NUECES CENTRAL APPRAISAL DISTRICT

NOTICE OF
REQUEST FOR QUALIFICATIONS
FINANCIAL AUDIT SERVICES

Solicitation Name: RFQ 2026-01 for Financial Audit Services
Issued: November 9, 2026
C**losing Time**: November 30, 3:00 PM Central Time
District Contact: Jennifer Williams, Director of Administration, jwilliams@nucescad.net, **(361) 881-9978 ext.4212**

Nueces Central Appraisal District (District) is requesting submissions of qualifications from duly licensed independent certified public accounting firms (Respondents) to perform the annual financial audit of the District for the fiscal year ending December 31, 2026. The engagement will be for one year, with the option for additional one-year renewals upon mutual agreement.

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A complete submission must be received by the District by the Closing Time above and include responses to all items listed in Section 3, including the required forms.

SECTION 1: RFQ CONDITIONS AND INSTRUCTIONS

1. Solicitation Process and Anticipated Schedule

Date	Activity
11/09/26	Issue RFQ (Advertise 11/10/26 & 11/17/26)
11/16/26	Submit written inquiries by 4:00 pm CT via email to District Contact on page 1
11/19/26	District responds to inquiries via Addenda posted to website
11/30/26	**Submissions due by 3:00 pm CT to District Contact (on paper in sealed envelope)**
11/30/26	Submissions opened publicly 3:15pm CT, District Board Room, 1st Floor, 201 N. Chaparral, Corpus Christi, Texas 78401

2. RFQ Specifications

This RFQ automatically incorporates all amendments (done via written Addenda) subsequently issued. Respondents are expected to examine all RFQ contents. Failure to do so is at the Respondent's risk. The apparent silence of the specifications about any detail or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail. In the case of ambiguities and interpretative differences, the District's interpretation prevails.

3. Communications

All communications regarding this solicitation must be in writing addressed to only the District Contact on Page 1. Other employees and officials are not authorized to respond and attempts to question others about this solicitation may result in disqualification from participating. Oral communications are not binding.

4. Eligibility and Disqualification

Only responsive submissions from qualified and responsible Respondents will be considered. The District may make investigations as necessary to ascertain Respondent's fitness for consideration.

A. "Responsive submissions" are those complying with RFQ in all material respects.

B. "Responsible respondents" at a minimum must:
   i. Be qualified, duly licensed to, and regularly engaged in performing this work for a reasonable time;
   ii. Maintain adequate financial resources as required during the full term of service;
   iii. Have a satisfactory record of past performance;
   iv. Have the necessary management and technical capabilities to successfully perform;
   v. Be otherwise qualified and eligible to receive a contract award under applicable federal, state, county, or municipal laws and regulations; and
   vi. Certify that it is <u>not</u> on the U.S. Comptroller General's list of ineligible contractors – signing and submitting a submission is so certifying.

C. A Respondent may be asked to submit proof verifying that it meets the minimum criteria necessary to be determined responsible. Refusal to provide such shall result in disqualification.

D. Respondents may be disqualified under any of the following circumstances:
   i. There is reason to believe that collusion exists among the Respondents;
   ii. Respondent is involved in any litigation against the District;
   iii. Respondent lacks financial stability;
   iv. Respondent has failed to perform under previous or present contracts with the District;
   v. Respondent has failed to adhere to the provisions established in this RFQ;
   vi. Respondent has failed to submit its submission materials in any format specified herein;
   vii. Respondent has failed to adhere to generally accepted ethical and professional principles during this solicitation process (i.e. attempting to lobby/influence District officials); and/or,
   viii. Respondent has failed to provide detailed fees in the submission.

5. Pre-Submission Conference and Written Inquiries (if indicated on Anticipated Schedule above)

A. A Pre-submission Conference is for Respondents to discuss and/or clarify the RFQ with the District.
B. Written inquiries about the RFQ shall be submitted in writing according to the Anticipated Schedule.
C. After A and/or B, District will respond in written Addenda form to be made available to all known prospective Respondents at https://nuecescad.net/procurement/ .
D. Respondents must check the site for any Addenda that were not anticipated.

6. Preparing and Submitting Qualifications

A. Use only the RFQ, Addenda, and other information supplied by the District Contact for submissions.
B. Interested Respondents should provide contact information to the District Contact and request being alerted about any Addenda and other communications. Otherwise, checking the District's website above often for any Addenda is advised.
C. Respondents should submit their best offerings in the initial submission.
D. Submissions must be received at the District's office by the Closing Time. No Late submissions are accepted.
E. No contract is implied or obligated by District issuing this RFQ and/or submitting qualifications.
F. All costs of submission preparation will be borne by the Respondent.
G. By submitting, Respondent affirms that its submission is **firm for 90 days** from Closing Time.
H. Paper submissions must be submitted only to the District Contact in sealed packaging marked on the outside with the Respondent's name, address and the Solicitation Name from Page 1. Electronic submissions are not accepted.
I. The RFQ contains the District's anticipated needs. There may be instances in which it is in the District's best interest to permit exceptions to specifications and evaluate an alternative approach. It is vital that Respondents clearly indicate where and why alternatives are proposed and explain the alternative approach to the item(s). If submission questions, forms, and attachments do not provide the space for Respondents to state such, then such shall be described in the cover letter or a separate attachment.
J. Submissions become property of the District. Please note that all submissions are open for public inspection after any contract award; however, trade secrets and confidential information in the submissions are not open for public inspection. **Respondents must identify any information contained in its submission which it asserts is either a trade secret or confidential information.** Such material must be conspicuously identified by marking each page containing such information as "Confidential" or "Proprietary". **If such material is not conspicuously identified, then by submitting its submittal, a Respondent agrees that such material shall be considered available public information.**
K. FAILURE TO COMPLY WITH ALL REQUIREMENTS AND CRITERIA OR QUALIFICATIONS OF ANY KIND MAY RESULT IN RESPONDENT'S SUBMISSION BEING ELIMINATED FROM CONSIDERATION.
L. By submitting and signing its submission, Respondent indicates its intention to adhere to the provisions described in this RFQ. **Submissions signed for a partnership** shall be signed in the Respondent's name by at least one general partner or designee. **Submissions signed for a corporation** shall have the correct corporate name thereon and shall bear the president's, vice president's, or designee's original signature with the name and title written below the corporate name. Any other signature must be accompanied by a resolution of the board of directors authorizing such signature to contract in the corporation's name. The title of the office held by the person signing for the corporation shall appear below the signature of the officer.

7. Modifications, Withdrawals and Duplications of Submissions

Submissions may be modified or withdrawn prior to the exact hour and date of the Closing Time by a representative of the Respondent provided that his/her identity is confirmed by the District. If duplicate submissions are received, the one received later (but before the Closing Time) will be evaluated.

8. Opening Submissions and Evaluation

A. Formal public opening of sealed submissions shall take place per Anticipated Schedule above.

B. The District will first review and evaluate all submissions for compliance and completeness. Those found, in the District's judgment, incomplete or failing to address the stated needs will be disregarded.

C. Responsive submission items shall be evaluated based on (1) the basis of demonstrated competence and qualifications to perform the services and (2) for a fair and reasonable price. The professional fees under the contract may not exceed any maximum provided by applicable law. District may consider, for example:

   a. the reputation of the Respondent and its goods and/or services;
   b. the quality of the Respondent's goods and/or services;
   c. the extent to which the goods and/or services meet the District's needs;
   d. the Respondent's past relationship(s) with the District;
   e. impact on the District's ability to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
   f. the total long-term cost to the District to acquire the Respondent's goods or services; and
   g. any other relevant criteria specifically listed in this RFQ ~~or bids~~.

D. Deleted

E. The District may conduct additional interviews with selected Respondents, check references, and/or inspect the Respondent's facilities or services in order to further explore and clarify the submission(s).

F. The District may then negotiate a contract with the highest-ranked Respondent. If negotiations proceed unsatisfactorily in the District's judgment, the District will suspend those negotiations and negotiate with the next highest ranked Respondent and continue in such a manner until satisfactory negotiations have been achieved.

G. Partial Awards. District intends to award to a single contactor for all the goods and services in this RFQ.

9. Reservation of Rights

The District, at its sole option, expressly reserves the right to:

(1) Waive any immaterial defect, irregularity or informality in any RFQ procedure;
(2) Reject any or all submissions, or parts thereof;
(3) Cancel and reissue the RFQ at any time;
(4) Extend the submission date and change Anticipated Schedule at any time;
(5) Suspend this solicitation process at any point and procure any item(s) by other means;
(6) Increase/decrease the actual quantities specified herein, unless Respondent specifies otherwise;
(7) Eliminate and exclude any individual ~~goods and~~ services from contract award;
(8) Consider and accept an alternate submission, as provided herein, when most advantageous to the District, in the event no submission fully complies with all requirements herein;
(9) Halt or suspend any part of all of this solicitation at any point in the process;
(10) Retain and own all submissions, whether accepted or rejected;
(11) Delete
(12) The District may also suspend any negotiations if such is not progressing in a manner acceptable to the District, and commence negotiations with the next best rated Respondent.

10. Conflicts of Interest

Respondents must comply with the conflict of interest provisions dictated by the District and applicable law. Respondent must file with the District a Disclosure Of Interests on the form supplied herein.

11. Historically Underutilized Business, Minority Business Enterprise and Other Business

The District encourages participation in this solicitation by DBE/HUB/Minority-owned business and requires all those seeking to conduct business with the District to provide relevant information on the form included herewith.

12. Protests

In the event that a Respondent desires to protest any procedure, the Respondent should present such protest, in writing, to the Chief Appraiser within three (3) business days following the submission due date. The protest shall state the name and address of the protestor, refer to this RFQ, contain a statement of the grounds for protest and contain any supporting documentation.

13. Contract to be signed

The District requires that any resulting contract(s) must incorporate certain clauses common to governments such as a "funding out" clause, and certain information provided by Respondent in the Section 3 certification forms.

SECTION 2: SCOPE OF WORK

BACKGROUND

Nueces Central Appraisal District (District) issued this RFQ requesting submission of qualifications from independent certified public accounting firms to perform an annual financial audit of the District for the fiscal years ending December 31, 2026, and possible subsequent fiscal year audits thereafter upon mutual agreement. The District is a local government entity that is governed by Texas statutes. The District appraises property values for ad valorem taxing purposes in Nueces County. Pursuant to Section 6.063 of the Code, an annual audit of the District is required.

The District's financial activities are comprised of a General Fund and one proprietary fund for the District's employee health program. The District uses Incode for its basic accounting, payroll, payables, and ledger activities. The General Fund is accounted for on the modified accrual basis and the basis for the Governmentwide financial statement presentation. At present, the selected firm will maintain the District's depreciation schedule.

Section 4 contains the District's internal system financial statements from Incode (modified accrual) and the most recent audit that includes the Fund and Governmentwide financial statements and related information.

SCOPE OF SERVICES

The selected firm will perform an audit of the District's financial statements in accordance with auditing standards generally accepted in the United States of America and applicable governmental accounting and reporting requirements.

Services are expected to include:

- An independent financial audit per AICPA generally accepted auditing standards.
- Expressing an audit opinion on the fair presentation of the District's general purpose financial statements in conformity with generally accepted accounting principles and "management letter" as applicable.
- Audit planning, risk assessment, walkthroughs and internal control documentation.
- Audit of the District's governmental activities, funds and other financial statement components.
- Testing of cash and investments, revenues and receivables, accounts payable and expenditures, payroll, capital assets and other applicable financial statement areas.
- Audit procedures related to pensions, compensated absences, self-insurance liabilities and other applicable year-end liabilities.
- Review of budget compliance and applicable laws and regulations.
- Preparation of the District's financial statements, notes, required supplementary information, Schedule of Expenses and Management's Discussion and Analysis based upon information provided by District management.
- Preparation of routine year-end calculations and schedules necessary for completion of the financial statements, including compensated absences.
- Required communications with management and the Board of Directors.
- Attendance at meetings reasonably necessary to complete the engagement.
- Bound paper copies and presentation of the completed audit to the Board of Directors.

REQUIRED AUDIT SCHEDULE

Timely completion of the audit is a significant priority of the District. The selected firm will be expected to meet the following schedule for the Fiscal 2026 audit and a similar schedule thereafter. This schedule is based on more recent audits. Prior to those, the District's audit was completed in time to be presented to the District's Board of Directors at its May meetings. The District desires to return to that timeline.

Milestone	Target Date
PBC list provided and audit planning begins	By February 15, 2027
Walkthroughs and internal control documentation	February 15–March 15
Planning and risk assessment substantially complete	March 31
Final trial balance and substantially complete PBC package provided by DISTRICT	April 1
Primary year-end fieldwork	April–May
Audit fieldwork substantially complete	June 10
Complete draft financial statements and MD&A provided to DISTRICT	June 30
Final completion procedures and DISTRICT review	July 1–20
Final audit issued and presented to the Board	No later than July 31, 2027

The schedule assumes the District provides its final trial balance and substantially complete requested audit documentation by April 1 and responds timely to subsequent requests.

COMMUNICATION AND PROJECT MANAGEMENT

The District expects regular and timely communication throughout the engagement. During active fieldwork, the auditor will maintain and communicate a current list of outstanding items. Any matter that may affect an established audit milestone should be communicated promptly to District management, including the reason for the anticipated delay and its expected effect on the completion schedule.

HISTORICAL FEES

The District's historical audit fees and depreciation schedule performed by the incumbent audit firm are as follows:

2022 $ 8,950
2023 $ 12,500
2024 $ 28,245 ($13,750 base, $500 depreciation schedule, $5,500 bank rec's, $3,950 implement GASB 101, other work)
2025 $ 18,000 (proposed estimated)

SECTION 3: SUBMISSIONS

Paper submissions in sealed packaging must include the following to the District Contact by the Closing Time on Page 1. The District will evaluate responding firms based on demonstrated qualifications and competence, including governmental auditing experience, personnel qualifications, and availability of the proposed engagement team, ability to meet the required timeline, communication and project management approach, relevant experience, and references.

SUBMISSION ELEMENTS

(a) Cover letter containing the following:
- Signed by person duly authorized to bind the Respondent.
- Confirm submission is good for 90 days (or indicate an alternate time frame).
- Acknowledge receipt of any Addenda by Addenda number.
- Confirm ability to meet the schedule in Section 3. List any deviations.
- Affirm that Respondent is independent of the District as defined by generally accepted auditing standards.

(b) All Section 3 forms immediately following cover letter. Complete and submit the following items from the following pages. These forms will be incorporated into the resulting contract without exception. Respondent acknowledges this by submitting a submission.
- Attachment A Fees.
- Attachment B Certification forms.
- Attachment C Form 1295.

(c) The following information clearly showing Respondent's Qualifications for this work:
- Brief history of the firm and its governmental audit practice, including experience working with relevant agencies to demonstrate the qualifications, competence and capacity to undertake an independent audit of the District in conformity with the relevant requirements for the services in this RFQ.
- State the firm's experience performing comparable audits of Texas governmental entities, particularly appraisal districts of similar size to the District or other similar entities.
- State the size of the firm and firm's governmental staff, location of the office from which the work on this engagement is to be performed, the number and roles of the professional staff to work on this engagement and the number and role of the professional staff to be so employed on a part time basis.
- Identification and qualifications of the proposed engagement partner, manager, and other key personnel. Identify the principal supervisory and management staff, including engagement partners, managers and other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Texas. Include information on the government auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in any governmental professional organizations. Include as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement.
- Indicate how the quality of the staff over the term of the agreement would be assured. Audit personnel may change at the discretion of the firm provided that replacements have substantially the same or better qualifications and experience.
- Proposed staffing plan and estimated hours by professional level.
- Description of the firm's audit approach and project management process.
- Confirmation of the firm's ability to meet the required audit timeline.
- Description of any known staffing or scheduling constraints that could affect the engagement.
- Most recent peer review report and related letter of comments, if applicable.
- Three references for comparable governmental audit engagements.

ATTACHMENT A (Page 1 of 1)

FEES

The District intends for the annual engagement fee to represent the total anticipated cost of completing the audit, assuming no unforeseen circumstances or material changes in scope. The annual fee should include all professional services reasonably necessary to complete the engagement, including audit planning and fieldwork, financial statement and MD&A preparation, routine year-end audit-related calculations, required communications, meetings with District management and presentation of the completed audit to the Board.

The firm should also provide its standard hourly rates by professional level for services specifically requested by the District that are outside the scope of the audit engagement.

No additional fees will be incurred without prior approval by the District. Fee information will be considered and negotiated in accordance with applicable requirements governing the procurement of professional accounting services.

Disclose all fees for all aspects of your submission elements, including initial setup to ongoing costs to the District. If a cost is not disclosed herein, the item(s) is deemed to be provided at no charge to the District.

Fees for 2026 audit: $ _____

Anticipated inflation in fees for subsequent audits: _____ %

Hourly Service Rate(s) for professional services outside audit: $_____

Disclose below any other relevant information regarding and/or any additional fees that you anticipate in connection with services herein.

Attachment B: Certification Forms (Page 1 of 6)

CERTIFICATION FORM

In submitting, I certify as follows:

1. **Non-Collusion Certification:** The undersigned Firm hereby certifies that it has submitted independently, without consultation, communication or agreement for the purpose of restricting competition as to any matter relating to this submission, with any other Firm or with any other competitor;

2. **Validity Certification:** The undersigned offers and agrees, if this offer is accepted within 90 calendar days from the submission due date, to furnish any or all services upon which fees are offered at the designated point within the time frame as determined by the District;

3. **Non-Debarment Certification:** The undersigned Firm hereby certifies that it is not included on the U.S. Comptroller General's Consolidated List of Persons or firms currently debarred for violations of various contracts incorporating labor standards provisions;

4. **Non-Conflict Certification:** The undersigned Firm hereby represents and warrants that no employee, official, or member of the District's Board of Directors is or will be peculiarly benefited directly or indirectly, in any resulting Contract for these services; and

5. **Non-Inducement Certification:** The undersigned Firm hereby certifies that neither it nor any of its employees, representatives, or agents have offered or given gratuities (in the form of entertainment, gifts, or otherwise) to any director, officer, or employee of the District with the view toward securing favorable treatment in the awarding, amending, or the making of any determination with respect to the performance of this Contract.

The undersigned hereby further certifies that s/he has read all of the documents and agrees to abide by the terms, certifications, conditions, and addenda thereof.

Date: _____

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

ATTACHMENT B – CERTIFICATION FORMS (Page 2 of 6)

Business Address: _____
(Street Address) (City) (State) (Zip Code)

Mailing Address: _____
(P.O. Box) (City) (State) (Zip Code)

Telephone: (Office)_____ (Fax) _____

Firm Owner(s): _____

Firm Principal: _____

Date firm was founded: _____

ATTACHMENT B – CERTIFICATION FORMS (Page 3 of 6)

BUSINESS DESIGNATION FORM

PLEASE INDICATE WHETHER RESPONDENT IS ANY OF THE FOLLOWING:

☐ **YES** ☐ **NO - CERTIFIED HISTORICALLY UNDERUTILIZED BUSINESS (HUB)**

Select all that are appropriate:

- ☐ ASIAN PACIFIC
- ☐ BLACK
- ☐ HISPANIC
- ☐ NATIVE AMERICAN
- ☐ WOMAN

Please visit the following website for information on becoming a Texas Certified HUB:
http://www.window.state.tx.us/procurement/prog/hub/

☐ **YES** ☐ **NO - LOCAL SMALL BUSINESS (LSB)**

A for-profit entity employing less than 49 employees located within the City limits of Corpus Christi, Texas

☐ **YES** ☐ **NO** OTHER (PLEASE SPECIFY):

☐ THIS COMPANY IS **NOT** A CERTIFIED HUB or LSB

THE INFORMATION REQUESTED IN THIS FORM IS FOR STATISTICAL REPORTING PURPOSES ONLY AND WILL NOT INFLUENCE AWARD DECISIONS OR THE AMOUNT OF MONIES EXPENDED WITH ANY GIVEN COMPANY.

Firm Name: _____ Telephone: - - Ext. _____

Address: _____ Fax: - - _____

City: _____ State: Zip: - E-mail: _____

_____ Date: _____

Signature of Person Authorized to Sign Form

Signer's Name: _____ Title: _____

(Please print or type)

ATTACHMENT B – CERTIFICATION FORMS (Page 4 of 6)

DISCLOSURE OF INTERESTS CERTIFICATION

FIRM NAME: _____

STREET: _____CITY/STATE:_____ZIP:_____

FIRM is: 1. Corporation ☐ 2. Partnership ☐ 3. Sole Owner ☐

4. Association ☐ 5. Other ☐_____

DISCLOSURE QUESTIONS

If additional space is necessary, please use the reverse side of this page or attach separate sheets.

1. State the names of each "employee" of the District having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

NAME	JOB TITLE AND DEPARTMENT (IF KNOWN)
_____	_____
_____	_____

2. State the names of each "official" of the District having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

NAME	TITLE
_____	_____
_____	_____

3. State the names of each "board member" of the District having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

NAME	BOARD, COMMISSION OR COMMITTEE
_____	_____
_____	_____

4. State the names of each employee or officer of a "consultant" for the District who worked on any matter related to the subject of this contract and has an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

NAME	CONSULTANT
_____	_____
_____	_____

CERTIFICATE

I certify that all information provided is true and correct as of the date of this statement, that I have not knowingly withheld disclosure of any information requested; and that supplemental statements will be promptly submitted to the Nueces Central Appraisal District as changes occur.

Certifying Person: _____ Title:_____
(Type or Print)

Signature of Certifying Person: _____ Date: _____

ATTACHMENT B – CERTIFICATION FORMS (Page 6 of 6)

Boycott Israel; Boycott Energy Companies; and Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.

The following verifications are required for all contracts with a Texas governmental agency paid from public funds for goods and/or services with a value of $100,000 or more with a contractor that has 10 or more full-time employees. Failure of Respondent/Contractor to complete this verification could result in disqualification from participating in this solicitation process, determined at the District's discretion.

(a) Respondent/Contractor verifies that it does not Boycott Israel and agrees that during the term of the Contract/Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

(b) Respondent/Contractor verifies that it does not Boycott Energy Companies and agrees that during the term of the Contract/Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.

(c) Respondent/Contractor verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

(d) These verifications do not apply if Respondent/Contractor is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Respondent/Contractor has ten (10) or more full-time employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement.

On behalf of Respondent/Contractor, I verify that the above are true and correct as of the date of this statement, that I have not knowingly withheld disclosure of any information requested; and that any changes in these will be promptly submitted to the Nueces Central Appraisal District as soon as practical after such changes occur.

Name: _____ Title:_____
(Type or Print)

Signature: _____ Date: _____

ATTACHMENT C - CERTIFICATE OF INTERESTED PARTIES

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency.

The law applies only to a contract of a governmental entity or state agency that either (**1) requires an action or vote by the governing body of the entity or agency before the contract may be signed** or (2) has a value of at least $1 million, or (3) is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted new rules (Chapter 46) on November 30, 2015, to implement the law. The commission does not have any additional authority to enforce or interpret House Bill 1295.

The successful Contractor must submit Form 1295 to the District. A sample is on the following page.

Further details are available at: https://www.ethics.state.tx.us/filinginfo/1295/

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

OFFICE USE ONLY

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 **Name of business entity filing form, and the city, state and country of the business entity's place of business.**

2 **Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

3 **Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 **Check only if there is NO Interested Party.** ☐

6 **UNSWORN DECLARATION**

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____ , on the _____ day of _____, 20_____.
(month) (year)

_____
Signature of authorized agent of contracting business entity
(Declarant)

ADD ADDITIONAL PAGES AS NECESSARY

Form provided by Texas Ethics Commission www.ethics.state.tx.us Revised 12/22/2017

Must file online at www.ethics.state.tx.us/File

SECTION 4

Internal Financial Statements

BALANCE SHEET

AS OF: DECEMBER 31ST, 2025

10 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE		
ASSETS				
10-1001	GENERAL FUND CASH	4,221,851.38		
10-1002	PAYROLL CASH	135,890.96		
10-1003	TEXPOOL	5,261,474.93		
10-1020	ACCOUNTS RECEIVABLE	0.00		
10-1030	ACCT RCVBL FM TAXING UNITS	323.00		
10-1035	PREPAID EXPENSES	54,036.83		
10-1040	INVENTORY	0.00		
10-1045	ACCRUED INTEREST REC.	0.00		
10-1050	AMT TO BE PROVIDED (REC)	0.00		
10-1051	AMT TO BE PROVIDED (CAP LEASE)	0.00		
10-1052	AMT TO BE PROVIDED (BUILDING)	0.00		
10-1060	OFFICE EQUIPMENT & VEHICLES	0.00		
10-1061	BUILDING	0.00		
10-1062	LAND	0.00		
10-1063	BUILDING IMPROVEMENTS	0.00		
10-1070	ACCUM DEP EQUIP & VEHICLES	0.00		
10-1071	ACCUM DEP BUILDING	0.00		
10-1073	ACCUM DEP IMPROVEMENTS	0.00		
			9,673,577.10	
	TOTAL ASSETS			9,673,577.10
LIABILITIES				
10-2000	ADVANCE PAYMENTS - TAXING UNIT	2,611,204.00		
10-2001	COMPENSATED ABSENCES	0.00		
10-2002	TAXING UNITS LATE	0.00		
10-2010	ACCOUNTS PAYABLE	302,463.45		
10-2020	COMPENSATED ABSENCES	199,134.69		
10-2021	TERMINATION BENEFITS	144,359.86		
10-2022	ACCRUED PAYROLL	302,817.81		
10-2030	TCDRS PAYABLE	0.00		
10-2031	FICA PAYABLE	0.00		
10-2032	MEDICARE PAYABLE	0.00		
10-2033	GROUP INSURANCE PAYABLE	0.00		
10-2034	UNITED WAY	0.00		
10-2035	SUPPLEMENTAL INSURANCE	0.00		
10-2036	NATIONWIDE PAYABLE	0.00		
10-2037	WAGES PAYABLE	0.00		
10-2038	DUE TO PAYROLL	0.00		
10-2039	FED INC TAX PAYABLE	0.00		
10-2040	TEXAS LIFE	0.00		
10-2041	DENTAL PAYABLE	0.00		
10-2043	TRANSAMERICA PAYABLE	0.00		
10-2044	CAFETERIA PLAN PAYABLE	0.00		
10-2045	VISION PAYABLE	0.00		
10-2046	GARNISHMENT	0.00		
10-2048	CHILD SUPPORT PAYABLE	0.00		
	TOTAL LIABILITIES		3,559,979.81	

BALANCE SHEET

AS OF: DECEMBER 31ST, 2025

10 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE		
EQUITY				
10-3000	CAPITAL LSE OBLIGATION (CURREN	0.00		
10-3001	CAPITAL LSE OBLIGATION (LT)	0.00		
10-3100	INVESTMENT IN PROPERTY	0.00		
10-3101	RESERVE FOR ENCUMBERANCES	0.00		
10-3102	DESIGNATED FUND	2,174,968.00		
10-3103	RESERVED STATE TX FUNDING	0.00		
10-3104	UNSPENDABLE - PREPAID	54,359.83		
10-3105	ASSIGNED FUND BALANCE	3,884,269.46		
10-3800	FUND BALANCE	0.00		
10-3801	CURRENT OPERATING BALANCE	(1,500,214.51)		
	TOTAL BEGINNING EQUITY	4,613,382.78		
	TOTAL REVENUE	11,260,796.51		
	TOTAL EXPENSES	9,760,582.00		
	TOTAL REVENUE OVER/(UNDER) EXPENSES	1,500,214.51		
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.		6,113,597.29	
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.			9,673,577.10

STATEMENT OF REVENUES - BUDGET VS. ACTUAL

AS OF: DECEMBER 31ST, 2025

10 -GENERAL FUND

FINANCIAL SUMMARY % OF YEAR COMPLETED: 100.00

	ORIGINAL BUDGET	CURRENT BUDGET	MONTHLY REVENUE	YEAR-TO-DATE REVENUE	PRIOR YEAR YEAR-TO-DATE	BUDGET REMAINING	% BUDGET REMAINING
REVENUE SUMMARY							
FROM TAXING ENTITIES	10,954,255	10,954,255	8,045,800.00	10,965,674.00	9,990,169.00	(11,419.00)	0.10-
OTHER REVENUE	252,100	252,100	50,146.16	295,122.51	307,907.30	(43,022.51)	17.07-
TOTAL REVENUES	11,206,355	11,206,355	8,095,946.16	11,260,796.51	10,298,076.30	(54,441.51)	0.49-

	ORIGINAL BUDGET	CURRENT BUDGET	MONTHLY EXPENDITURES	YEAR-TO-DATE EXPENDITURES	PRIOR YEAR YEAR-TO-DATE	BUDGET REMAINING	% BUDGET REMAINING
NON-DEPARTMENTAL							
PERSONNEL SERVICES	7,200,617	7,200,617	143,762.62	7,225,712.11	6,404,417.10	(25,095.11)	0.35-
SUPPLIES & OPERATING EXP	770,219	770,219	23,446.80	751,739.38	648,825.88	18,479.62	2.40
VEHICLE EXPENSE	55,000	55,000	2,734.87	26,675.60	48,019.76	28,324.40	51.50
PROFESSIONAL SERVICES	1,980,519	1,980,519	436,246.36	1,702,685.07	1,993,774.88	277,833.93	14.03
CAPITAL OUTLAY	1,200,000	1,200,000	(34,692.65)	53,769.84	(19,563.00)	1,146,230.16	95.52
CAPITAL LEASE	0	0	0.00	0.00	0.00	0.00	0.00
OTHER	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	11,206,355	11,206,355	571,498.00	9,760,582.00	9,075,474.62	1,445,773.00	12.90
TOTAL EXPENDITURES	11,206,355	11,206,355	571,498.00	9,760,582.00	9,075,474.62	1,445,773.00	12.90
REVENUES OVER/(UNDER) EXPENDITURES	0	0	7,524,448.16	1,500,214.51	1,222,601.68	(1,500,214.51)	0.00

STATEMENT OF REVENUES - BUDGET VS. ACTUAL

AS OF: DECEMBER 31ST, 2025

10 -GENERAL FUND

% OF YEAR COMPLETED: 100.00

REVENUES	ORIGINAL BUDGET	CURRENT BUDGET	MONTHLY REVENUE	YEAR-TO-DATE REVENUE	PRIOR YEAR YEAR-TO-DATE	BUDGET REMAINING	% BUDGET REMAINING
FROM TAXING ENTITIES							
10-4000 NUECES COUNTY	1,526,001	1,526,001	1,144,502.00	1,526,003.00	1,319,735.00	(2.00)	0.00
10-4001 HOSPITAL DISTRICT	530,197	530,197	397,648.00	530,197.00	480,486.00	0.00	0.00
10-4002 DEL MAR COLLEGE	1,269,852	1,269,852	952,389.00	1,269,852.00	1,112,091.00	0.00	0.00
10-4100 CITY OF AGUA DULCE	1,380	1,380	1,035.00	1,380.00	1,266.00	0.00	0.00
10-4105 CITY OF ARANSAS PASS	2,145	2,145	0.00	2,145.00	1,869.00	0.00	0.00
10-4110 CITY OF BISHOP	13,643	13,643	10,232.00	13,643.00	12,321.00	0.00	0.00
10-4115 CITY OF CORPUS CHRISTI	2,229,958	2,229,958	1,672,468.00	2,229,958.00	2,052,904.00	0.00	0.00
10-4120 CITY OF DRISCOLL	1,321	1,321	991.00	1,321.00	1,154.00	0.00	0.00
10-4125 CITY OF PORT ARANSAS	143,481	143,481	107,611.00	143,481.00	126,675.00	0.00	0.00
10-4130 CITY OF ROBSTOWN	50,568	50,568	49,343.00	61,985.00	34,251.00	(11,417.00)	22.58-
10-4250 AGUA DULCE ISD	17,050	17,050	12,787.00	17,050.00	16,768.00	0.00	0.00
10-4255 ARANSAS PASS ISD	1,811	1,811	1,358.00	1,811.00	1,707.00	0.00	0.00
10-4260 BANQUETE ISD	125,886	125,886	94,414.00	125,886.00	109,501.00	0.00	0.00
10-4265 BISHOP ISD	124,144	124,144	93,108.00	124,144.00	106,413.00	0.00	0.00
10-4270 CALALLEN ISD	356,262	356,262	89,262.00	356,262.00	266,815.00	0.00	0.00
10-4275 CORPUS CHRISTI ISD	2,445,468	2,445,468	1,834,101.00	2,445,468.00	2,434,571.00	0.00	0.00
10-4280 DRISCOLL ISD	13,628	13,628	10,221.00	13,628.00	13,279.00	0.00	0.00
10-4285 FLOUR BLUFF ISD	436,793	436,793	327,595.00	436,793.00	392,461.00	0.00	0.00
10-4290 LONDON ISD	146,822	146,822	110,116.00	146,822.00	122,093.00	0.00	0.00
10-4295 PORT ARANSAS ISD	595,022	595,022	446,266.00	595,022.00	524,106.00	0.00	0.00
10-4300 ROBSTOWN ISD	131,011	131,011	98,258.00	131,011.00	116,922.00	0.00	0.00
10-4305 TULOSO MIDWAY ISD	451,455	451,455	338,591.00	451,455.00	458,060.00	0.00	0.00
10-4310 WEST OSO ISD	158,915	158,915	119,186.00	158,915.00	120,160.00	0.00	0.00
10-4400 NC FIRE #1	73,469	73,469	55,102.00	73,469.00	66,491.00	0.00	0.00
10-4401 NC FIRE #2	21,574	21,574	16,180.00	21,574.00	19,152.00	0.00	0.00
10-4402 NC FIRE #3	11,875	11,875	8,906.00	11,875.00	11,411.00	0.00	0.00
10-4403 NC FIRE #4	11,296	11,296	8,472.00	11,296.00	9,565.00	0.00	0.00
10-4404 NC FIRE #5	1,583	1,583	1,187.00	1,583.00	1,492.00	0.00	0.00
10-4405 NC FIRE #6	7,685	7,685	5,764.00	7,685.00	7,345.00	0.00	0.00
10-4500 NC DRAINAGE DIST. #2	39,132	39,132	29,349.00	39,132.00	34,914.00	0.00	0.00
10-4501 NC DRAINAGE DIST. #3	2,352	2,352	0.00	2,352.00	2,268.00	0.00	0.00
10-4600 SOUTH TEXAS WATER AUTH.	12,470	12,470	9,352.00	12,470.00	11,918.00	0.00	0.00
10-4601 KENEDY CO WATER DIST	6	6	6.00	6.00	5.00	0.00	0.00
10-4602 NC WCID #4	0	0	0.00	0.00	0.00	0.00	0.00
10-4603 NC WCID #5	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL FROM TAXING ENTITIES	10,954,255	10,954,255	8,045,800.00	10,965,674.00	9,990,169.00	(11,419.00)	0.10-
OTHER REVENUE							
10-4700 INTEREST INCOME	210,000	210,000	17,105.25	219,230.28	277,919.97	(9,230.28)	4.40-
10-4701 RENDITION PENALTIES	40,000	40,000	30,485.49	30,485.49	27,316.14	9,514.51	23.79
10-4702 SALE OF RECORDS/MAPS	100	100	305.46	358.48	540.06	(258.48)	258.48-
10-4703 MIS. INCOME	2,000	2,000	1,959.96	9,113.01	2,131.13	(7,113.01)	355.65-
10-4704 PRIOR YR ENCUMBRANCE	0	0	0.00	0.00	0.00	0.00	0.00
10-4705 PROCEEDS FROM GOVT CAPITAL	0	0	0.00	0.00	0.00	0.00	0.00
10-4706 SALE OF PROPERTY	0	0	290.00	35,935.25	0.00	(35,935.25)	0.00
TOTAL OTHER REVENUE	252,100	252,100	50,146.16	295,122.51	307,907.30	(43,022.51)	17.07-
TOTAL REVENUES	11,206,355	11,206,355	8,095,946.16	11,260,796.51	10,298,076.30	(54,441.51)	0.49-

STATEMENT OF EXPENDITURES - BUDGET vs ACTUAL

AS OF: DECEMBER 31ST, 2025

10 -GENERAL FUND

% OF YEAR COMPLETED: 100.00

EXPENDITURES	ORIGINAL BUDGET	CURRENT BUDGET	MONTHLY EXPENDITURES	YEAR-TO-DATE EXPENDITURES	PRIOR YEAR YEAR-TO-DATE	BUDGET REMAINING	% BUDGET REMAINING
NON-DEPARTMENTAL							
PERSONNEL SERVICES							
10-5-00-000 SALARIES	5,249,415	5,249,415	679,779.90	5,344,615.37	4,597,396.80	(95,200.37)	1.81-
10-5-00-001 LONGEVITY	4,299	4,299	233.91	3,459.74	4,298.58	839.26	19.52
10-5-00-002 EMPLOYEE BENEFITS	1,000	1,000	(4,624.00)	0.00	(727.82)	1,000.00	100.00
10-5-00-003 TCDRS	709,343	709,343	94,305.13	729,956.16	651,539.00	(20,613.16)	2.91-
10-5-00-004 SOCIAL SECURITY	325,730	325,730	40,493.08	317,609.46	282,629.15	8,120.54	2.49
10-5-00-005 CAFETERIA PLAN	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-006 MEDICARE	76,179	76,179	9,654.01	74,464.08	66,241.90	1,714.92	2.25
10-5-00-007 GROUP INSURANCE	796,851	796,851	(676,144.39)	729,455.82	770,925.18	67,395.18	8.46
10-5-00-008 WORKERS COMPENSATION	21,850	21,850	0.00	19,594.20	20,388.26	2,255.80	10.32
10-5-00-009 UNEMPLOYMENT COMPENSATION	15,950	15,950	64.98	6,557.28	11,726.05	9,392.72	58.89
TOTAL PERSONNEL SERVICES	7,200,617	7,200,617	143,762.62	7,225,712.11	6,404,417.10	(25,095.11)	0.35-
SUPPLIES & OPERATING EXP							
10-5-00-100 OFFICE SUPPLIES	34,000	34,000	204.57	22,964.22	24,407.27	11,035.78	32.46
10-5-00-101 COMPUTER SUPPLIES	10,000	10,000	1,019.14	13,983.17	5,875.22	(3,983.17)	39.83-
10-5-00-102 POSTAGE & FREIGHT	179,325	179,325	3,253.32	134,737.95	120,661.44	44,587.05	24.86
10-5-00-103 TELEPHONE/INTERNET	30,000	30,000	(20,546.80)	32,519.75	32,673.59	(2,519.75)	8.40-
10-5-00-104 EDUCATION	41,500	41,500	(526.02)	40,564.01	48,306.00	935.99	2.26
10-5-00-105 EDUCATION - BOD	3,000	3,000	2,000.00	2,675.00	2,725.00	325.00	10.83
10-5-00-106 TRAVEL EXPENSE	25,509	25,509	1,006.54	19,030.86	22,769.10	6,478.14	25.40
10-5-00-107 TRAVEL EXPENSE - BOD	10,000	10,000	0.00	5,723.73	7,891.48	4,276.27	42.76
10-5-00-108 JANITORIAL SERVICES	65,000	65,000	4,525.90	43,569.61	34,995.22	21,430.39	32.97
10-5-00-109 SECURITY	58,000	58,000	10,715.00	75,183.84	49,745.33	(17,183.84)	29.63-
10-5-00-110 DUES & MEMBERSHIPS	16,000	16,000	6,487.56	15,460.35	14,768.00	539.65	3.37
10-5-00-111 BUILDING MAINTENANCE	100,000	100,000	14,745.33	157,170.18	99,475.05	(57,170.18)	57.17-
10-5-00-112 INSURANCE	96,285	96,285	77.44	87,422.76	97,688.84	8,862.24	9.20
10-5-00-113 OFFICE FURNITURE/EQUIPMENT	5,000	5,000	(6,521.89)	7,596.44	5,144.09	(2,596.44)	51.93-
10-5-00-114 MISC. EXPENSE	3,000	3,000	0.00	1,638.61	2,294.12	1,361.39	45.38
10-5-00-115 BANK CHARGES	3,600	3,600	0.00	180.00	0.00	3,420.00	95.00
10-5-00-116 UTILITIES	90,000	90,000	7,006.71	91,318.90	79,406.13	(1,318.90)	1.47-
10-5-00-118 RESERVE FOR BUILDING EXPEN	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES & OPERATING EXP	770,219	770,219	23,446.80	751,739.38	648,825.88	18,479.62	2.40
VEHICLE EXPENSE							
10-5-00-350 FUEL	35,000	35,000	1,440.45	9,602.25	11,119.40	25,397.75	72.57
10-5-00-351 VEHICLE REPAIRS	20,000	20,000	1,294.42	17,073.35	36,900.36	2,926.65	14.63
TOTAL VEHICLE EXPENSE	55,000	55,000	2,734.87	26,675.60	48,019.76	28,324.40	51.50
PROFESSIONAL SERVICES							
10-5-00-400 PROFESSIONAL SERVICES	36,000	36,000	27,511.45	56,295.11	276,789.56	(20,295.11)	56.38-
10-5-00-401 IT SERVICES/MAINT. CONTRAC	325,537	325,537	24,079.97	342,702.55	296,676.61	(17,165.55)	5.27-
10-5-00-402 SERVICE/MAINT. CONTRACT	109,000	109,000	8,935.50	99,236.67	103,169.23	9,763.33	8.96
10-5-00-403 GIS SERVICE CONTRACT	167,800	167,800	152,212.50	164,762.12	363,808.22	3,037.88	1.81
10-5-00-404 APPRAISAL SERVICES	167,000	167,000	102,075.96	202,148.98	0.00	(35,148.98)	21.05-

STATEMENT OF EXPENDITURES - BUDGET vs ACTUAL

AS OF: DECEMBER 31ST, 2025

10 -GENERAL FUND

% OF YEAR COMPLETED: 100.00

EXPENDITURES	ORIGINAL BUDGET	CURRENT BUDGET	MONTHLY EXPENDITURES	YEAR-TO-DATE EXPENDITURES	PRIOR YEAR YEAR-TO-DATE	BUDGET REMAINING	% BUDGET REMAINING
10-5-00-405 DEED SERVICES	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-406 MINERAL/INDUST. CONTRACT	345,000	345,000	24,584.00	393,336.00	295,000.00	(48,336.00)	14.01-
10-5-00-407 ARB - PROFESSIONAL SERVICE	142,550	142,550	985.00	173,585.00	164,355.00	(31,035.00)	21.77-
10-5-00-408 ARB - LEASE CONTRACT	6,832	6,832	781.32	8,217.84	7,524.92	(1,385.84)	20.28-
10-5-00-409 ARB - EDUCATION	300	300	0.00	0.00	0.00	300.00	100.00
10-5-00-410 ARB - TRAVEL	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-411 ARB - LEGAL EXPENSE	15,000	15,000	15,000.00	15,000.00	0.00	0.00	0.00
10-5-00-412 ARB - MISC EXPENSE	1,000	1,000	2,223.00	2,488.88	500.90	(1,488.88)	148.89-
10-5-00-413 TLO EXPENSE	500	500	103.36	103.36	86.88	396.64	79.33
10-5-00-414 PRINTING & FORMS	68,000	68,000	0.00	45,943.97	45,567.71	22,056.03	32.44
10-5-00-415 LEGAL NOTICES/ADVERTISING	8,000	8,000	(1,762.65)	5,454.98	10,259.25	2,545.02	31.81
10-5-00-416 AUDITOR	13,000	13,000	28,245.00	28,245.00	12,500.00	(15,245.00)	117.27-
10-5-00-417 DRUG TESTING	2,000	2,000	(900.00)	304.00	1,022.00	1,696.00	84.80
10-5-00-418 BOOKS & SUBSCRIPTIONS	33,000	33,000	(933.11)	37,290.55	29,382.96	(4,290.55)	13.00-
10-5-00-419 LEGAL FEES	40,000	40,000	53,105.06	127,570.06	92,701.00	(87,570.06)	218.93-
10-5-00-420 LEGAL CONTINGENCIES	500,000	500,000	0.00	0.00	294,430.64	500,000.00	100.00
TOTAL PROFESSIONAL SERVICES	1,980,519	1,980,519	436,246.36	1,702,685.07	1,993,774.88	277,833.93	14.03
CAPITAL OUTLAY							
10-5-00-600 COMPUTER HARDWARE & EQUIP	1,200,000	1,200,000	0.00	0.00	0.00	1,200,000.00	100.00
10-5-00-601 GIS HARDWARE/TRAINING	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-602 COST OF PACS SOFTWARE	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-603 OFFICE EQUIPMENTR/REMODELI	0	0	(34,692.65)	23,300.00	0.00	(23,300.00)	0.00
10-5-00-604 VEHICLES	0	0	0.00	30,469.84	(19,563.00)	(30,469.84)	0.00
10-5-00-605 HVAC RESERVE	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-606 BUILDING REPAIRS	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL OUTLAY	1,200,000	1,200,000	(34,692.65)	53,769.84	(19,563.00)	1,146,230.16	95.52
CAPITAL LEASE							
10-5-00-700 CAPITAL LEASE	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL LEASE	0	0	0.00	0.00	0.00	0.00	0.00
OTHER							
10-5-00-900 REFUNDS	0	0	0.00	0.00	0.00	0.00	0.00
10-5-00-901 SPECIAL ITEMS	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	11,206,355	11,206,355	571,498.00	9,760,582.00	9,075,474.62	1,445,773.00	12.90
TOTAL EXPENDITURES	11,206,355	11,206,355	571,498.00	9,760,582.00	9,075,474.62	1,445,773.00	12.90
REVENUES OVER/(UNDER) EXPENDITURES	0	0	7,524,448.16	1,500,214.51	1,222,601.68	(1,500,214.51)	0.00

Fiscal 2025 Annual Audited Financial Report

Nueces County Appraisal District

Audited Financial Report

For the Year Ended December 31, 2025

GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

NUECES CENTRAL APPRAISAL DISTRICT

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GOWLAND, MORALES & SMITH, PLLC
Certified Public Accountants

555 N. Carancahua, Suite 1040
Corpus Christi, TX 78401
Telephone: (361) 993-1000
Fax: (361) 991-2880

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nueces Central Appraisal District
Corpus Chisti, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Nueces Central Appraisal District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Nueces Central Appraisal District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Nueces Central Appraisal District, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nueces Central Appraisal District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nueces Central Appraisal District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nueces Central Appraisal District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nueces Central Appraisal District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nueces Central Appraisal District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Respectfully,

Gowland, Morales, & Smith, PLLC

Gowland, Morales and Smith, PLLC
Certified Public Accountants

Corpus Christi, Texas
September 25, 2026

Management of the Nueces County Appraisal District (District) offers to readers of its financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. We encourage readers to consider this information as part of a greater whole and read it in conjunction with all other information presented.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceed its liabilities and deferred inflows by $8,634,973 *(net position)* as of December 31, 2025. Of this amount, $7,354,859 (85%) is unrestricted and may be used to meet the District's ongoing obligations to the taxing entities it serves, property owners and creditors.
- During 2025, the District's net position increased $1,817,773 generally due to a combination of higher revenues from investment earnings and rendition penalties, less personnel expenses, and lower outlays for capital assets than anticipated in the annual balanced budget.
- The District's liabilities consist of trade accounts payable, accrued expenses, and liabilities related to the District's pension plan.
- The District's Governmental (General) Fund reports a fund balance of $6,113,592, a net increase of $1,500,219 during the year. Of this total, $243,050 is in unspendable (non-cash) form and $5,870,547 is committed or assigned to various planned purposes. There is a $0 unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion serves to introduce the District's basic financial statements. These statements begin on page 14 of this report and have three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other useful supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances with a long-term perspective and use accounting methods similar to a private-sector business. These statements include all assets and liabilities reported on the accrual basis of accounting.

The ***Statement of Net Position*** presents financial information on the District's assets and liabilities with the difference between them being reported as "net position." Further, the categorization within net position distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, and those that are unrestricted and available at the District's discretion.

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

Government-wide financial statements should distinguish the functions of the District that are principally supported by the taxing entities it serves and by any intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities are governmental. The District is the *primary government* and has no component units.

Each of the above statements is presented in conjunction with the more traditional governmental fund financial statements (discussed in the next section) along with reconciliation between the two in order to facilitate the reader's understanding and comparison of the types of information each provides.

Fund Financial Statements

Users of traditional government financial statements will find the fund financial statement presentation more familiar. They provide a short-term view about the District's most significant funds individually - but not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Governmental fund financial statements presented include a governmental fund Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.

The District adopts an annual appropriated budget for its General Fund. A budget-to-actual comparison statement is also presented to demonstrate compliance with the budget.

Proprietary funds are of two types. Enterprise funds are used to report business-type activities, which the District does not maintain. An Internal Service fund is an accounting device used to accumulate revenue and allocate costs. The District's internal service fund reflects the District's employee benefits self-insurance program. A Statement of Net position, a Statement of Revenues, Expenditures and Changes in Fund Balance and a Statement of Cash Flows are presented. Since this fund solely benefits a governmental function, rather than a business-type function, its activities are also included within the governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes begin on page 19 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

Table 1 below provides a summarized comparison of the District's net position as of December 31 of each of the two most recent fiscal years. Increases in net position indicate an improved financial position while decreases indicate deterioration of financial position. The Statement of Net Position provides the necessary information upon which to base this determination. Net position for the last two fiscal years is presented in three components: (1) invested in capital assets, (2) restricted by external parties or laws and (3) unrestricted at the bottom of Table 1.

The District's *capital assets, net of related debt* total $1,226,474 at December 31, 2025, and make up about 28% of total net position. This category of net position increases by acquiring capital assets, decreases for depreciation on capital assets and the balance of any debts used to acquire the capital assets. Capital assets with a net book value of $1,226,474 include land, an office building, building improvements, furniture, equipment, information technology, and a fleet of vehicles used by the District to provide its services to the taxing units, citizens, and property owners of Nueces County. There are no outstanding debts associated with these capital assets at December 31, 2025.

The *restricted for medical payments* category of net position of $53,640 represents funds that may only be used to meet the District's obligations related to its employee benefit self-insurance trust fund activities. The balance of the related trust fund has been declining over recent years as claims costs experience inflationary growth, but funding levels budgeted have remained relatively the same. In recent years, the District made efforts to build the fund reserves and to pay for known larger claims.

The *unrestricted* category of net position, with a balance of $7,354,859 (85% of total net position) may be used to meet the District's ongoing obligations to citizens and creditors. It is important to understand that these are not necessarily idle resources. Rather, the District has various intended uses for, and some limitations imposed by its funding entities on the various uses of these funds as is explained further in the notes to the financial statements.

TABLE 1 - NUECES COUNTY APPRAISAL DISTRICT'S NET ASSETS

	Governmental Activities		
	2025	2024	Change
Current Assets	$ 9,839,215	$ 8,140,929	$ 1,698,286
Capital Assets, Net of Accumulated Depreciation	1,226,474	1,360,289	(133,815)
Total Assets	11,065,689	9,501,218	1,564,471
Deferred Outflows-Pensions	786,034	927,694	(141,660)
Current Liabilities	717,279	259,344	457,935
Long-Term Debt Due Within One Year	343,495	310,695	32,800
Long-Term Debt Due in More Than one Year	(1,013,454)	115,271	(1,128,725)
Total Liabilities	47,320	685,310	(637,990)
Assessments	2,611,204	2,919,874	(308,670)
Deferred Inflows - Pensions	558,236	6,528	551,708
Total Deferred Inflows of Resources	3,169,440	2,926,402	243,038
Net Position:			
Capital Assets Net of Related Debt	1,226,474	1,360,289	(133,815)
Restricted for Medical Payments	53,640	37,632	16,008
Unrestricted	7,354,859	5,419,271	1,935,588
Total Net Position	$ 8,634,973	$ 6,817,200	$ 1,817,763

As shown in Table 1 above, total net position increased $1,817,763 during 2025 primarily due to higher ending cash balances, increased deferred outflows related to pensions, and lower near term liabilities. Net position decreased due to higher accumulated depreciation on District assets, higher 2025 entity assessments, and higher total liabilities related to the District's pension. More details about why the net position changed can be gained by analyzing the changes in all of the other items in the Statement of Net position. That discussion follows and then an analysis of the Statement of Activities will provide further details.

Current Assets: Other assets consist of cash, cash-equivalents, receivables, and prepaid expenses. At December 31, 2025, these assets are $1,698,286 higher than December 31, 2024. Cash balances increased primarily due to higher than portfolio revenues and lower expenditures than anticipated in the annual budget. Otherwise, there higher receivables and less prepaid expenses as of December 31, 2025.

Capital Asset Activities: The net book value of the District's capital assets is $1,226,474 at December 31, 2025. Capital assets increased by $53,770 for the third floor remodel. The value of capital assets decreased by $326,273 in annual depreciation and disposition of assets, which draws down on the carrying values to show the economic effects of using the assets over the fiscal year in the District's business.

Deferred Outflows-Pensions: Deferred outflows represents future resource outflows related to the District's pension plan and which decreased $141,660 from December 31, 2024, primarily due to prior years' unfavorable plan investment activities compared to actuarial assumptions and other net differences between actual and actuarially projected plan activities that are being amortized over future years. Note V.B. in the Notes to the Financial Statements provides significant detail on pension activities.

Current liabilities: Combined current liabilities are $457,935 higher than at the end of 2024. The trade accounts payables outstanding at December 31, 2025, were higher than 2024.

Long Term Debt Due in more than one year: This item represents long-term portion of the District's pension liability (asset). It is $1,128,725 less favorable than the end of 2024 as the asset turned into a liability due to a large investment losses and other differences from actuarial assumptions at the end of the measurement year (2024). This amount will be amortized over a series of years. Note V.B. in the Notes to the Financial Statements provides more detail on pension activities.

Changes in Net Position:

All changes to net position are detailed in the Statement of Changes in Net Position, which is summarized and presented in Table 2. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's overall net position increased $1,817,773 during the year, resulting in a total net position of $8,634,973 at December 31, 2025.

Table 2
Change in Net Position

	Governmental Activities		
	2025	2024	Change
Revenue			
Program Revenues:			
Charges for Services	$ 10,965,674	$ 9,990,169	$ 975,505
Investing	219,230	277,920	(58,690)
Miscellaneous Income	75,892	29,986	45,906
Total Revenues	11,260,796	10,298,075	962,721
Expenses			
Personnel Services	6,774,347	6,268,275	506,072
Supplies and Operating Expenses	716,397	648,824	67,573
Motor Vehicle Expense	26,670	48,019	(21,349)
Professional Services	1,702,686	1,993,776	(291,090)
Captial Outlay	30,465	(19,563)	50,028
Depreciation	192,458	211,588	(19,130)
Total Expenses	9,443,023	9,150,919	292,104
Change in Net Position	1,817,773	1,147,156	670,617
Net Postion, Beginning	6,817,200	5,670,034	1,147,166
Net Position, Ending	$ 8,634,973	$ 6,817,200	$ 1,817,773

Governmental activities. Since the District has no business-type activities, governmental activities are solely responsible for the increase in net position. The excess of revenues over expenses accounts for the entire $1,817,773 increase in the District's net position in 2025. The following paragraphs explain the details while comparing the two years.

2025 revenues total $11,260,796 and are primarily (97%) annual amounts received from the District's funding entities which the District serves. The remainder of revenues are from ancillary revenue-generating activities. Revenues are $962,721 higher than 2024 primarily due to higher funding received from taxing entities and higher investment earnings.

2025 expenses total $9,443,033, a increase of $292,104 from 2024 levels.

Personnel costs represent about 72% of total expenses and increased $506,072 over 2024 due to implementing an across the board 4% cost-of-living pay adjustment to employee wages with corresponding effects on pay-related benefits, higher pension expenses, and higher personnel health insurance expenses. The details of pension costs for the two years are explained in detail in the notes to the financial statements.

Supplies and operating expenses represent about 8% of total expenses for 2025 and increased by $67,573 over 2024 due to higher utilization levels and inflationary price increases in consumable supplies, postage rates, seasonal security, building maintenance costs, and higher insurance premiums for various lines of coverage.

Motor vehicle expenses represent fuel and maintenance of the District's vehicle fleet. These costs were $21,349 less than 2024.

Professional services total $1,702,686 and decreased $291,090 from 2024 levels. Most of this decrease is due to much lower legal and litigation costs within the scope of the litigation fund that was established in 2017 as litigation activities began to increase significantly. There were also smaller variations in other various other service costs between the two years.

Depreciation decreased $19,130 from 2024 as more assets continue to reach the end of their estimated depreciable lives.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financials are presented in conjunction with the government-wide financials beginning on page 14 of this report.

Governmental funds. The focus of the governmental funds financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's short-term financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The General Fund is the District's chief operating fund. At the end of the current fiscal year, fund balance totals $6,113,597, of which $243,050 is in unspendable form (receivables and prepaid expenses), $3,695,579 is Assigned to the Chief Appraiser, $2,174,968 is committed by the District Board of Directors to various future projects, and $0 is unassigned. Details about the various commitments are discussed in the notes to the financial statements.

The fund balance for the general fund increased by $1,500,219 from a combination of more revenues and lower expenditures than were estimated in the 2025 annual plan and budget.

Proprietary funds. The District's internal service fund financial statements begin on page 16. This fund is used for the financial administration of the District's employee benefits partially self-insured benefits program. This fund is presented as a governmental rather than a business-type function. The net position increased $16,007 due to experiencing more costs than the funding contributed into the fund.

The District made plan design changes in 2025 and continues an on-going program of educating employees on cost-effective utilization of program services. The District also increased the employee cost of prescription drugs, leading to high levels of generic medications. Emphasis on such things as the benefits of using minor emergency facilities instead of hospital emergency rooms, the assignment of case management services to major on-going claims, and continued use of generic drugs continues.

General Fund Budgetary Highlights

An annual budget is legally adopted for the General Fund only and a condensed summary of budget-to-actual results for the current year is shown in Table 3 below. The 2025 budget provided funding totaling $11,206,355. Actual results were $1,500,219 more favorable than planned primarily for reasons that are essentially all explained above in conjunction with the government-wide financial statements.

Table 3 - Fiscal Year 2025 Budget - General Fund

	Budget	Actual
Revenues		
Taxing unit funding	$ 10,954,255	$ 10,965,674
Other	252,100	295,122
Total	11,206,355	11,260,796
Expenditures		
General government	11,206,355	9,760,582
Excess (Deficiency) of Revenues Over Expenditures	-	1,500,214
Other Resources	-	-
Fund Balance January 1	4,613,378	4,613,378
Fund Balance December 31	$ 4,613,378	$ 6,113,592

ECONOMIC FACTORS

The District's Board of Directors approved a $10,683,429 budget for the 2026 fiscal year. Management continues to evaluate its practices, technology tools, contracts, and alternative practices in order to enhance the District's operations in a cost-effective manner.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in them. Questions concerning this report or requests for additional financial information should be directed to the Manager of Administration Services, 201 N. Chaparral, Suite 206, Corpus Christi, Texas 78401. For information about services, property values, appraisal process, exemptions, and other appraisal information, visit the District's website at http://www.nuecescad.net.

BASIC FINANCIAL STATEMENTS

NUECES COUNTY APPRAISAL DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
DECEMBER 31, 2025

	General Fund	Adjustments (Note II.A.)	Statement of Net Position
ASSETS			
Cash	$ 9,619,217	$ 165,638	$ 9,784,855
Receivables	323	-	323
Prepaid Expenses	54,037	-	54,037
Capital Assets, Net of			
Accumulated Depreciation	-	1,226,474	1,226,474
Total Assets	$ 9,673,577	1,392,112	11,065,689
DEFERRED OUTFLOWS RELATED TO PENSIONS		786,034	786,034
LIABILITIES			
Accounts Payable	$ 302,463	111,999	414,462
Accrued Expenses	302,817	-	302,817
Long-Term Debt - Due Within One Year			
Compensated Absences - Current Portion	343,495	-	343,495
Long-Term Debt - Due in More than One Year			
Pension Liability (Asset)	-	(1,013,454)	(1,013,454)
Total Liabilities	948,775	(901,455)	47,320
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Assessments	2,611,204	-	2,611,204
Deferred inflows Related to Pensions	-	558,236	558,236
Total Deferred Inflows	2,611,204	558,236	3,169,440
FUND BALANCE			
Unspendable	243,050	(243,050)	-
Assigned	3,695,579	(3,695,579)	-
Committed	2,174,968	(2,174,968)	-
Unassigned	-	-	-
Total Fund Balances	6,113,597	(6,113,597)	-
Total Liabilities and Fund Balances	$ 9,673,576	$ (6,456,816)	$ 3,216,760
NET POSITION			
Invested in Capital Assets		1,226,474	1,226,474
Restricted for Medical Payments		53,640	53,640
Unrestricted		7,354,859	7,354,859
Total Net Position		$ 8,634,973	$ 8,634,973

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

NUECES COUNTY APPRAISAL DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Adjustments (Note II.B.)	Statement of Activities
Revenues			
Taxing Units	$ 10,965,674	$ -	$ 10,965,674
Interest Income	219,230		219,230
Miscellaneous Income	75,892	-	75,892
Total Revenues	11,260,796	-	11,260,796
Expenditures			
Personnel Services	7,225,711	(451,364)	6,774,347
Supplies and Operating Expenses	751,740	(35,343)	716,397
Motor Vehicle Expense	26,670	-	26,670
Professional Services	1,702,686	-	1,702,686
Depreciation	-	192,458	192,458
Capital Outlay	53,770	(23,305)	30,465
Debt Service	-	-	-
Total Expenditures	9,760,577	(317,554)	9,443,023
Excess (Deficiency) of Revenues Over Expenditures	1,500,219	317,554	1,817,773
Other Resources	-	-	-
Excess (Deficiency) of Revenues and Other Resources Over Expenditures	1,500,219	317,554	1,817,773
Change in Net Position	-	-	1,817,773
Fund Balance/Net Position:			
Beginning of Year	4,613,378	2,203,822	6,817,200
End of Year	$ 6,113,597	$ 2,521,376	$ 8,634,973

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

NUECES COUNTY APPRAISAL DISTRICT
STATEMENT OF NET POSITION
SELF INSURANCE FUND
DECEMBER 31, 2025

	Internal Service Fund Self Insurance Fund
ASSETS	
Cash	$ 165,638
Accounts Receivable	-
Total Assets	165,638
LIABILITIES	
Estimated Claims Payable	111,999
Total Liabilities	111,999
NET POSITION	
Restricted for Medical Payment	$ 53,640

The accompanying notes are an integral part of these financial statements

NUECES COUNTY APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
SELF INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Internal Service Fund Self Insurance
Operating Revenues	
Funding	$ 1,309,348
Total Revenues	1,309,348
Operating Expenses	
Medical Claims and Premiums	1,241,551
Administrative Expense	51,824
Total Operating Expenses	1,293,375
Operating Income (Loss)	15,973
Non-Operating Revenues	
Interest Income	34
CHANGE IN NET POSITION	16,007
Beginning Net Position	37,632
Ending Net Position	$ 53,640

The accompanying notes are an integral part of these finanical statements.

NUECES COUNTY APPRAISAL DISTRICT
STATEMENT OF CASH FLOWS
SELF-INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

		Internal Service Fund Self Insurance Fund
Cash Flows from Operating Activities:		
Charges for Services	$	1,309,348
Claims and Premiums Paid		(1,185,399)
Administrative Expense		(51,824)
Net Cash Provided (Used) by Operating Activities		72,125
Cash Flows from Investing Activities:		
Interest on Investments		34
Net Increase (Decrease) in Cash and Cash Equivalents		72,159
Beginning Cash and Cash Equivalents		93,480
Ending Cash and Cash Equivalents	$	165,638
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$	15,973
Changes in Liability		
Accounts Payable		56,152
Net Cash Provided by Operating Activities	$	72,125

The accompanying notes are an intergral part of these finanical statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. District Formation and Reporting Entity

The Nueces County Appraisal District (District) was established in 1979 by the Texas Legislature, with the Board of Directors meeting for the first time on March 20, 1980. The District is responsible for appraising property in Nueces County for ad valorem tax purposes of the state and of each taxing unit that imposes ad valorem taxes on property situated within the county. Effective March 31, 2026 the District changed its name from the Nueces County Apraisal District to the Nueces Central Appraisal District.

The District is an independent political subdivision of the State of Texas. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for the inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other government or other type of reporting entity.

B. Government-wide and Fund Financial Statements

The *government-wide financial statements* report information on all of the non-fiduciary activities of the primary government and any component units. Governmental activities, which generally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support or services. The government-wide financial statements include the following:

Statement of Net Position: The Statement of Net Position is designed to display the financial position of the primary government entity (governmental and business-type activities) and any discretely presented component units. Governments report all assets, including capital assets, in the government-wide Statement 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: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities: The government-wide statement of activities reports revenue and expenses 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).

Separate *fund financial statements* are provided for governmental funds, proprietary funds,

and fiduciary funds. 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 categorize primary activities as governmental. 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.

Within 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, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the District's funds:

Governmental Funds: Governmental funds are those funds through which most governmental functions are typically financed. The District's funds include:

General Fund: The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenue include local fees from the taxing units. Expenditures include the general government.

Proprietary Fund: Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. Goods and services provided by the District's Internal Service Fund include employee health and dental benefits. The Internal Service fund is included in governmental activities for government-wide reporting purposes.

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 budgets throughout the year for a variety of reasons.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the full accrual basis of accounting. This approach includes not just current assets and liabilities but also capital assets (i.e., buildings and equipment) and long-term liabilities (i.e., leases). Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter, as in the case with the modified accrual basis of accounting. The governmental funds' financial statements are presented on a current financial resource and modified accrual basis of accounting. This is also the manner in which these funds are normally budgeted. With this measurement focus, only current assets and current liabilities 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. 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. 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.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented, which briefly explains the adjustments necessary to reconcile fund-based financial statements with the governmental column of the government-wide presentation. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

D. Assets, Liabilities, and Net Position or Fund Equity

1. Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with banks, amounts included in pooled cash, and liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents are included in both unrestricted as well as restricted assets.

2. Receivables

The District's primary revenue source is from assessments to taxing jurisdictions for appraisal services provided to them by the District. Assessments are imposed annually based on the amount approved by the Board of Directors in the annual budget. As required by state law, the assessment is allocated in four equal payments due by the last day of the prior quarter, with the first payment due by January 1 of the year in which the budget takes effect. Such assessments become delinquent if unpaid on the due date. Assessments received by District in advance and for the subsequent fiscal year are also reflected as deferred revenue.

3. Inventories and Prepaid Items

Supplies inventories are recognized as an expenditure as soon as the corresponding liability is incurred (i.e., the purchase method).

Certain payments reflect costs applicable to future accounting periods and are recorded as

prepaid items.

4. Capital Assets

Capital assets include buildings, equipment, property improvements, and vehicles and are reported in the government-wide statement of net assets. The District defines capital assets as assets with an initial individual cost of more than $1,000 (amount not rounded) and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All of the District's assets have estimated useful lives of three to ten years except the building and building improvements which range from twenty to forty years and are depreciated using the straight-line method. The District does not possess any infrastructure.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category on the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience for the District's defined benefit pension plan and changes in assumptions. This amount is deferred and amortized over the average of the expected service lives of pension plan members. A deferred outflow of resources is recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability (asset) during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable*

revenue, is reported in the governmental fund balance sheet and at the government-wide level. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred inflows have also been recognized as a result of differences between the actuarial expectations and the actual economic experience for the District's defined benefit pension plan and changes in assumptions. This amount is deferred and amortized over the average of the expected service lives of pension plan members.

6. Compensated Absences and Termination Benefits – GASB 101

It is the District's policy to allow all full-time employees to accumulate earned but unused vacation and sick pay benefits. Vacation time accrues in varying annual amounts based on tenure. Upon termination or retirement, employees are paid for unused and accumulated vacation time.

Employees also accrue sick leave benefits at the rate of 1 day per month. Unused sick leave may be carried over from one year to the next, up to a maximum of 780 hours (90 days). Any unused and accrued sick leave is payable only upon death or retirement up to 780 hours.

The Nueces County Appraisal District recognizes a liability for compensated absences, such as vacation, sick leave, and paid time off, in accordance with GASB Statement No. 101, *Compensated Absences*. The net change in the liability for the year ended December 31, 2025 was $32,799.

7. Long-term Obligations

Any long-term debt and lease obligations are reported as liabilities in the government-wide statement of net assets. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. 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 currently expendable available financial resources. The District's only long-term liability is its pension liability.

8. Fund Equity

In the Government-Wide Financial Statements, net positions are classified into the following categories:

- *Invested In Capital Assets, Net of Related Debt* represents the net carrying value of all capital assets and is offset by the outstanding balance of any outstanding debt attributable to the acquisition, construction, or improvement of these assets.

- *Restricted Net Position* represents *external* restrictions imposed by creditors, grantors,

contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. Additionally, this category represents restrictions placed on the categories of Debt Service and Specific Projects and Programs as established by the Board of Directors.

- *Unrestricted Net Position* represents any residual of net assets.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted, and unrestricted net assets are available.

In the government fund financial statements, the components of the fund balances reflect policies and procedures established by actions of the Board of Directors and its designated officials. Fund balances of the governmental funds are classified as follows:

- *Nonspendable Fund Balance* represents amounts that cannot be spent because they are not in spendable forms, such as inventory or prepaid insurance.

- *Restricted Fund Balance* represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

- *Committed Fund Balance* represents amounts that can only be used for a specific purpose because of formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

- *Assigned Fund Balance* represents amounts that the District intends to use for a specific purpose but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

- *Unassigned Fund Balance* represents amounts which are unconstrained in that they may be spent for any purpose.

9. 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, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and re-reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

10. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net fiduciary position of the Texas County District Retirement System (TCDRS) and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet is presented along with the government-wide Statement of Net Assets and includes a reconciliation column between the two. The specifics of the reconciling items are as follows:

ASSETS:		
Add assets of the internal service fund	$	165,638
Add capital assets, net of accumulated depreciation that are used in governmental activities		1,226,474
Total Adjustments to Assets		1,392,112
DEFERRED OUTFLOWS RELATED TO PENSIONS		786,034
LIABILITIES		
Add liabilities of the internal service fund		111,999
Add net pension liability (asset)		(1,013,454)
Total Adjustments to Liabilities		(901,455)
DEFERRED INFLOWS RELATED TO PENSIONS		558,236
INCREASE TO NET POSITION		2,521,361
TOTAL FUND BALANCE GENERAL FUND		6,113,597
TOTAL NET POSITION	$	8,634,973

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of the differences are as follows:

EXPENDITURES		
Personnel Expenses:		
Net loss (revenue) from internal service fund	$	(16,007)
Change in pension expense		(435,357)
		(451,364)
Depreciation of government fund capital assets not reported in the general fund		192,458
Capital outlays are not reported as expenses in the statement of activities		(58,648)
Change in Expenditures		(317,554)
Change in net position of governmental activities		317,554
Net Change in Fund Balances - General Fund		1,500,219
Change in Net Position - Statement of Activities	$	1,817,773

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

Prior to June 15, the Board of Directors and taxing entities are presented with a proposed budget draft for the fiscal year beginning on the following January 1. The budget includes proposed expenditures and the means of financing them. The budget also serves as a basis for determining the annual assessments due from the taxing jurisdictions.

At least one public hearing is conducted to obtain citizens' comments.

The budget must be approved by September 15. The budget for the fiscal year that ended December 31, 2025, was legally enacted through the passage of a board motion on August 21, 2024.

The budget is considered a management control and planning tool and, as such, is incorporated into the accounting system of the District. Appropriations lapse at fiscal year-

end, except that portion related to encumbered amounts. An annual budget is legally adopted for the General Fund only. The Chief Appraiser may transact for procurements not exceeding $50,000. The District Board must approve transactions over $50,000.

The Chief Appraiser is authorized to transfer budgeted amounts between divisions or line items (legal level of budgetary control). However, the Board of Directors must approve transfers of more than $5,000.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The District's investment policy is in accordance with the laws of the State of Texas. The policy identifies authorized investments, investment grades, and maximum terms.

The District may invest in U.S. Agencies, Federal Home Loan Bank, Federal Farm Credit Bank, and Fannie Mae and Freddie Mac bonds. Local government investment pools with ratings no lower than AAA or AAA – or an equivalent rating of at least one nationally recognized rating service. Currently, the District uses one local government investment pool; AAA Rated TexPool, which is overseen by the Texas Comptroller of Public Accounts and is administered by Federated Investors, Inc.

As of December 31, 2025, the District's cash and cash equivalents were as follows:

Investment Type	All Funds	Days to Maturity
Demand Deposits (bank accounts)	$ 4,523,380	1
Local Government Investment Pool (TexPool)	5,261,475	1
Total Cash and Cash Equivalents	$ 9,784,855	

The District's deposits and investments are subject to various types of risks. The following disclosures are for the purpose of assessing the types of risks involved.

Custodial Credit Risk: This is the risk that if a bank fails or the issuer of an investment cannot fulfill its obligations, the District may not recover its funds. All bank demand deposits and certificates of insurance are required to be fully covered by a combination of FDIC insurance and collateral held by the District's third-party agent in the District's name. The market value of acceptable collateral must be at least 102% of the District's funds on

deposit in the bank. At December 31, 2025, the bank recorded balances totaling $4,523,380. All bank balances were covered by both FDIC and sufficient collateral.

Regarding any investments, the District's policy for managing this risk, in compliance with state law, is to invest in obligations of the United States and its agencies or instrumentalities, states, counties, cities, and other political subdivisions of any state having a rating of not less than A or its equivalent; certificates of deposit; prime domestic banker's acceptances; certain commercial paper; certain mutual funds; fully collateralized repurchase agreements and public investment pools. As of December 31, 2025, and 2024, the authority's investments were in compliance with applicable law and the District's investment policy.

Interest Rate Risk: This is the risk that changes in the interest rates will negatively impact the fair value of the District's investments. As market interest rates rise, the fair value of an investment held decreases. By policy, the District's strategy for managing this risk is to limit the weighted average maturity for any investments to a maximum of one year. As of December 31, 2025, all investments were in compliance with policy.

Concentration of Credit Risk: This is the risk of investing predominantly in any one type of investment or entity. The District's investment policy limits the amounts of such investments to various specified percentages of the total portfolio based on the type of investments. All investments are in compliance with the policy.

B. Receivables

The District Receivables at December 31, 2025, were:

Entity Assessments	323
Total	$ 323

C. Capital Assets

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

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets at book value:				
Furniture and Equipment	$ 1,799,388	$ 4,443	$ (691,532)	$ 1,112,299
Vehicles	673,413		(192,014)	481,399
Building and Building Improvements	3,919,540			3,919,540
Construction in Progress	-	54,205		54,205
Total capital assets being depreciated	6,392,341	58,648	(883,546)	5,567,441
Less accumulated depreciation for:				
Furniture and Equipment	(1,755,405)	(17,270)	691,532	(1,081,143)
Vehicles	(614,524)	(41,048)	192,014	(463,559)
Building and Building Improvements	(2,662,122)	(134,140)		(2,796,260)
Total accumulated depreciation	(5,032,051)	(192,458)	883,546	(4,340,961)
Total capital assets, being depreciated, net	$ 1,360,289	$ (133,810)	$ -	$ 1,226,474

Significant capital asset activities are discussed in the management's discussion and analysis section of this report before the basic financial statements.

D. Long-Term Liabilities

During the year ended December 31, 2025, the following changes occurred in the long-term liabilities reported in governmental activities.

	Beginning	Additions	Reductions	Ending	Due Within One Year
Compensated Absences	$ 310,695	32,800	$	$ 343,495	$ 343,495
Net OPEB Obligations (Asset)	(115,271)	1,128,725		1,013,454	-
	$ 195,424	1,161,525	$ -	$ 1,356,949	$ 343,495

E. Fund Balance Designations

The government fund's fund balance is classified as either unspendable, restricted, committed, assigned, or unassigned based on the extent to which the District is bound to

observe restrictions imposed upon the use of the resources in the government funds. The fund balance for the government funds is as follows:

Unspendable:		
	Receivables	$ 156,693
	Prepaid expense	86,357
		$ 243,050
Assigned:		
	HVAC Replacement	$ 450,970
	Health Insurance Reserve	500,000
	Replacement Vehicles	118,390
	Third Floor remodel project	936,971
	Homestead Exemption Audit (2024)	100,000
	First and Second Floor Projects	250,000
	Furniture	89,248
	IT Computer Supplies	50,000
	CAMA Replacement	1,200,000
		$3,695,579
Committed:		
	Building Maintenance	$ 100,000
	Capital Acquisions	630,893
	Litigation Contingency Fund	919,733
	Cash Flow/Operating Reserve	524,342
		$2,174,968

V. OTHER INFORMATION

A. Risk Management

In 2003, the District established a limited risk management program for its employee health benefits claims activity. A trust fund is established for the accumulation of resources to satisfy potential claims of subsequent periods. The District's exposure is limited due to stop-loss protection and reinsurance carried through Champion Life Insurance Company. Stop-loss coverage was in effect for individual claims exceeding $35,000 and an approximalty $515,985 annual minimum aggregate deductible. Changes in the balance of claim liabilities during the past year are as follows:

	2025	2024
Unpaid Claims, Beginning of Fiscal Year	$ 55,847	$ 16,868
Incurred Claims (including Claims incurred but not reported)	1,241,551	998,430
Claims Payments	(1,185,399)	(959,451)
Unpaid Claims, End of Fiscal year	$ 111,999	$ 55,847

B. Employee Retirement Plan

1. Plan Description

The District provides retirement, disability, and death benefits for all of its permanent employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is a qualified pension plan under Section 401(a) of the Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 plans.

TCDRS, in the aggregate, issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at Barton Oaks Plaza IV, Suite 500, 901 S. MoPac Expressway, Austin, Texas 78746. The plan provisions are adopted by the governing body of a participating employer within the options available in the Texas state statutes governing TCDRS (TCDRS Act).

District members can retire at age 60 and above with five or more years of service, with 20 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 5 years of employment with any organization with an accredited plan (not just the District's); however, they must leave their accumulated contributions in the plan to receive any employer-financed benefits.

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 with 7% annual interest and employer-financed monetary credits into a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Funding Policy

The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. The District's contribution rate and the employee rate may be changed by the governing board within the options available in the TCDRS Act. District and employee contribution rates are as follows:

	Fiscal 2025	Fiscal 2024	Fiscal 2023
Employer contribution rate	13.84%	13.84%	13.79%
Employee contribution rate	7.00%	7.00%	7.00%

3. Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2023	$ 19,480,845	$ 19,365,574	$ 115,271
Changes for the year:			
Service cost	814,241		814,241
Interest	1,508,427		1,508,427
Effect of economic/demographic gain/loss	(496,944)		(496,944)
Changes of assumptions			-
Contributions - employer		651,539	(651,539)
Contributions - employee		329,535	(329,535)
Net investment income		1,975,462	(1,975,462)
Benefit payments, including refunds of employee contributions	(911,407)	(911,407)	-
Administrative expenses		(11,654)	11,654
Other charges		9,567	(9,567)
Balance at 12/31/2024	$ 20,395,161	$ 21,408,615	$ (1,013,454)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.6 % , as well as what the District's net pension liability would have been if it were calculated using a discount rate that is 1 percent point lower (6.60%) or 1 percent point higher (8.60%) than the current rate.

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
District's net pension liability (asset)	$ 1,660,404	$ (1,013,454)	$ (3,248,078)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the District recognized pension expenses in the amount of $261,368. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	$ 89,308	$ 372,708
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings (net of current year amortization)	-	185,528
Contributions subsequent to the measurement date	696,726	-
Total	$ 786,034	$ 558,236

The District reported $696,726 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended December 31,	
2026	(206,338)
2027	177,825
2028	(340,182)
2029	(100,233)
2030	-
Thereafter	-

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Amounts determined regarding the status

of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. 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 schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

C. Date of Management's Review

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through September 25 , 2026 (the date of the Audit Report). The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there is no non-recognized subsequent event that requires additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

NUECES COUNTY APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund		
	Original Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxing Units	$ 10,954,255	$ 10,965,674	$ 11,419
Interest Income	210,000	219,230	9,230
Miscellaneous Income	42,100	75,892	33,792
Total Revenues	11,206,355	11,260,796	54,441
Expenditures			
Personnel Services	7,200,617	7,225,711	(25,094)
Supplies and Operating Expenses	770,219	751,740	18,479
Motor Vehicle Expense	55,000	26,675	28,325
Professional Services	1,980,519	1,702,686	277,833
Capital Outlay	1,200,000	53,770	1,146,230
Debt Service	-	-	-
Total Expenditures	11,206,355	9,760,582	1,445,773
Excess (Deficiency) of Revenues Over Expenditures	-	1,500,213	1,500,214
Other Resources	-	-	-
Excess (Deficiency) of Revenues and Other Resources Over Expenditures	-	1,500,213	1,500,214
Fund Balance Beginning of Year	4,613,378	4,613,378	-
Fund Balance End of Year	$ 4,613,378	$ 6,113,591	$ 1,500,214

The accompanying notes are an integral part of these financial statements

NUECES CENTRAL APPRAISAL DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2024	2023	2022	2021	2020	2019
Total Pension Liability						
Service Cost	$ 814,241	$ 753,747	$ 708,614	$ 684,365	$ 624,371	$ 578,418
Interest (in the total pension liability)	1,508,427	1,396,904	1,283,621	1,182,629	1,099,008	1,013,584
Changes of benefit terms	-	-	-	0	0	0
Difference between expected and actual experience	(496,944)	104,806	147,621	39,637	(93,470)	(44,478)
Change of assumptions	-	-	-	(26,115)	856,375	0
Benefit payments, including refunds of employee contributions	(911,408)	(787,932)	(604,286)	(548,559)	(557,386)	(521,029)
Net change in Total Pension Liability	914,316	1,467,525	1,535,570	1,331,957	1,928,898	1,026,495
Total Pension Liability - Beginning	19,480,845	18,013,321	16,477,751	15,145,794	13,216,896	12,190,402
Total Pension Liability - Ending (a)	$ 20,395,161	$ 19,480,846	$ 18,013,321	$ 16,477,751	$ 15,145,794	$ 13,216,897
Plan Fiduciary Net Position						
Contributions - employer	$ 651,539	$ 664,220	$ 598,055	$ 497,573	$ 476,235	$ 460,617
Contributions - employee	329,535	337,105	303,581	283,863	271,694	268,695
Net investment income	1,975,462	1,897,587	(1,079,518)	3,218,375	1,343,391	1,804,319
Benefit payments, including refunds of employee contributions	(911,408)	(787,932)	(604,286)	(548,559)	(557,386)	(521,029)
Administrative expense	(11,654)	(10,112)	(10,107)	(9,729)	(10,632)	(9,907)
Other	9,568	17,601	56,892	10,599	6,927	8,942
Net Change in Plan Fiduciary Net Position	2,043,042	2,118,469	(735,383)	3,452,122	1,530,229	2,011,637
Plan Fiduciary Net Position - Beginning	19,365,574	17,247,107	17,982,490	14,530,368	13,000,139	10,988,500
Plan Fiduciary Net Position - Ending (b)	$ 21,408,616	$ 19,365,576	$ 17,247,107	$ 17,982,490	$ 14,530,368	$ 13,000,137
Net Pension Liability - Ending (a) - (b)	$ (1,013,455)	$ 115,270	$ 766,214	$ (1,504,739)	$ 615,426	$ 216,760
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.97%	99.41%	95.75%	109.13%	95.94%	98.36%
Covered Employee Payroll	$ 4,707,637	$ 4,815,805	$ 4,336,876	$ 4,055,192	$ 3,881,344	$ 3,838,507
Net Pension Liability as a Percentage of Covered Payroll	-21.53%	2.39%	17.67%	-37.11%	15.86%	5.65%

NUECES CENTRAL APPRAISAL DISTRICT
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 696,726	$ 651,540	$ 664,220	$ 598,055	$ 497,572	$ 476,238
Contributions in relation to actuarially determined contribution	(696,726)	(651,540)	(664,220)	(598,055)	(497,572)	(476,238)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 5,034,148	$ 4,707,656	$ 4,815,805	$ 4,336,870	$ 4,055,188	$ 3,881,317
Contributions as a percentage of covered employee payroll	13.84%	13.84%	13.79%	13.79%	12.27%	12.27%

NUECES CENTRAL APPRAISAL DISTRICT
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16.0 Years (Based upon contribution rate calculated in 12/31/2024 valuation.)
Asset Valuation Method	5-yr smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.5%, net of administration and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payment based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for males and 120% of the PUB-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Other Information:	Employer contributions reflect that the current service matching rate was increased to 110%

ADDITIONAL INFORMATION

GOWLAND, MORALES & SMITH, PLLC
Certified Public Accountants

555 N. Carancahua, Suite 1040
Corpus Christi, TX 78401
Telephone: (361) 993-1000
Fax: (361) 991-2880

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

We have audited the financial statements of Nueces Central Appraisal District as of and for the year ended December 31, 2025, and our report thereon dated September 25, 2026, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully,

Gowland, Morales, & Smith, PLLC

Gowland, Morales & Smith, PLLC
Certified Public Accountants

Corpus Christi, Texas
September 25, 2026

NUECES COUNTY APPRAISAL DISTRICT
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	Memorandum Only 2024
PERSONNEL SERVICES		
Payroll Taxes and Employee Benefits	$ 1,881,096	$ 1,807,145
Salaries	5,344,615	4,597,396
	$ 7,225,711	$ 6,404,541
SUPPLIES AND OPERATING EXPENSES		
Office Supplies	$ 22,964	$ 24,407
Computer Supplies	13,983	5,875
Postage & Freight	134,738	120,661
Telephone	32,520	32,674
Education	43,239	51,031
Travel Expense	24,755	30,660
Janitorial Service	43,570	34,995
Contract Security	75,184	49,745
Dues & Membership	15,460	14,768
Building Maintenance	157,170	99,475
Insurance	87,423	97,689
Minor Office Equipment	7,596	5,144
Miscellaneous Expense	1,639	2,294.00
Bank Charges	180	-
Utilities	91,319	79,406
Reserve for Building Expense	-	-
	$ 751,740	$ 648,824
PROFESSIONAL SERVICES		
Computer Maintenance	$ 99,238	$ 103,170
IT Service/Maintenance Contract	342,703	296,677
GIS Service Contract	164,762	363,808
Professional Services	56,295	276,790
Appraisal Services	202,149	-
Mineral, Pipeline, Industrial Appraisal Fee	393,336	295,000
Appraisal Review Board	199,395	172,468
Printing and Forms	45,944	45,568
Legal Notices	5,455	10,259
Auditor	28,245	12,500
Drug Testing	304	1,022
Books & Subscriptions	37,291	29,383
Legal Contingencies	-	294,431
Legal Fees	127,570	92,701
	$ 1,702,686	$ 1,993,776

The accompanying notes are an integral part of these financial statements

AUDIT FINDINGS

NUECES COUNTY APPRAISAL DISTRICT
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

A. Financial Statement Findings

2025-1:

None noted.

NUECES COUNTY APPRAISAL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

2025-1

Not applicable.

NUECES COUNTY APPRAISAL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

Finding/Recommendation	Current Status	Management's Explanation
2024-1 – Bank Reconciliations: Bank reconciliations were not consistently prepared and completed on a timely basis during the year. Delays in the reconciliation process increased the risk that errors or unusual transactions could remain undetected. Management should ensure reconciliations are completed monthly, reviewed timely, and supported by appropriate training and oversight procedures.	Resolved	Management has resolved the issue by reassigning responsibility for the bank reconciliation process and strengthening oversight. Jennifer Williams now serves as Director of Administration and is responsible for ensuring bank reconciliations are completed timely, reviewed appropriately, and supported by the District's established internal control procedures.