balance as committed on December 5th, 2011 and may be updated each year based on the district's future needs.
 1. Roof Resurfacing (\$75,000) – CAD anticipates the need to resurface and/or repair the roof approximately every 15-20 years or as needed. The CAD last resurfaced the roof in 1999 {approximately 1600 sq.ft}.
 2. Building Addition/Renovation (\$584,840) – As the population within the county has risen and continues to increase, the demand for additional space is needed. CAD anticipates expanding the building for additional space & storage in the near future.
 3. Restroom Remodeling (\$35,000) – Restrooms are anticipated to be remodeled and during that time will need to meet the ADA requirements.
 4. A/C Replacement (\$45,000) – Typically A/C units are expected to last 10-15 years. Units beyond this become less efficient and add to maintenance cost {last replaced in 1999}.
 5. Building Entrance Renovation (\$35,000) – CAD anticipates the need to renovate the entrance to the building. Rain and other conditions contribute to this needed addition.
 6. Front & Back Covered Walk Way (\$40,000) – Covered walk way design will facilitate taxpayers and staff during extreme weather conditions “rain”.
 7. Concrete & Parking Lot Repairs (\$20,000) – Several areas with the CAD's parking lot are in need of repair that will require an independent contractor to perform the work.
 8. Server Upgrade/Replacement (\$140,000) – Every 4-5 years the CAD must upgrade and/or replace its main server {last upgraded in 2010}.
- Assigned: Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The items in this fund balance are designed to be in compliance with GASB Statement 54 and must be utilized as set forth. Any utilization or changes must be approved by the Board of Directors and be in compliance with Statement 54.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

G. Assets, Liabilities, and Net Position or Equity *(continued)*

The fund balance designated as assigned by the district is as follows:

Maintenance and Operations (\$867,709) – This fund is designed to satisfy the daily operations of the appraisal district in the event of an extraordinary catastrophic event such as hurricane, extreme flood damage, building failure, etc. This Fund is not to exceed 6 months of operating expenditures. Access to these funds requires approval by the CAD’s Board of Directors.

Unassigned: Fund balance of the general fund that is not constrained for any particular purpose. This is also where negative amounts from the other categories of fund balance are recognized. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District typically first applies restricted resources, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of assigned, then unassigned, and finally committed fund.

H. New Accounting Pronouncements

GASBS No. 83, Certain Asset Retirement Obligations (ARO), sets guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The guidance would enhance comparability of financials statements among governments by establishing uniform criteria for governments to recognized and measure certain asset retirement obligation. The requirements are effective for reporting periods beginning after June 15, 2018.

NOTE 2- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The District uses the following procedures in establishing the budget reflected in the financial statements:

- Prior to June 15th, the Board of Directors and taxing units are presented with a proposed budget for the year beginning the following January 1 by the chief appraiser. The budget includes proposed expenditures and the means of financing those expenditures. The budget determines the annual assessments due from taxing jurisdictions.
- Public hearing in conducted to obtain citizens’ comments.
- The budget must be approved by September 15. The budget for the year ending December 31, 2016 was legally enacted on August 17, 2015.

The budget is incorporated into the accounting system of the District and considered a management and planning tool. An annual budget is legally adopted for the General Fund only.

The District prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the District’s method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP are principal payments on loan paid and capital expenditures capitalized under GAAP.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 2- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

C. Expenditures in Excess of Budget

Expenditures exceeded appropriations in the following line items:

<u>Budget to Actual</u>	<u>Excess</u>
Other Expenses	(592)

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2016, the District's Deposits are summarized as follows:

	Carrying Amounts	Bank Balance
Checking Accounts	\$ 1,931,659	\$ 2,001,935
Texpool Account	1,225,012	1,225,012
Total Deposits	\$ 3,156,671	\$ 3,226,947

The District's deposits were held during the year in a financial institution and were carried at cost. The financial institution provides insurance through the FDIC and pledges collateral to secure these deposits, as needed. A third-party bank in joint custody for the District and the depository bank hold certain collateralized securities (Category 2).

At December 31, 2016, the insurance and collateral pledged are summarized as follows:

Financial institution:	FDIC Coverage	Security Pledged	Bank Balance
Wells Fargo	\$ 250,000	\$ 2,040,094	\$ 2,001,935
Texpool	\$ -	\$ 16,252,297	\$ 1,225,012

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1: Deposits which are insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2: Deposits which are collateralized with securities held by the pledging Financial Institution's trust department or agent in the District's name.
- Category 3: Deposits which are not collateralized or insured.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for governmental activities is as follows:

	Beginning Balance			Ending Balance	
	December 31, 2015	Increase	Decrease	December 31, 2016	
<i>Non-depreciable Assets:</i>					
Land	\$ 27,738	\$ -	\$ -	\$ 27,738	
Construction in Progress	26,368	-	-	26,368	
<i>Total Non-depreciable Assets</i>	<u>54,106</u>	<u>-</u>	<u>-</u>	<u>54,106</u>	
<i>Depreciable Assets:</i>					
Buildings and Improvements	732,267	-	-	732,267	
Furniture and Equipment	1,761,572	37,249	-	1,798,821	
<i>Total Depreciable Assets</i>	<u>2,493,839</u>	<u>37,249</u>	<u>-</u>	<u>2,531,088</u>	
<i>Less Accumulated Depreciation for:</i>					
Buildings and Improvements	583,968	18,765	-	602,733	
Furniture and Equipment	1,633,700	46,610	-	1,680,310	
<i>Total Accumulated Depreciation</i>	<u>2,217,668</u>	<u>65,375</u>	<u>-</u>	<u>2,283,043</u>	
<i>Total Depreciable Assets Net of</i>					
<i>Accumulated Depreciation</i>	276,171	(28,126)	-	248,045	
Total Capital Assets	<u>\$ 330,277</u>	<u>\$ (28,126)</u>	<u>\$ -</u>	<u>\$ 302,151</u>	

Depreciation expense for the year totaled \$65,375 and was allocated fully to the appraisal service function.

NOTE 5 – DEFERRED TAX ASSESSMENTS

Deferred Tax Assessments are recorded when a taxing entity prepays their assessment for a preceding year during the year. Since the amount paid is not revenue for this fiscal year, it becomes deferred tax assessments to be recognized in the assessment year. The total amount of prepaid assessments that were collected from the entities are described below, by type of taxing entity:

Taxing Units by Type	2016 Prepaid Assessment
Municipalities and Cities	\$ 191,915
School Districts	569,511
County	206,451
MUD	4,177
Drainage Districts	15,109
Water Districts	8,632
Total Deferred Taxes	<u>\$ 995,795</u>

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 6 – DUE TO GOVERNMENTAL ENTITIES

Assessments were greater than the amount spent or obligated, excess amount will be applied against each taxing unit's allocated payments for the following year in proportion to the amount of each unit's budget allocation for the fiscal year for which the payments were made. This year's assessment refund consists of:

Table continues on next page

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

Taxing Units	2016 Assessment Revenue	2016 Expenditure Allocation	Allocation Percent	* 2016 Assessment Refund
BROWNSVILLE ISD	\$ 700,487	(661,582.44)	16.06%	\$ 38,904.56
HARLINGEN CISD	515,089	(486,481.32)	11.81%	28,608
LA FERIA ISD	56,195	(53,073.97)	1.29%	3,121
LOS FRESNOS CISD	216,727	(204,690.13)	4.97%	12,037
LYFORD ISD	1,847	(1,744.42)	0.04%	103
POINT ISABEL ISD	442,578	(417,997.53)	10.15%	24,580
RIO HONDO ISD	40,560	(38,307.33)	0.93%	2,253
SAN BENITO ISD	135,890	(128,342.76)	3.12%	7,547
SANTA MARIA ISD	6,205	(5,860.38)	0.14%	345
SANTA ROSA ISD	13,128	(12,398.88)	0.30%	729
SOUTH TEXAS ISD	99,807	(94,263.79)	2.29%	5,543
CITY OF BROWNSVILLE	486,355	(459,343.18)	11.15%	27,012
CITY OF HARLINGEN	203,342	(192,048.53)	4.66%	11,293
CITY OF SAN BENITO	52,993	(50,049.81)	1.22%	2,943
CITY OF PORT ISABEL	22,541	(21,289.09)	0.52%	1,252
CITY OF BA YVIEW	1,324	(1,250.47)	0.03%	74
CITY OF SOUTH PADRE ISLAND	82,323	(77,750.84)	1.89%	4,572
CITY OF LOS FRESNOS	15,169	(14,326.52)	0.35%	842
CITY OF LOS INDIOS	3,000	(2,833.38)	0.07%	167
CITY OF LA FERIA	18,206	(17,194.85)	0.42%	1,011
CITY OF RIO HONDO	5,830	(5,506.21)	0.13%	324
TOWN OF LAGUNA VISTA	11,477	(10,839.58)	0.26%	637
CITY OF SANTA ROSA	2,708	(2,557.60)	0.06%	150
TOWN OF INDIAN LAKE	1,154	(1,089.91)	0.03%	64
TOWN OF PALM VALLEY	6,120	(5,780.10)	0.14%	340
CITY OF COMBES	6,885	(6,502.61)	0.16%	382
CITY OF PRIMERA	8,169	(7,715.30)	0.19%	454
TOWN OF RANCHO VIEJO	11,712	(11,061.52)	0.27%	650
CAMERON COUNTY DRAINAGE DIST #1	18,269	(17,254.35)	0.42%	1,015
SBCC DRAINAGE DISTRICT #3	31,006	(29,283.95)	0.71%	1,722
CAMERON COUNTY DISTRICT #4	579	(546.84)	0.01%	32
SOUTHMOST UNION JUNIOR COLLEGE	217,033	(204,979.14)	4.98%	12,054
VALLEY MUD #2	11,123	(10,505.24)	0.26%	618
BROWNSVILLE NAVIGATION DISTRICT	36,459	(34,434.09)	0.84%	2,025
LAGUNA MADRE WATER DISTRICT	16,813	(15,879.22)	0.39%	934
CC EMERGENCY SERVICES DIST #1	35,642	(33,662.47)	0.82%	1,980
CAMERON COUNTY	784,995	(741,396.93)	18.00%	43,598
CAMERON COUNTY DRAINAGE DIST #5	26,687	(25,204.82)	0.61%	1,482
PASEO DE LA RESACA MUD #1	3,503	(3,308.45)	0.08%	195
PASEO DE LA RESACA MUD #2	5,753	(5,433.48)	0.13%	320
PASEO DE LA RESACA MUD #3	5,067	(4,785.58)	0.12%	281
	\$ 4,360,750	\$ (4,118,557)	100%	\$ 242,193

Total Due to Entities \$ 242,193

*Expenditure Allocation

\$	4,118,557	Total Revenues		
	-	Contribution from Fund Balance		
\$	4,118,557	Total Revenue Allocated		

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 7 – COMPENSATED ABSENCES

Compensated absences accounts for vested sick and vacation leave. Changes for the year in the liability were an increase of \$11,868 resulting in an ending balance of \$54,301 at year end.

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated Absences	\$ 42,433	\$ 95,339	\$ 83,471	\$ 54,301
Total Liability	<u>\$ 42,433</u>	<u>\$ 95,339</u>	<u>\$ 83,471</u>	<u>\$ 54,301</u>

NOTE 8 – LONG TERM DEBT

Governmental Activities Obligation	Restated Beginning Balance	Increase	Decrease	Ending Balance
**Net Pension Liability/(Asset)	\$ (140,613)	\$ 1,253,816	\$ -	\$ 1,113,203

**Per GASB 68, beginning balance for net pension liability includes the restatement net pension liability at December 31, 2016.

NOTE 9 - OTHER INFORMATION

A. Risk Management

Cameron Appraisal District is exposed to various uncertainties for losses related to intentional and unintentional tort; theft of damage to and destruction of real and personal property; errors-and-omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the District carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years.

B. Commitments

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel and management that resolution of these matters will not have a material adverse effect on the condition of the District at December 31, 2016.

C. Defined Benefit Pension Plan

Plan Description

Cameron Appraisal District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 509 nontraditional defined benefit pension plans. TCDRS in aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis.

The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, 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, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 9 - OTHER INFORMATION *(continued)*

C. Defined Benefit Pension Plan *(continued)*

Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee's contributions 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Annual Pension Cost

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with GASB Statement No. 68 of the Governmental Accounting Standards Board (GASB 68), titled Accounting and Financial Reporting for Pension; an amendment of GASB statement No. 27. The employee contribution rate used for December 31, 2014 and December 31, 2015 was 7% and 7%; the employer contribution rates were 15.52% and 13.35%, respectively.

The required contribution was determined as part of the December 31, 2016 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2015 included (a) 8% investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9%. Both (a) and (b) included an inflation component of 3.0%.

The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2016 was 7.2 years.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents current and preceding years information on the annual pension cost, the percentage of annual pension cost contributed, and the net pension obligation.

Funded Status and Funding Progress

As of December 31, 2016, the most recent actuarial valuation date, the plan was 90.9% funded. The actuarial accrued liability for benefits was \$ 9,961,359, and the actuarial value of assets was \$ 9,055,584, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 905,775, which is 51.95% of annual covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Net Pension Liability

The Districts Net Pension Liability (Asset) was measured as of December 31, 2016, and the Total Pension Liability (Asset) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 9 - OTHER INFORMATION (continued)

C. Defined Benefit Pension Plan (continued)

Actuarial assumptions: (continued)

Actuarial assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	7.2 years (based on contribution rate calculated in 12/31/2015 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.00%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of Return	8.00%, net of 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	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 – December 31, 2012. These assumption were first used in the December 31, 2013 recommended by Milliman, Inc, and adopted by the TCDRS board of Trustees. The district contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the sort-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building – block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major assets class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding expected inflation.

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 9 - OTHER INFORMATION *(continued)*

C. Defined Benefit Pension Plan *(continued)*

Net Pension Liability *(continued)*

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Geometric Real Rate of Return (Expected Minus Inflation)
U.S. Equities	14.50%	5.45%
Private Equity	14.00%	8.45%
Global Equities	1.50%	5.75%
Int'l Equities - Developed Markets	10.00%	5.45%
Int'l Equities - Emerging Markets	8.00%	6.45%
Investment-Grade Bonds	3.00%	1.00%
High-Yield bonds	3.00%	5.10%
Opportunistic Credit	2.00%	5.09%
Direct Lending	5.00%	6.40%
Distressed Debt	3.00%	8.10%
RE/T Equities	3.00%	4.00%
Master Limited Partnership (MLP's)	3.00%	6.80%
Private Real Estate Partnerships	5.00%	6.90%
Hedge Funds	25.00%	5.25%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses. The Projection of cash flow used to determine the discount rate assumed that employee and employer contribution will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Net Pension Liability	12/31/2015	12/31/2014
Total Pension Liability	\$ 11,986,783	\$ 10,753,311
Plan Fiduciary Net Position	10,873,580	10,893,925
Net Pension Liability	\$ 1,113,203	\$ (140,614)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.71%	101.31%
Net Pension Liability as a Percentage of Covered Payroll	51.95%	-6.63%

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 9 - OTHER INFORMATION *(continued)*

C. Defined Benefit Pension Plan *(continued)*

Net Pension Liability *(continued)*

For the year ended December 31, 2016, the District recognized a pension expense of \$353,266.

Schedule of Pension Expense	
Service Cost	\$ 289,804
Interest on Total Pension Liability (1)	869,157
Effect of Plan changes	(59,915)
Administrative expenses	7,835
Members Contributions	(150,006)
Expected Investment return net of investment expenses	(894,309)
<i>Recognition of deferred inflows/outflows of resources</i>	
Recognition of economic/demographic gains or losses	46,855
Recognition of assumption changes or inputs	17,136
Recognition of investment gains or losses	233,920
Other (2)	(7,212)
Pension Expense / (Income)	\$ 353,266

(1) Reflects the change in the liability due to the time value of money. TCDRS does not change fees or interest.

(2) Related to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 8.10%, as well as what the Cameron County Appraisal District 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	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total pension liability	\$ 13,663,473	\$ 11,986,783	\$ 10,597,778
Fiduciary net pension	10,873,580	10,873,580	10,873,580
Net pension liability / (asset)	\$ 2,789,893	\$ 1,113,203	\$ (275,802)

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 9 - OTHER INFORMATION *(continued)*

C. Defined Benefit Pension Plan *(continued)*

Net Pension Liability *(continued)*

Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2016, the District reported its deferred outflows and inflows of resources to pensions from the following sources:

	Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2016	
	Original Amount (a)	Date Established (b)	Original Recognition Period(1) (c)	Amount Recognized in 2016 (1) (a) + (c)	Deferred Inflows 12/31/2016	Deferred Outflows 12/31/2016
Investment (gain) or losses	1,017,052	12/31/2015	5.0	203,410	-	813,642
	152,546	12/31/2014	5.0	30,509		91,528
Economic/demographic (gain) or losses	411,178	12/31/2015	6.0	68,530	-	342,648
	(130,047)	12/31/2014	6.0	(21,675)	\$ 86,698	-
Assumption changes or inputs	102,815	12/31/2015	6.0	17,136	-	85,680
	-	12/31/2014	6.0	-	-	-
Total					<u>\$ 86,698</u>	<u>\$1,333,498</u> <u>\$1,246,800</u>

Employer contributions made subsequent to measurement date (2)

(1) Investment (gain)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members.

(2) Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end.

\$1,333,498 reported as deferred outflows of resources related to pensions resulting from contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2016.

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future pension expense as follows:

<u>Net Deferred Outflows (Inflows) of Resources</u>	
2017	297,911
2018	297,911
2019	297,911
2020	267,401
2021	85,666
Thereafter	-
Total	<u><u>1,246,800</u></u>

Cameron Appraisal District
Notes to Financial Statements
December 31, 2016

NOTE 10 – PRIOR PERIOD ADJUSTMENT

As of December 31, 2016, the following prior adjustment was posted to the financial statement:

Governmental Wide Level:

Governmental Fund:

Adjustment to implement GASB 68 pronouncement-Net Pension Liability	<u>\$ 353,262</u>
Total Government Wide	<u>\$ 353,262</u>

NOTE 11 - SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to August 7, 2017 the date the report was available to be issued. No subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION



**Cameron Appraisal District
Texas County and District Retirement System
Schedule of Funding Progress
For the Year Ended December 31, 2016**

(unaudited)

Accounting Year-End	Annual Pension Cost "APC"	Percentage of APC Contributed	Net Pension Obligation
12/31/2015	332,584	100%	-
12/31/2014	329,350	100%	-
12/31/2013	330,521	100%	-
12/31/2012	257,448	100%	-
12/31/2011	225,306	100%	-
12/31/2010	250,620	100%	-
12/31/2009	256,297	100%	-
12/31/2008	280,248	100%	-
12/31/2007	244,000	100%	-
12/31/2006	245,000	100%	-

Actuarial Valuation Date	Actuarial Value of Asset (a)	Actuarial Accrued Liability ("AAL") (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/30/2015	9,055,584	9,961,359	905,775	90.91%	2,142,941	42.27%
12/31/2014	8,316,929	9,044,422	727,493	91.96%	2,122,103	34.28%
12/31/2013	7,602,734	8,641,658	1,038,924	87.98%	2,030,343	51.17%
12/31/2012	6,952,193	8,058,084	1,105,891	86.28%	1,999,692	55.30%
12/31/2011	6,097,284	7,022,702	925,418	86.82%	1,971,180	46.95%
12/31/2010	5,781,956	6,596,726	814,770	87.65%	1,901,302	42.85%
12/31/2009	5,273,811	6,339,315	1,065,504	83.19%	2,032,798	52.42%
12/31/2008	5,781,956	6,596,726	814,770	87.65%	1,901,302	42.85%
12/31/2007	5,273,811	6,339,315	1,065,504	83.19%	1,713,796	62.17%
12/31/2006	5,391,175	6,144,290	753,115	87.74%	1,741,424	43.25%

Cameron Appraisal District
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>Budget</u>	<u>Budget</u>
			<u>Basis</u>	<u>Basis</u>
Revenues				
Assessments	\$ 4,360,750	\$ 4,360,750	\$ 4,118,557	\$ (242,193)
Interest Income	-	-	5,084	5,084
Miscellaneous Income	-	-	27,914	27,914
Total Revenues	<u>4,360,750</u>	<u>4,360,750</u>	<u>4,151,555</u>	<u>(209,195)</u>
Expenditures				
Salaries and Other Compensation	2,354,115	2,354,115	2,336,769	17,346
Contractual Services	232,972	237,000	171,616	65,384
Supplies and Training	642,001	605,723	459,145	146,578
Insurance, Benefits & Pension	895,570	905,320	902,258	3,062
Other Expenses	80,350	86,850	87,442	(592)
Capital Outlay	155,742	171,742	161,331	10,411
Total Expenditures	<u>4,360,750</u>	<u>4,360,750</u>	<u>4,118,561</u>	<u>242,189</u>
Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	<u>4,360,750</u>	<u>4,360,750</u>	<u>4,118,561</u>	<u>242,189</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	32,994	32,994
Net Change in Fund Balance	-	-	32,994	32,994
Fund Balance at Beginning of Period	1,809,554	1,809,554	1,809,554	-
Prior Period Adjustment	-	-	-	-
Fund Balance at End of Period	<u>\$ 1,809,554</u>	<u>\$ 1,809,554</u>	<u>\$ 1,842,548</u>	<u>\$ 32,994</u>

Cameron Appraisal District
Notes to Required Supplementary Information
December 31, 2016

Budget Basis of Accounting

The District prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the District's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General fund to provide a meaningful comparison of actual results with the budget.

A. Budget Reconciliation to GAAP

The major differences between the budget basis and GAAP basis are,

1. Capital purchases and lease principal payments are outflows for budgetary purposes, but are not expenditures for financial reporting purposes.
2. Compensated absences are included in the GAAP basis budget when incurred, while on the budget basis they are expensed as paid.
3. Depreciation expenses which are reflected in the GAAP basis budget are not considered in the budget basis.

Reconciliation amounts are summarized below:

		Revenues		Net Major Adjustment
		Increases	Decreases	Needed for GAAP
None		-	-	-
	Adjustments to Reconcile to GAAP Basis	-	-	-
		Expenditures		Net Major Adjustment
		Increases	Decreases	Needed for GAAP
Capital Outlay Expenditures		-	37,249	(37,249)
Change in Compensated Absences Incurred		11,868	-	11,868
Depreciation Expense		65,375	-	65,375
	Adjustments to Reconcile to GAAP Basis	77,243	37,249	39,994

OTHER SUPPLEMENTARY INFORMATION



Cameron Appraisal District
Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2016

	Education & Public Relations
Additions	\$ -
<i>Total Additions</i>	-
Deductions	-
<i>Total Deductions</i>	-
<i>Change in Net Position</i>	-
<i>Net Position at Beginning of Period</i>	-
<i>Net Position at End of Period</i>	\$ -

Cameron Appraisal District
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years*
For the Year Ended December 31, 2016

	<u>2015</u>	<u>2014</u>
Total Net Pension Liability/(Asset)		
Service Cost	\$ 289,804	\$ 282,632
Interest (on the total pension liability)	869,157	821,333
Effect of Plan changes	(59,915)	-
Effect of Assumption changes or inputs	102,815	-
Effect of economic/demographic (gains) or losses	411,178	(130,047)
Benefit Payments, including Refunds of Employee Contributions	<u>(379,569)</u>	<u>(435,474)</u>
Net Change in Total Net Pension Liability/(Asset)	\$ 1,233,470	\$ 538,444
Net Pension Liability/(Asset) - Beginning	<u>10,753,311</u>	<u>10,214,867</u>
Total Net Pension Liability/(Asset) - Ending	<u><u>\$11,986,781</u></u>	<u><u>\$10,753,311</u></u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 332,584	\$ 329,350
Contributions - Employee	150,006	148,547
Net Investment Income	(122,743)	680,684
Benefit Payments, including Refunds of Employee Contributions	(379,569)	(435,474)
Administrative Expense	(7,835)	(8,113)
Other	<u>7,212</u>	<u>17,868</u>
Net Change in Plan Fiduciary Net Position	\$ (20,345)	\$ 732,862
Plan Fiduciary Net Position - Beginning	<u>10,893,925</u>	<u>10,161,063</u>
Plan Fiduciary Net Position - Ending	<u><u>\$10,873,580</u></u>	<u><u>\$10,893,925</u></u>
 Net Pension Liability/(Asset)	\$ 1,113,203	\$ (140,613)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.71%	101.31%
Covered Employee Payroll	\$ 2,142,941	\$ 2,122,103
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	51.95%	-6.63%

*GASB 68 required 10 fiscal years of data (built prospectively) to be provided in this schedule most current year is displayed above. As information becomes available, it will be added to table.

STATISTICAL SECTION



Cameron Appraisal District
Statistical Section
(unaudited)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	48 - 53

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity	54 - 63
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These schedules contain information to help the reader assess the District's most significant local revenue source.

Debt Capacity	64
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These schedules presents information to help the reader assess the affordability of the District's current levels of outstanding debts.

Demographic and Economic Information	65 - 66
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information	67 - 70
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These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it perform.

Sources: The information in these schedules is derived from the comprehensive annual financial report for the relevant year, unless otherwise noted.

FINANCIAL TRENDS



Cameron Appraisal District
Net Position By Component
Last Ten Fiscal Years

	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>
Governmental Activities									
Net Investment in Capital Assets	\$ 302,151	\$	330,277	\$	334,034		398,436	\$	441,569
Restricted	941,842		941,842		732,862		642,590		625,000
Unrestricted	<u>1,292,355</u>		<u>959,265</u>		<u>887,424</u>		<u>920,839</u>		<u>912,256</u>
 Total Net Position	 <u>\$ 2,536,348</u>	 \$	 <u>2,231,384</u>	 \$	 <u>1,954,320</u>	 \$	 <u>1,961,865</u>	 \$	 <u>1,978,825</u>

	<u>2011</u>		<u>2009</u>		<u>2010</u>		<u>2008</u>		<u>2007</u>
Governmental Activities									
Net Investment in Capital Assets	\$ 517,078	\$	476,006	\$	457,989		601,822	\$	700,682
Restricted	625,000		-		-		-		-
Unrestricted	<u>887,308</u>		<u>1,485,852</u>		<u>1,445,027</u>		<u>1,445,027</u>		<u>1,610,623</u>
 Total Net Position	 <u>\$ 2,029,386</u>	 \$	 <u>1,961,858</u>	 \$	 <u>1,903,016</u>	 \$	 <u>2,046,849</u>	 \$	 <u>2,311,305</u>

Source: Financial Statements and Independent Auditor's Report
Statement of Net Position
2007-2016 Year Ends

Cameron Appraisal District
Changes In Net Position
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Governmental Activities					
Appraisal Services	\$ 4,199,857	\$ 4,183,290	\$ 3,990,248	\$ 3,553,735	\$ 3,512,952
Total Governmental Activities Expenses	<u>4,199,857</u>	<u>4,183,290</u>	<u>3,990,248</u>	<u>3,553,735</u>	<u>3,512,952</u>
Program Revenues					
Governmental Activities					
Charges of Services:					
Assessments	<u>4,118,557</u>	<u>4,096,053</u>	<u>3,926,066</u>	<u>3,491,505</u>	<u>3,443,319</u>
Total Governmental Activities - Program Revenues	<u>4,118,557</u>	<u>4,096,053</u>	<u>3,926,066</u>	<u>3,491,505</u>	<u>3,443,319</u>
Total Net (Expense) Revenue					
Governmental Activities	(81,300)	(87,237)	(64,182)	(62,230)	(69,633)
General Revenues and Other					
Changes in Net Position					
Governmental Activities					
Interest Income	5,088	1,438	728	1,519	2,491
Miscellaneous Income	<u>27,914</u>	<u>40,831</u>	<u>57,015</u>	<u>43,751</u>	<u>56,285</u>
Total Governmental Activities	33,002	42,269	57,743	45,270	58,776
Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Change in Net Position					
Governmental Activities	<u>\$ (48,298)</u>	<u>\$ (44,968)</u>	<u>\$ (6,439)</u>	<u>\$ (16,960)</u>	<u>\$ (10,857)</u>

Source: Financial Statements and Independent Auditor's Report
Statement of Activities
2007-2016 Year Ends

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ <u>3,502,537</u>	\$ <u>3,574,264</u>	\$ <u>3,547,693</u>	\$ <u>3,578,239</u>	\$ <u>3,613,846</u>
<u>3,502,537</u>	<u>3,574,264</u>	<u>3,547,693</u>	<u>3,578,239</u>	<u>3,613,846</u>
<u>3,547,423</u>	<u>3,537,522</u>	<u>3,365,741</u>	<u>3,620,382</u>	<u>3,645,291</u>
<u>3,547,423</u>	<u>3,537,522</u>	<u>3,365,741</u>	<u>3,620,382</u>	<u>3,645,291</u>
44,886	(36,742)	(181,952)	42,143	31,445
2,592	5,268	11,406	59,034	103,908
<u>20,049</u>	<u>35,470</u>	<u>23,305</u>	<u>12,622</u>	<u>13,328</u>
22,641	40,738	34,711	71,656	117,236
<u>-</u>	<u>54,757</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>67,527</u></u>	\$ <u><u>58,753</u></u>	\$ <u><u>(147,241)</u></u>	\$ <u><u>113,799</u></u>	\$ <u><u>148,681</u></u>

Cameron Appraisal District
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund					
PRE GASB 54					
Reserved Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved and Undesignated	-	-	-	-	-
POST GASB 54					
Committed:					
Building Improvements and Renovations	941,842	941,842	625,000	625,000	625,000
Assigned:					
General Reserve	867,709	867,709	867,709	867,709	926,242
Special Revenue Fund	-	-	-	-	386
Unassigned	<u>33,000</u>	<u>3</u>	<u>165,604</u>	<u>107,861</u>	<u>22,885</u>
Total General Fund	<u>\$ 1,842,551</u>	<u>\$ 1,809,554</u>	<u>\$ 1,658,313</u>	<u>\$ 1,600,570</u>	<u>\$ 1,574,513</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
PRE GASB 54					
General Fund					
Reserved Fund Balances	\$ -	\$ 1,492,709	\$ 1,441,619	\$ 450,000	\$ -
Unreserved and Undesignated	-	40,090	47,593	1,040,426	1,722,574
POST GASB 54					
Committed:					
Building Improvements and Renovations	625,000	-	-	-	-
Assigned:					
General Reserve	907,415	-	-	-	-
Special Revenue Fund	386	-	-	-	-
Unassigned	<u>22,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 1,555,442</u>	<u>\$ 1,532,799</u>	<u>\$ 1,489,212</u>	<u>\$ 1,490,426</u>	<u>\$ 1,722,574</u>

Balance Sheet - Governmental Funds 2007-2016
Per GASB 54 (Note 1) 2016

Cameron Appraisal District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2010</u>
Revenues					
Assessments from Tax Units	\$ 4,118,557	\$ 4,096,053	\$ 3,926,066	\$ 3,491,505	\$ 3,443,319
Interest Income	5,084	1,438	728	1,519	2,491
Miscellaneous Income	27,914	40,831	57,015	43,751	56,285
Total Revenues	<u>4,151,555</u>	<u>4,138,322</u>	<u>3,983,809</u>	<u>3,536,775</u>	<u>3,502,095</u>
Expenditures					
Appraisal Services	4,118,558	4,151,831	3,926,066	3,510,332	3,443,319
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>4,118,558</u>	<u>4,151,831</u>	<u>3,926,066</u>	<u>3,510,332</u>	<u>3,443,319</u>
Excess of Revenues Over (Under) Expenditures	32,997	(13,511)	57,743	26,443	58,776
Other Financing Sources					
Insurance Proceeds	-	-	-	-	-
Net Change in Fund Balances	<u>\$ 32,997</u>	<u>\$ (13,511)</u>	<u>\$ 57,743</u>	<u>\$ 26,443</u>	<u>\$ 58,776</u>

N/A- Information was not available.

Source: Financial Statements and Independent Auditor's Report
Statement of Revenues, Expenditures, and Changes in Fund Balances
2007-2016 Year Ends

	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	3,547,423	\$ 3,537,522	\$ 3,365,741	\$ 3,351,750	\$ 3,645,291
	2,592	5,268	11,406	59,034	103,908
	20,049	35,470	23,305	12,622	13,328
	<u>3,570,064</u>	<u>3,578,260</u>	<u>3,400,452</u>	<u>3,423,406</u>	<u>3,762,527</u>
	3,547,423	3,593,017	3,401,576	3,203,140	3,441,980
	-	-	-	144,528	44,214
	-	-	-	7,607	-
	<u>3,547,423</u>	<u>3,593,017</u>	<u>3,401,576</u>	<u>3,355,275</u>	<u>3,486,194</u>
	22,641	(14,757)	(1,124)	68,131	276,333
	-	54,757	-	-	-
\$	<u><u>22,641</u></u>	<u><u>40,000</u></u>	<u><u>(1,124)</u></u>	<u><u>68,131</u></u>	<u><u>276,333</u></u>

REVENUE CAPACITY



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Cameron Appraisal District
Top Five Principal Commercial, Business, and Industrial
Real and Personal Property Owners By Appraised Valuation
Last Ten Fiscal Years
(Unaudited)

Property Owners	2016 Appraised Property (a)	2015 Appraised Property (a)	2014 Appraised Property (a)	2013 Appraised Property (a)
Commercial Real Property				
VHS HARLINGEN HOSPITAL COMPANY LLC \$	73,853,442	\$ 75,020,092	\$ 74,805,827	\$ 77,216,869
CBL SM BROWNSVILLE LLC	42,943,918	39,708,897	-	-
CBL/SUNRISE COMMONS LP	-	-	39,572,094	39,573,979
H E BUTT GROCERY CO	35,769,824	35,781,926	35,611,613	34,869,098
VHS BROWNSVILLE HOSPITAL COMPANY LLC	28,303,866	28,578,010	28,578,010	29,197,693
BOYER HARLINGEN LC	27,955,724	27,955,724	27,955,724	27,955,724
COLUMBIA VALLEY HEALTHCARE SYS LP	-	-	-	-
HMC REALTY LLC	-	-	-	-
WAL-MART STORES EAST INC	-	-	-	-
SIMON PROPERTY GROUP	-	-	-	-
HARLINGEN MEDICAL CENTER LTD	-	-	-	-
VALLEY BAPTIST	-	-	-	-
BROWNSVILLE MEDICAL CENTER	-	-	-	-
Total Commercial Real Property	\$ 208,826,774	\$ 207,044,649	\$ 206,523,268	\$ 208,813,363
Business Personal Property				
WAL-MART STORES INC \$	33,753,828	\$ 43,385,290	\$ 41,188,652	\$ 38,884,818
H E BUTT GROCERY CO	29,041,059	29,881,841	29,958,702	29,993,842
VHS HARLINGEN HOSPITAL COMPANY LLC	23,157,401	22,352,082	22,140,678	23,498,490
SAM'S EAST INC	16,402,632	19,434,951	-	-
HOME DEPOT USA INC	-	-	13,004,723	-
KEPPEL AMFELS	-	-	-	-
ESCO MARINE INC	-	-	-	-
HMC LIMITED	-	-	-	-
DILLARD'S INC	-	-	-	-
STRIPES LLC	28,252,468	32,215,576	25,764,811	26,625,896
HARLINGEN MEDICAL CENTER	-	-	-	-
SEARS ROEBUCK & CO	-	-	-	-
TRANSMONTAIGNE PRODUCT SERVICE INC	-	-	-	31,039,514
Total Business Personal Property	\$ 130,607,388	\$ 147,269,740	\$ 132,057,566	\$ 150,042,560

(a) Amounts shown for these property owners may not include valuations, which may be substantial, attributable certain subsidiaries and affiliates which are not grouped with the property owners shown. The amounts do not include exemption nor take into consideration any pending litigated values.

N/A- Information was not available.

Source: Cameron Appraisal District

2012 Appraised Property (a)	2011 Appraised Property (a)	2010 Appraised Property (a)	2009 Appraised Property (a)	2008 Appraised Property (a)	2007 Appraised Property (a)
80,952,111	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
39,599,366	37,663,352	37,798,983	37,883,063	37,851,631	37,851,631
33,997,259	33,381,280	29,837,144	29,971,001	30,305,578	26,086,565
30,265,723	-	-	-	-	-
27,955,724	-	-	-	-	-
-	27,835,162	27,844,994	29,957,816	29,957,816	29,957,816
-	23,852,478	24,502,011	25,227,692	25,228,459	25,228,459
-	22,228,022	22,646,633	22,602,525	22,228,022	22,646,633
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>212,770,183</u>	<u>\$ 144,960,294</u>	<u>\$ 142,629,765</u>	<u>\$ 145,642,097</u>	<u>\$ 145,571,506</u>	<u>\$ 141,771,104</u>
39,719,875	\$ 38,985,082	\$ 38,074,653	\$ 39,373,919	\$ 22,228,022	\$ 22,646,633
24,755,558	25,156,255	22,217,270	22,518,570	19,985,377	21,261,253
21,111,118	-	-	-	-	-
-	-	-	-	-	-
14,663,058	17,191,006	16,299,081	17,721,369	15,634,963	16,814,136
-	-	-	16,500,000	12,608,032	-
-	-	-	12,918,536	12,282,636	-
-	11,237,491	12,044,897	-	-	12,309,728
-	-	-	-	-	11,674,928
21,086,483	19,982,802	19,226,324	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 121,336,092</u>	<u>\$ 112,552,636</u>	<u>\$ 107,862,225</u>	<u>\$ 109,032,394</u>	<u>\$ 82,739,030</u>	<u>\$ 84,706,678</u>

Cameron Appraisal District
Top Five Principal Commercial, Business, and Industrial
Real and Personal Property Owners By Appraised Valuation
Last Ten Fiscal Years
(Unaudited)

Property Owners	2016 Appraisal Property (a)	2015 Appraisal Property (a)	2014 Appraisal Property (a)	2013 Appraised Property (a)
Industrial Real Property				
TITAN WHEEL INTERNATIONAL INC	\$ 14,862,216	\$ 14,723,395	\$ 16,724,790	\$ 16,724,790
FINSA/HAR-VEST II LTD	8,370,167	8,369,426	8,241,102	8,241,102
BIP NAFTA BUSINESS PARK I LTD PRT	-	-	-	-
RICH-SEAPAK CORP	-	-	-	-
KEPPEL AMFELS INC	10,904,314	10,904,314	10,904,314	11,191,853
TRICO TECHNOLOGIES	-	-	-	-
FRUIT OF THE LOOM TEXAS INC	-	-	-	-
NAFTA DEVELOPMENT GROUP INC	-	-	-	-
FINSA/HAR-VEST LTD	6,529,006	6,529,006	6,529,006	6,529,006
PV NAFTA LLC	5,750,541	5,750,541	5,750,541	6,401,085
Total Industrial Real Property	<u>\$ 46,416,244</u>	<u>\$ 46,276,682</u>	<u>\$ 48,149,753</u>	<u>\$ 49,087,836</u>
Industrial Personal Property				
DELPHI ELECTRONIC & SAFETY	\$ -	\$ -	\$ -	\$ -
RICH-SEAPAK CORP	-	-	-	-
TRICO PRODUCTS CORP	33,365,715	34,638,772	31,931,089	26,327,201
PANASONIC AUTOMOTIVE ELECTRONICS	103,190,524	111,476,103	83,394,789	101,146,190
TRANSMONTAIGNE PRODUCT, INC	21,049,020	-	24,192,283	-
UNITED LAUNCH ALLIANCE LLC	-	-	-	-
LOCKHEED MARTIN	-	-	-	-
DYNASOL LLC	-	-	-	-
GLH LP	58,007,000	42,509,215	39,746,878	47,948,479
DELCO ELECTRONIC CORP	-	-	-	-
FRUIT OF THE LOOM TEXAS INC	-	-	-	-
VF IMAGEWEAR (EAST) INC	-	-	-	-
KEPPEL AMFELS	22,218,899	23,845,172	-	27,547,333
COMCAST CORPORATION	-	31,977,276	46,784,056	60,504,605
Total Industrial Personal Property	<u>\$ 237,831,158</u>	<u>\$ 244,446,538</u>	<u>\$ 226,049,095</u>	<u>\$ 263,473,808</u>

- (a) Amounts shown for these property owners may not include valuations, which may be substantial, attributable certain subsidiaries and affiliates which are not grouped with the property owners shown. The amounts do not include exemption nor take into consideration any pending litigated values.

N/A- Information was not available.

Source: Cameron Appraisal District

	2012 Appraised Property (a)	2011 Appraised Property (a)	2010 Appraised Property (a)	2009 Appraised Property (a)	2008 Appraised Property (a)	2007 Appraised Property (a)
\$	13,083,032	\$ 13,083,032	\$ 13,083,032	\$ 13,083,032	\$ 13,619,893	\$ 18,732,378
	11,398,508	-	-	-	-	-
	-	7,308,000	8,157,236	8,232,507	7,560,000	7,560,000
	-	7,095,778	7,434,810	7,434,810	7,434,810	7,434,810
	8,083,836	8,083,836	8,083,836	8,000,000	5,964,088	5,964,088
	-	-	-	-	5,242,691	5,511,265
	-	-	-	-	-	-
	-	-	-	-	-	-
	6,529,006	8,527,185	8,483,226	8,518,024	-	-
	6,401,085	-	-	-	-	-
\$	<u>45,495,467</u>	<u>44,097,831</u>	<u>45,242,140</u>	<u>45,268,373</u>	<u>39,821,482</u>	<u>45,202,541</u>
\$	-	\$ -	\$ -	\$ 35,444,674	\$ 56,244,047	\$ 48,256,726
	-	-	25,137,037	-	38,756,886	33,811,910
	31,918,780	33,508,461	26,888,876	29,364,128	33,289,196	34,579,782
	30,011,943	23,086,281	-	-	21,000,400	26,034,212
	33,261,405	32,405,667	23,613,397	20,544,298	20,073,055	-
	38,271,757	38,271,757	35,148,338	24,844,244	-	21,416,844
	-	-	-	-	-	-
	-	-	-	20,385,122	-	-
	25,518,294	30,125,479	24,331,532	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>158,982,179</u>	<u>157,397,645</u>	<u>135,119,180</u>	<u>130,582,466</u>	<u>169,363,584</u>	<u>164,099,474</u>

Cameron Appraisal District
Top Five Principal Commercial, Business, and Industrial
Real and Personal Property Owners By Appraised Valuation
Last Ten Fiscal Years
(Unaudited)

Property Owners	2016 Appraisal Property (a)	2015 Appraisal Property (a)	2014 Appraisal Property (a)	2013 Appraised Property (a)
Minerals				
SANCHEZ OIL & GAS CORP	\$ -	\$ -	\$ -	\$ 296,490
RINCON PETROLEUM CORP	272,410	1,053,920	1,070,680	520,770
SANCHEZ O&G EMPLOYEES ROYALTY	49,010	-	-	36,770
FAULCONER VERNON E	99,030	113,240	21,970	40,430
GOODRICH VIRGINIA	-	-	-	-
ROSETTA RESOURCES OPERATING	-	-	-	-
EOG RESOURCES	-	-	-	-
PINNACLE OPERATING COMPANY INC	-	-	-	-
RIO GRANDE ROYALTY CO INC	-	-	-	-
NEW AGE ENERGY-RI/ORRI	13,500	33,740	31,910	-
CRAIN RESOURCES LTD	-	13,030	-	-
GRIFFITH MINERAL PARTNERS	-	-	-	-
RIO GRANDE ROYALTY COMPANY INC	-	-	-	-
WESTERN GULF OIL & GAS LLC	-	-	-	-
CHEVRON USA INC	-	-	-	-
AWP OPERATING CO.	-	-	-	-
HIJO JUAN INVESTMENTS	31,490	78,720	74,460	24,460
SNYDER JIM	-	-	3,990	-
Total Minerals	\$ <u>465,440</u>	\$ <u>1,292,650</u>	\$ <u>1,203,010</u>	\$ <u>918,920</u>
Utilities				
AEP TEXAS CENTRAL CO	\$ 163,924,690	\$ 169,435,532	\$ 152,281,356	\$ 132,876,501
SOUTHWESTERN BELL TELE	31,889,590	30,147,330	33,904,150	36,693,510
UNION PACIFIC RR CO	50,722,644	47,157,724	42,827,010	38,340,340
TWE-ADVANCED/NEWHOUSE PRTNSHIP	-	-	-	-
MAGIC VALLEY ELEC COOP	-	-	-	-
TX & KANSAS CITY CABLE PTRS LP	-	-	-	-
LOS VIENTOS WINDPOWER LLC	48,414,790	52,818,190	50,020,650	72,683,960
TIME WARNER CABLE TEXAS LLC	-	15,161,630	-	16,045,850
AT&T MOBILITY LLC	-	-	15,295,950	-
CROSS VALLEY PROJECT ENTITY	46,485,990	-	-	-
Total Utilities	\$ <u>341,437,704</u>	\$ <u>314,720,406</u>	\$ <u>294,329,116</u>	\$ <u>296,640,161</u>

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N/A- Information was not available.

Source: Cameron Appraisal District

2012 Appraised Property (a)	2011 Appraised Property (a)	2010 Appraised Property (a)	2009 Appraised Property (a)	2008 Appraised Property (a)	2007 Appraised Property (a)
\$ 2,284,980	\$ -	\$ -	\$ -	\$ -	\$ -
782,330	698,350	1,131,290	-	535,760	393,000
140,890	-	-	-	-	-
119,480	252,140	333,720	261,250	527,370	154,860
72,840	-	-	-	-	-
-	-	-	14,100	27,410	21,350
-	30,210	43,930	-	26,830	12,470
-	-	-	11,700	17,160	11,700
-	22,660	32,950	-	-	-
-	22,660	32,950	-	-	-
-	-	-	15,440	-	-
-	-	-	15,090	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,400,520</u>	<u>\$ 1,026,020</u>	<u>\$ 1,574,840</u>	<u>\$ 317,580</u>	<u>\$ 1,134,530</u>	<u>\$ 593,380</u>
\$ 108,339,385	\$ 102,622,243	\$ 111,829,750	\$ 99,410,550	\$ 95,834,490	\$ 88,204,300
38,237,900	47,941,560	53,745,560	62,629,070	66,944,120	74,853,360
34,433,140	32,080,510	28,147,250	25,494,010	22,648,920	20,719,200
15,479,090	17,645,560	22,172,580	20,802,700	21,987,590	23,549,690
12,828,887	12,608,601	12,343,320	13,020,056	18,795,560	16,314,020
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 209,318,402</u>	<u>\$ 212,898,474</u>	<u>\$ 228,238,460</u>	<u>\$ 221,356,386</u>	<u>\$ 226,210,680</u>	<u>\$ 223,640,570</u>

Cameron Appraisal District

Revenue Base Last Ten Fiscal Years (Unaudited)

Taxing Entity	2016		2015		2014		2013		2012
	2015 Tax Levy	Levy %	2014 Tax Levy	Levy %	2013 Tax Levy	Levy %	2012 Tax Levy	Levy %	2011 Tax Levy
Brownsville I.S.D.	\$ 66,935,094	18.19%	\$ 61,793,473	16.79%	\$ 60,188,474	16.64%	\$ 55,837,551	15.99%	\$ 54,109,128
Cameron County	59,728,676	16.23%	66,138,187	17.97%	63,298,545	17.50%	61,408,831	17.59%	59,761,902
Point Isabel I.S.D.	37,737,477	10.26%	38,041,653	10.34%	39,365,757	10.88%	39,481,160	11.31%	39,764,246
City of Brownsville	41,470,225	11.27%	41,342,691	11.24%	40,432,488	11.18%	39,097,909	11.20%	37,742,600
Harlingen I.S.D.	43,920,292	11.94%	40,202,688	10.93%	39,532,268	10.93%	38,804,954	11.11%	36,855,317
TX Southmost College Dist	18,505,787	5.03%	18,373,386	4.99%	18,122,935	5.01%	17,764,776	5.09%	17,462,677
City of Harlingen	17,338,438	4.71%	17,050,974	4.63%	16,859,420	4.66%	16,572,177	4.75%	15,845,781
Los Fresnos I.S.D.	18,479,757	5.02%	17,593,494	4.78%	16,823,027	4.65%	16,023,200	4.59%	15,009,452
San Benito I.S.D.	11,587,007	3.15%	11,535,894	3.14%	11,201,722	3.10%	10,915,212	3.13%	10,703,640
South Texas I.S.D.	8,510,294	2.31%	8,406,537	2.28%	8,342,860	2.31%	8,104,287	2.32%	7,886,897
Town of South Padre	7,019,460	1.91%	6,562,995	1.78%	6,525,325	1.80%	6,536,940	1.87%	6,516,272
La Feria I.S.D.	4,791,597	1.30%	4,835,123	1.31%	4,658,092	1.29%	4,578,815	1.31%	4,364,225
City of San Benito	4,518,556	1.23%	4,358,018	1.18%	4,295,533	1.19%	4,197,708	1.20%	3,966,356
Brownsville Navigation Dist	3,108,781	0.84%	3,166,615	0.86%	3,168,492	0.88%	3,218,177	0.92%	3,225,287
Cameron Cnty Emer. Dist #1	3,039,085	0.83%	2,918,022	0.79%	2,968,655	0.82%	2,827,274	0.81%	2,758,429
Rio Hondo I.S.D.	3,458,451	0.94%	3,463,012	0.94%	3,985,215	1.10%	2,913,941	0.83%	2,713,382
Laguna Madre Water Dist	1,433,575	0.39%	2,615,447	0.71%	2,672,528	0.74%	2,697,795	0.77%	2,708,116
SBCC Drainage Dist. #3	2,643,841	0.72%	2,595,770	0.71%	2,480,012	0.69%	2,452,655	0.70%	2,230,055
CC Drainage Dist. #5	2,275,545	0.62%	2,255,593	0.61%	2,179,126	0.60%	2,130,753	0.61%	2,062,011
City of Port Isabel	1,922,028	0.52%	1,888,470	0.51%	1,890,032	0.52%	1,869,538	0.54%	1,845,147
CC Drainage Dist. #1	1,557,757	0.42%	1,478,084	0.40%	1,454,658	0.40%	1,439,322	0.41%	1,411,438
City of La Feria	1,552,390	0.42%	1,397,762	0.38%	1,302,018	0.36%	1,261,963	0.36%	1,250,263
City of Los Fresnos	1,293,400	0.35%	1,200,831	0.33%	1,146,647	0.32%	1,070,759	0.31%	1,059,183
Valley MUD #2	948,437	0.26%	926,365	0.25%	935,868	0.26%	933,105	0.27%	919,435
Santa Rosa I.S.D.	1,119,377	0.30%	1,055,163	0.29%	978,964	0.27%	956,200	0.27%	928,238
Town of Laguna Vista	978,643	0.27%	972,216	0.26%	967,576	0.27%	989,659	0.28%	992,941
Town of Rancho Viejo	998,652	0.27%	969,871	0.26%	881,576	0.24%	864,792	0.25%	846,720
City of Primera	696,587	0.19%	674,152	0.18%	640,236	0.18%	637,810	0.18%	636,182
Santa Maria I.S.D.	529,101	0.14%	536,911	0.15%	524,028	0.14%	518,283	0.15%	496,392
Town of Palm Valley	521,845	0.14%	521,438	0.14%	483,139	0.13%	481,892	0.14%	477,501
City of Rio Hondo	497,126	0.14%	493,785	0.13%	475,898	0.13%	474,151	0.14%	472,348
Paseo de la Resaca #2	490,514	0.13%	454,358	0.12%	444,702	0.12%	453,204	0.13%	428,644
Paseo de la Resaca #3	432,044	0.12%	417,275	0.11%	400,637	0.11%	398,201	0.11%	383,621
City of Combes	587,046	0.16%	576,167	0.16%	565,932	0.16%	436,340	0.12%	379,906
Paseo de la Resaca #1	298,652	0.08%	299,960	0.08%	295,872	0.08%	281,751	0.08%	272,694
City of San Rosa	230,870	0.06%	230,769	0.06%	212,037	0.06%	209,728	0.06%	208,591
Palm Valley Est Utility Dist.	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Lyford I.S.D.	157,500	0.04%	135,192	0.04%	106,349	0.03%	113,110	0.03%	95,902
Town of Bayview	112,869	0.03%	104,984	0.03%	105,315	0.03%	104,645	0.03%	97,031
Town of Indian Lake	98,430	0.03%	97,173	0.03%	94,429	0.03%	91,118	0.03%	89,603
CC Drainage Dist. #4	49,336	0.01%	48,035	0.01%	46,519	0.01%	45,042	0.01%	42,372
City of Los Indios	255,823	0.07%	224,552	0.06%	729,766	0.20%	-	0.00%	-
	<u>\$ 371,830,365</u>	<u>100.00%</u>	<u>\$ 367,953,085</u>	<u>100.00%</u>	<u>\$ 361,782,672</u>	<u>100.00%</u>	<u>\$ 349,194,728</u>	<u>100.00%</u>	<u>\$ 339,019,925</u>

N/A- Information was not available.

Source: Cameron Appraisal District

Levy %	2011		2010		2009		2008		2007	
	2010 Tax Levy	Levy %	2009 Tax Levy	Levy %	2008 Tax Levy	Levy %	2007 Tax Levy	Levy %	2006 Tax Levy	Levy %
16.22%	\$ 53,617,610	16.22%	\$ 53,382,448	16.64%	\$ 52,931,405	16.76%	\$ 51,069,707	17.32%	\$ 61,639,120	20.32%
17.03%	56,288,599	17.03%	55,298,963	17.23%	53,738,393	17.01%	48,928,978	16.59%	45,413,918	14.97%
11.93%	39,443,890	11.93%	36,902,522	11.50%	37,210,277	11.78%	32,841,612	11.14%	33,425,736	11.02%
10.62%	35,110,210	10.62%	34,741,468	10.83%	34,308,303	10.86%	32,822,842	11.13%	30,741,516	10.13%
11.08%	36,618,546	11.08%	33,714,729	10.51%	33,135,679	10.49%	31,887,005	10.81%	38,152,889	12.58%
5.18%	17,119,086	5.18%	16,701,520	5.21%	16,647,944	5.27%	15,360,034	5.21%	13,817,049	4.56%
4.75%	15,696,199	4.75%	15,677,296	4.89%	14,988,796	4.75%	14,522,362	4.92%	13,737,247	4.53%
4.44%	14,664,868	4.44%	13,974,909	4.36%	13,752,228	4.35%	12,839,911	4.35%	13,651,464	4.50%
3.28%	10,850,966	3.28%	10,298,051	3.21%	9,851,473	3.12%	8,735,557	2.96%	10,201,054	3.36%
2.36%	7,816,816	2.36%	7,708,248	2.40%	7,692,573	2.44%	7,037,500	2.39%	5,237,746	1.73%
1.91%	6,303,337	1.91%	5,946,300	1.85%	5,944,245	1.88%	5,479,052	1.86%	4,772,418	1.57%
1.39%	4,587,458	1.39%	4,676,943	1.46%	4,319,891	1.37%	3,931,475	1.33%	4,220,083	1.39%
1.19%	3,918,836	1.19%	3,852,062	1.20%	3,703,826	1.17%	3,526,581	1.20%	3,428,391	1.13%
0.98%	3,236,988	0.98%	3,242,632	1.01%	3,229,690	1.02%	3,403,509	1.15%	3,376,858	1.11%
0.83%	2,751,837	0.83%	2,692,797	0.84%	2,761,388	0.87%	2,493,840	0.85%	2,264,644	0.75%
0.80%	2,658,837	0.80%	2,688,975	0.84%	2,629,696	0.83%	2,350,252	0.80%	2,690,921	0.89%
0.80%	2,645,971	0.80%	2,524,399	0.79%	2,529,510	0.80%	2,308,742	0.78%	2,368,484	0.78%
0.68%	2,236,974	0.68%	2,199,392	0.69%	2,148,904	0.68%	2,052,740	0.70%	1,954,859	0.64%
0.60%	1,982,101	0.60%	1,955,256	0.61%	1,922,516	0.61%	1,822,984	0.62%	1,713,165	0.56%
0.58%	1,930,162	0.58%	1,818,129	0.57%	1,785,856	0.57%	1,645,703	0.56%	1,485,441	0.49%
0.42%	1,385,343	0.42%	1,367,661	0.43%	1,354,118	0.43%	1,326,478	0.45%	1,289,712	0.43%
0.38%	1,243,364	0.38%	1,249,769	0.39%	1,225,157	0.39%	1,098,261	0.37%	955,696	0.32%
0.32%	1,043,186	0.32%	1,007,521	0.31%	1,025,915	0.32%	967,254	0.33%	865,781	0.29%
0.27%	908,682	0.27%	891,004	0.28%	900,007	0.28%	872,636	0.30%	832,864	0.27%
0.28%	909,488	0.28%	879,946	0.27%	811,693	0.26%	758,358	0.26%	862,716	0.28%
0.27%	900,878	0.27%	898,015	0.28%	866,017	0.27%	736,561	0.25%	377,583	0.12%
0.24%	780,816	0.24%	764,303	0.24%	744,956	0.24%	727,447	0.25%	690,974	0.23%
0.18%	587,750	0.18%	576,475	0.18%	559,297	0.18%	492,856	0.17%	436,794	0.14%
0.15%	496,912	0.15%	468,139	0.15%	449,283	0.14%	444,049	0.15%	541,502	0.18%
0.14%	475,521	0.14%	469,817	0.15%	472,580	0.15%	434,085	0.15%	399,100	0.13%
0.14%	467,495	0.14%	430,740	0.13%	402,733	0.13%	373,035	0.13%	329,946	0.11%
0.12%	396,365	0.12%	409,324	0.13%	402,014	0.13%	330,840	0.11%	305,469	0.10%
0.11%	362,724	0.11%	365,152	0.11%	369,865	0.12%	317,683	0.11%	255,178	0.08%
0.11%	354,329	0.11%	334,038	0.10%	300,302	0.10%	282,018	0.10%	271,744	0.09%
0.08%	260,200	0.08%	263,362	0.08%	256,019	0.08%	248,746	0.08%	243,080	0.08%
0.06%	191,611	0.06%	178,196	0.06%	172,919	0.05%	176,452	0.06%	171,055	0.06%
0.00%	-	0.00%	N/A	0.00%	N/A	0.00%	N/A	0.00%	N/A	0.00%
0.03%	101,085	0.03%	86,607	0.03%	76,166	0.02%	86,303	0.00%	N/A	0.00%
0.03%	96,694	0.03%	92,556	0.03%	90,736	0.03%	84,544	0.03%	78,318	0.03%
0.03%	84,959	0.03%	94,207	0.03%	92,657	0.03%	83,845	0.03%	89,841	0.03%
0.01%	40,839	0.01%	40,591	0.01%	39,356	0.01%	37,772	0.01%	34,847	0.01%
0.01%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
100.00%	\$ 330,567,533	100.00%	\$ 320,864,463	100.00%	\$ 315,844,382	100.00%	\$ 294,939,609	100.00%	\$ 303,325,201	100.00%

Cameron Appraisal District
Top Ten Revenue Sources
Last Ten Fiscal Years
(Unaudited)

Payor	2016		2015		2014		2013		2012	
	Assessments	Rank	Assessments	Rank	Assessments	Rank	Assessments	Rank	Assessments	Rank
Cameron County	\$ 784,995	1	\$ 764,208	1	\$ 715,744	1	\$ 638,126	1	\$ 614,416	1
Brownsville I.S.D.	700,487	2	714,009	2	680,574	2	580,232	2	556,299	2
Harlingen I.S.D.	515,089	3	464,533	4	447,007	4	403,239	5	378,912	5
Point Isabel I.S.D.	442,578	5	439,562	5	445,124	5	410,266	3	408,819	3
City of Brownsville	486,355	4	477,705	3	457,186	3	406,283	4	388,034	4
City of Harlingen	203,342	8	197,020	8	190,636	7	172,209	7	162,911	7
Los Fresnos I.S.D.	216,727	7	203,289	7	190,224	8	166,504	8	154,313	8
TX Southmost College Dist	217,033	6	212,300	6	204,923	6	184,601	6	179,535	6
San Benito I.S.D.	135,890	9	133,295	9	126,662	9	113,425	9	110,045	9
South Texas I.S.D.	99,807	10	94,336	10	94,336	10	84,215	10	81,086	10

Payor	2011		2010		2009		2008		2007	
	Assessments	Rank	Assessments	Rank	Assessments	Rank	Assessments	Rank	Assessments	Rank
Brownsville I.S.D.	\$ 609,414	2	\$ 604,162	2	\$ 599,530	2	\$ 600,603	2	\$ 545,774	2
Cameron County	580,497	1	625,851	1	590,527	1	626,880	1	740,764	1
Harlingen I.S.D.	427,044	3	381,570	5	415,135	3	403,131	4	401,703	4
Point Isabel I.S.D.	380,124	4	417,648	3	382,759	4	402,900	5	369,444	5
City of Brownsville	396,455	5	393,190	4	369,677	5	391,413	3	458,512	3
City of Harlingen	185,342	6	177,429	6	185,732	6	188,544	6	166,050	6
Los Fresnos I.S.D.	169,937	7	158,163	7	167,222	7	178,262	7	165,091	7
TX Southmost College Dist	158,771	8	189,021	8	153,426	8	157,610	8	164,060	8
San Benito I.S.D.	117,479	9	116,549	9	109,907	9	107,229	9	122,594	9
South Texas I.S.D.	84,630	10	87,239	10	85,822	10	86,385	10	62,946	10

Source: Cameron Appraisal District

Cameron Appraisal District
Top Ten Revenue Types
Last Ten Fiscal Years
(Unaudited)

Payor Type	2016 Assessments	2015 Assessments	2014 Assessments	2013 Assessments	2012 Assessments
Municipalities and Cities	\$ 939,308	\$ 908,978	\$ 877,536	\$ 778,288	\$ 744,620
School Districts	2,228,513	2,167,665	2,099,858	1,852,238	1,777,871
County	784,995	764,208	715,744	638,126	614,416
MUD	25,446	24,242	23,486	21,471	20,608
Water Districts	16,813	30,221	30,219	28,034	27,842
Drainage Districts	76,541	73,691	69,656	63,054	59,074
Emergency Districts	35,642	33,717	33,568	29,379	28,360
Special Districts	36,459	36,589	35,827	33,441	33,159
Other	217,033	212,300	204,923	184,601	179,535
	<u>\$ 4,360,750</u>	<u>\$ 4,251,611</u>	<u>\$ 4,090,817</u>	<u>\$ 3,628,632</u>	<u>\$ 3,485,485</u>

Payor Type	2011 Assessments	2010 Assessments	2009 Assessments	2008 Assessments	2007 Assessments
Municipalities and Cities	\$ 749,041	\$ 771,078	\$ 743,961	\$ 778,883	\$ 707,028
School Districts	1,859,650	1,864,933	1,816,945	1,865,575	2,050,510
County	609,414	625,851	599,530	600,603	545,774
MUD	20,873	21,831	21,508	21,726	19,668
Water Districts	28,647	28,570	28,220	28,340	28,464
Drainage Districts	61,119	62,959	60,968	64,321	59,999
Emergency Districts	29,793	30,476	30,807	30,612	27,216
Special Districts	35,046	36,699	36,032	41,778	40,582
Other	185,342	189,021	185,732	188,544	166,050
	<u>\$ 3,578,925</u>	<u>\$ 3,631,418</u>	<u>\$ 3,523,703</u>	<u>\$ 3,620,382</u>	<u>\$ 3,645,291</u>

Source: Cameron Appraisal District

DEBT CAPACITY



Cameron Appraisal District
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)

<u>Year</u>	<u>Note Payable</u>	<u>Bond Payable</u>	<u>Total Primary Government</u>	<u>Number of Tax Units</u>	<u>Cost Per Tax Unit</u>
2016	\$ -	\$ -	\$ -	45	\$ -
2015	-	-	-	41	-
2014	-	-	-	41	-
2013	-	-	-	40	-
2012	-	-	-	40	-
2011	-	-	-	40	-
2010	-	-	-	40	-
2009	-	-	-	40	-
2008	-	-	-	40	-
2007	152,135	-	152,135	40	3,803

Source: Financial Statements and Independent Auditor's Report
Notes to Financial Statements - Long-Term Obligations 2016-2007

GRAPHIC AND ECONOMIC INFORMATION



Cameron Appraisal District
Demographic Statistics - Primary Metropolitan
Statistical Area - Last Ten Years
(Unaudited)

Year	Estimated Population	Personal Income (c)	Estimated Per Capita Income	Unemployment Rate (a)
2016	\$ 422,135	\$ n/a	\$ n/a	7.204%
2015	419,893	34,044	26,826	7.121%
2014	419,191	33,179	25,211	8.333%
2013	417,260	32,640	24,317	9.914%
2012	415,445	32,190	23,921	10.308%
2011	412,937	32,280	23,297	11.488%
2010	406,220	31,720	22,678	11.179%
2009	396,371	28,855	21,865	9.720%
2008	389,164	28,342	21,563	6.593%
2007	387,210	27,126	20,564	5.869%

Source: Real Estate Center At Texas A&M University, from the Market Report 2012 for the Brownsville-Harlingen area.

Bureau of Labor Statistics

Cameron Appraisal District
Ten Largest Employers - Last Ten Years
(Unaudited)

Employer	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank
BISD	7670	1	7670	1	7670	1	7,708	1	7,708	1
HCISD	3321	3	3321	3	3321	3	1,684	5	2,848	2
VBMC	3971	2	3971	2	3971	2	3,972	2	2,668	3
UT-BROWNSVILLE/RGV	1734	6	1734	6	1734	6	1,625	6	2,343	4
CAMERON CNTY	1950	4	1950	4	1950	4	2,040	4	2,040	5
AMFELS	1650	7	1650	7	1650	7	1,400	7	1,600	6
HEB	1582	9	1582	8	1582	8	-	-	1,567	7
WAL-MART	1784	5	1784	5	1784	5	1,055	10	1,511	8
ADVANCED CALL CENTERS	n/a	-	-	-	-	-	-	-	1,250	9
CITY OF BROWNVILLE	1227	-	1227	10	1227	10	1,200	8	1,200	10
DISH NETWORK	-	-	-	-	-	-	-	-	-	-
VICKI ROY	-	-	-	-	-	-	-	-	-	-
CONVERGYS	-	-	-	-	-	-	-	-	-	-
SBCISD	1634	8	-	-	-	-	-	-	-	-
STRIPES LTD	-	-	-	-	-	-	-	-	-	-
FEDERAL GOVERNMENT	-	-	-	-	-	-	-	-	-	-
CARING FOR YOU	-	-	-	-	-	-	2,635	3	-	-
ABUNDANT LIFE	1300	10	1300	9	1300	9	1,200	9	-	-

	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank
BISD	7,434	1	7,434	1	7,300	1	7,300	1	7,080	1
HCISD	2,848	2	2,675	3	2,400	6	2,675	2	-	-
VBMC	2,647	3	2,931	2	3,000	2	2,214	5	-	-
UT-BROWNSVILLE	2,386	4	2,386	4	2,264	8	2,264	4	2,077	4
CAMERON CNTY	2,076	5	2,076	5	1,750	9	1,750	6	1,838	6
CITY OF BROWNVILLE	1,178	9	1,178	9	-	-	1,300	10	1,114	8
WAL-MART	1,511	8	1,608	7	2,800	4	1,463	8	1,174	7
CONVERGYS	-	-	1,000	10	-	-	-	-	-	-
VBMC	-	-	-	-	-	-	-	-	2,024	5
AMFELS	1,695	6	1,695	6	2,361	7	2,361	3	2,273	3
HEB	1,552	7	1,521	8	3,000	3	-	-	-	-
HCISD	-	-	-	-	-	-	-	-	2,582	2
VICKI ROY	-	-	-	-	-	-	-	-	888	10
DISH NETWORK	1,036	10	-	-	-	-	-	-	925	9
SBCISD	-	-	-	-	1,700	10	1,700	7	-	-
STRIPES LTD	-	-	-	-	-	-	1,440	9	-	-
FEDERAL GOVERNMENT	-	-	-	-	2,600	5	-	-	-	-

N/A - 2016 data has not been updated; therefore, Information was not available.

Source: San Benito Chamber of Commerce - 2016

Source: Brownsville Chamber of Commerce - 2015 - 2016 data has not been updated

Source: Harlingen Chamber of Commerce - 2015 - 2016 data has not been updated

OPERATING INFORMATION



Cameron Appraisal District
 Full-Time Equivalent Appraisal District Employees by Function/Program
 Last Ten Fiscal Years
 (Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Number of full time equivalent positions:										
Administration services	7	8	7	7	7	7	7	7	7	7
Appraisal services	28	28	27	25	25	25	25	25	27	24
Support Staff/Other	18	18	18	18	18	18	18	18	15	16
Geographic Information Systems	3	3	3	3	3	3	3	3	3	3
Information systems	3	3	3	3	3	3	3	3	4	5
Total regular positions	<u>59</u>	<u>60</u>	<u>58</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>55</u>

Source: Cameron Appraisal District

*Data represents employed positions at year-end based on human resources records.

Cameron Appraisal District
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Function/program	2016	2015	2014	2013
Appraisal:				
Appraisal value (in thousands) \$	20,419,943,273	19,580,466,956	19,115,461,169	18,854,108,965
Number of parcels	207,484	210,015	208,991	208,209
Accounts appraised	207,484	210,015	208,991	208,209
Appraisal review board members	12	12	12	12
Taxing entities	41	41	41	40
Informal hearings	6,158	6,641	5,515	5,222
Formal hearings	1,453	1,318	1,518	1,456
Full notices mailed - real property	71,406	59,684	55,045	46,027
Accounts:				
Residential accounts	123,144	121,635	119,821	118,112
Commercial accounts	28,291	27,929	27,728	27,597
Mobile home accounts	6,916	6,951	6,962	6,968
Leased equipment - multi-locations	1,238	1,212	1,242	1,195
Leased vehicle - multi-locations	300	332	349	327
Mineral accounts	222	257	263	264
District accounts	1,105	1,092	1,093	1,087
Exemptions:				
Homestead	61,633	61,184	60,083	60,277
Over 65	23,402	22,447	21,349	20,741
Disabled veterans	3,067	2,729	2,383	2,208
Disabled residential homestead	2,890	3,129	3,061	3,141
Abatements	4	4	3	3
Absolute	11,903	11,768	11,663	11,694
Freeport	114	120	117	131

Sources: Cameron Appraisal District
Real Estate Center At Texas A&M University, from the Market Report 2012 for the Brownsville-Harlingen area.

	2012	2011	2010	2009	2008	2007
\$	18,363,661,346	\$ 18,022,428,910	\$ 17,807,316,711	\$ 17,651,379,798	\$ 17,595,253,181	\$ 16,549,387,180
	207,002	205,753	204,844	203,261	201,601	197,737
	207,002	205,753	204,844	203,261	201,601	197,737
	12	12	12	12	12	12
	40	40	40	40	40	40
	6,026	7,030	7,280	6,494	3,986	6,052
	1,530	1,487	1,770	1,565	2,243	1,607
	50,908	179,452	177,401	179,546	178,017	170,336
	116,014	113,532	111,765	109,927	109,326	106,734
	17,923	17,467	17,113	16,893	17,029	16,479
	6,909	6,848	6,681	6,714	6,827	6,792
	1,134	1,043	1,031	1,080	1,100	1,043
	328	293	295	297	288	259
	264	75	75	47	79	105
	1,052	1,046	1,053	1,038	1,017	1,011
	59,652	58,952	58,659	58,398	57,511	56,350
	20,223	19,494	19,151	18,885	18,534	18,207
	2,004	1,881	1,817	1,684	1,599	1,508
	3,000	2,955	2,962	2,975	2,873	2,717
	0	4	5	2	5	8
	11,405	11,205	10,881	10,796	10,269	10,074
	120	117	118	128	121	113

Cameron Appraisal District
Building Square Footage
Owned by the Primay Government
By Functions/Programs
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities Appraisal Services	15,860 sq. ft.	15,860 sq. ft.	15,860 sq. ft.	15,860 sq. ft.	15,860 sq. ft.
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities Appraisal Services	15,860 sq. ft.	15,860 sq. ft.	15,860 sq. ft.	15,860 sq. ft.	15,860 sq. ft.

Source: Cameron Appraisal District

INTERNAL CONTROL / COMPLIANCE SECTION





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Oscar R. González
Melissa González

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board of
Cameron Appraisal District
San Benito, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cameron Appraisal District, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Cameron Appraisal District's basic financial statements, and have issued our report thereon dated August 7, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cameron Appraisal District's internal control over financial reporting (internal control) to determine the 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 'Cameron Appraisal Districts internal control. Accordingly, we do not express an opinion on the effectiveness of Cameron Appraisal District's internal control.

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 significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

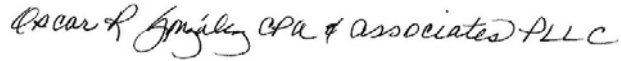
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cameron Appraisal District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Oscar R. Gonzalez in cursive script.

Oscar R. Gonzalez, CPA & Associates, PLLC
Certified Public Accountants
Pharr, Texas

August 7, 2017

Cameron Appraisal District
Schedule of Findings and Responses
December 31, 2016

FINDINGS: NONE