

Travis Central Appraisal District



Board of Director's Meeting
August 21, 2025
11:30 AM

TRAVIS CENTRAL APPRAISAL DISTRICT

BOARD OFFICERS

JAMES VALDEZ
CHAIRPERSON
DEBORAH CARTWRIGHT
VICE CHAIRPERSON
NICOLE CONLEY
SECRETARY/TREASURER



LEANA MANN
CHIEF APPRAISER

BOARD MEMBERS

JETT HANNA
JOHN HAVENSTRITE
DICK LAVINE
SHENGAO "DANIEL" WANG
BLANCA ZAMORA-GARCIA

850 East Anderson Lane

Austin, TX 78752 and VIA VIDEOCONFERENCE

The public may hear and view this meeting while in progress online at:

www.traviscad.org/boardmeetings

AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS - AUGUST 21, 2025 - 11:30 AM

1. CALL TO ORDER
2. ESTABLISHMENT OF A QUORUM
3. CITIZENS COMMUNICATION
Public comment will be allowed via teleconference. All public comment will occur at the beginning of the meeting. To speak at this meeting, persons must register online at <https://traviscad.org/speakerregistration> no later than 1.5 hours prior to the meeting start time. Approximately one hour prior to the meeting start time, remote speakers will receive email instructions on how to log in to participate in the meeting. Emails will come from outreach@tcadcentral.org.
4. REGULAR AGENDA
 - a. DISCUSSION AND POSSIBLE ACTION TO INCLUDE ADOPTION OF TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS) RETIREMENT PLAN RATE FOR 2026 PLAN YEAR
 - b. DISCUSSION AND POSSIBLE ACTION ON REVIEW AND ADOPTION OF FINANCE POLICY
 - c. DISCUSSION AND POSSIBLE ACTION ON CHIEF APPRAISER REPORT TO INCLUDE: 2025 PROTEST SEASON, COMMUNITY OUTREACH, TAXPAYER EXPERIENCE SNAPSHOT, AND LEGISLATIVE UPDATE
 - d. DISCUSSION AND POSSIBLE ACTION ON LITIGATION AND APPEALS RELATED TO PENDING AND ANTICIPATED LAWSUITS
 - e. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE CHIEF APPRAISER TO APPEAL THE APPRAISAL REVIEW BOARD'S DETERMINATION ON THE TAX YEAR 2025 PROTEST FOR PROPERTY ID 292257
 - f. ADJOURNMENT

THE BOARD MAY MEET IN EXECUTIVE SESSION TO DELIBERATE ANY MATTER AUTHORIZED BY TEXAS GOVERNMENT CODE SEC. 551.001 et seq [THE TEXAS OPEN MEETING ACT] INCLUDING:

- SEC. 551.071; Consultation with attorney regarding pending or contemplated litigation, settlement offers, and matters on which the attorney has a duty to advise the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.
- SEC. 551.072; Deliberations regarding real property
- SEC. 551.074; Personnel matters; to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Chief Appraiser or other public officer or employee; or to hear a complaint or charge
- SEC. 551.076; Deliberations regarding security devices

The Travis Central Appraisal District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call 512-834-9317 extension 313 for information. For a sign language interpreter, please call 48 hours prior to the meeting.

CERTIFICATE OF POSTING

I, Davina Barton, Executive Assistant of the Travis Central Appraisal District, do hereby certify that on the 14th day of August, 2025, by 5 o'clock P.M., this Notice of Meeting was posted at the District's Offices, located at 850 East Anderson Lane, Austin, Texas 78752. This Notice of Meeting was posted in a place readily accessible to the general public at all times for three business days prior to the meeting, filed with the Travis County Clerk for posting by the Clerk at the Travis County Courthouse, and posted on the District's website.

By: *Davina Barton*

Printed Name: Davina Barton

Title: Executive Assistant



TRAVIS CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS AGENDA ITEM DETAILS

Item 4A: Discussion and possible action to include adoption of Texas County and District Retirement System (TCDRS) Retirement Plan Rate for 2026 plan year

Presenter Leana Mann, Chief Appraiser

Background Information

The District is required to adopt the proposed plan agreement for each plan year. No changes are being proposed to the plan.

Staff Recommendation & Motion Language

Staff recommends that the board adopt the required rate as determined by TCERS.

I move to adopt the plan year 2026 agreement as presented, with a required contribution rate of 10.94%.



Plan Agreement for Plan Year 2026
Travis Central Appraisal District - 601
Effective as of Jan. 1, 2026

Table with 2 columns: Description and Value. Sections include Basic Plan Options (Employee Deposit Rate: 7%, Employer Matching: 250%, Prior Service Credit: 100%), Retirement Eligibility (At 60: 10 years of service, Rule of 75, At Any Age: 30 years of service), Optional Benefits (Partial Lump-sum Payment: No, Group Term Life: None), Retirement Plan Funding (Elected Rate: 10.94%), and Total Contribution Rate (Retirement Plan Rate: 10.94%, Group Term Life Rate: N/A, Total Contribution Rate: 10.94%).

Certification

I certify that the plan agreement for the participation of Travis Central Appraisal District in TCDRS for the 2026 plan year truly and accurately reflects the official action taken during properly posted and noticed meeting on _____ (mm/dd/yy) by the Governing Board and such action is recorded in the official minutes.

PrintedName: _____ Title: _____

Authorized Signature: _____ Date: _____



Plan Assessment for Plan Year 2026
Travis Central Appraisal District – 601
Participation Date – 4/1/1991

It's that time of year again — time to look at your TCDRS retirement plan and decide whether or not your benefits are adequate and affordable. This plan assessment will give you an overview of the benefits you provide as well as how much it will cost to provide these benefits in the upcoming plan year.

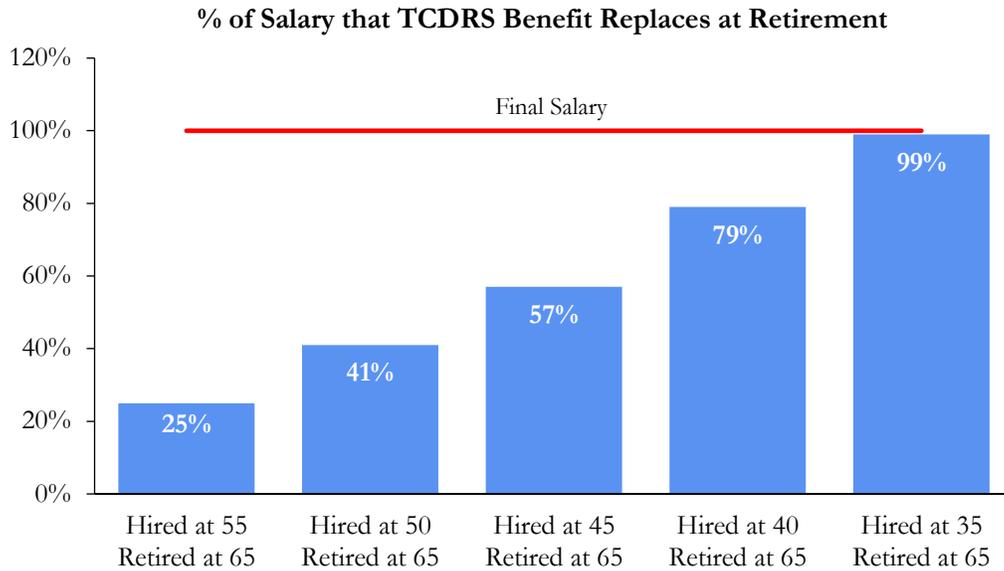
	2026 Plan
Basic Plan Options	
Employee Deposit Rate	7%
Employer Matching	250%
Prior Service Credit	100%
Retirement Eligibility	
Age 60 (Vesting)	10 years of service
Rule of	75 years total age + service
At Any Age	30 years of service
Optional Benefits	
Partial Lump Sum	No
Group Term Life	None
Retirement Plan Funding	
Total Normal Cost Rate	16.38%
Employee Deposit Rate	<u>-7.00%</u>
Employer-Paid Normal Cost Rate	9.38%
UAAL / (OAAL) Rate	<u>1.56%</u>
Required Rate	10.94%
Elected Rate	10.39%
Contribution Rates	
Retirement Plan Rate	10.94%
(greater of required and elected rate)	
Group Term Life Rate	N/A
Valuation Results (Dec. 31, 2024)	
Actuarial Accrued Liability	\$62,572,629
Actuarial Value of Assets	<u>\$60,495,198</u>
Unfunded / (Overfunded) AAL	\$2,077,431
Funded Ratio	96.7%

Notes:

Last COLA: 2023

What You Are Providing

The TCDRS benefit is based on employee deposits, which earn 7% compound interest each year, and employer matching at retirement. The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:

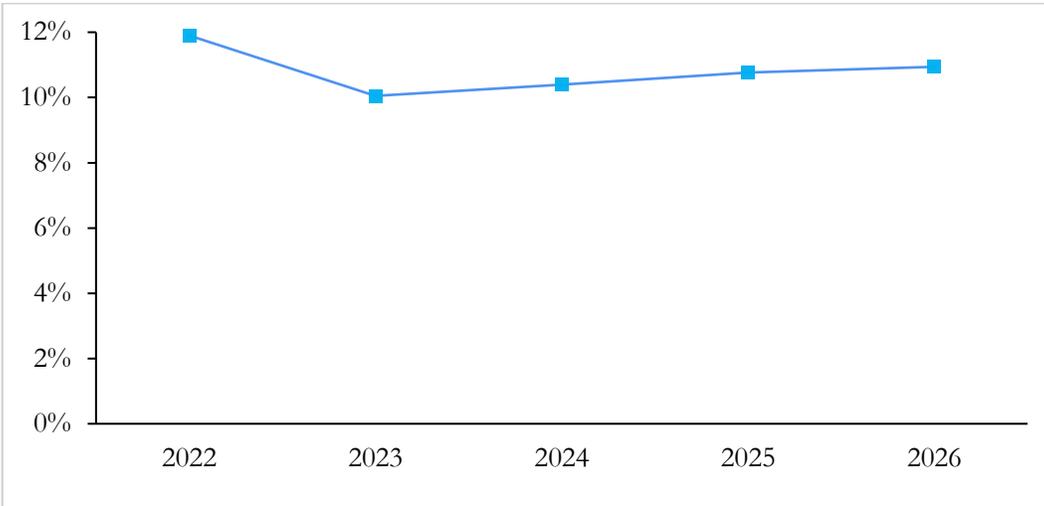


Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through an employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [TCDRS.org/Employer](https://www.tcdrs.org/Employer)).
- Based on Single Life benefit.

Reasons for Rate Change

Below is a record of your required rate history for your retirement plan over the last five years.



Reasons for Rate Change	2022-2023	2023-2024	2024-2025	2025-2026
Beginning Rate	11.90%	10.05%	10.39%	10.76%
Plan Changes Adopted	1.90%	0.00%	0.00%	N/A
Investment Return	-0.33%	0.29%	-0.03%	-0.13%
Elected Rate/Lump Sum	-1.90%	0.00%	0.00%	0.00%
Demographic/Other Changes	-0.28%	0.05%	0.42%	0.31%
Assumptions/Methods	<u>-1.24%</u>	<u>0.00%</u>	<u>-0.02%</u>	<u>0.00%</u>
Ending Rate	10.05%	10.39%	10.76%	10.94%
Valuation Year	2021	2022	2023	2024
Funded Ratio	98.7%	97.9%	97.1%	96.7%

Full details on the valuation calculations are included in the Dec. 31, 2024 Summary Valuation Report which will be available mid-May at TCDRS.org/Employer.

Next Steps

If you are interested in making plan changes, please contact your Employer Services Representative at 800-651-3848. Your benefit selections are due by Dec. 15, 2025.



TRAVIS CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS AGENDA ITEM DETAILS

Item 4B: Discussion and Possible Action on TCAD Finance Policy

Presenter Kat Harvey, Director of Administration

Background Information

Below is a summary of the revisions to the Travis CAD Finance Policy, organized by policy section. The proposed effective date of the updated policy is September 1, 2025, in line with the effective date of Senate Bill 1173.

- Section 4.1.1 – Updated the competitive bidding threshold per Senate Bill 1173.
- Section 4.2.1 – Competitive Bid Process
 - Extended the required advertising period from 7 days to 14 calendar days.
 - Updated BOD report and recommendation per Senate Bill 1173.
 - Added language regarding open records and confidentiality of information contained in those documents.
- Section 6.13 – A new section detailing accounting treatment of leases and SBITAs under GASB 87 and GASB 96.
- Section 9.2 – Removed the 6-year limitation on auditors; Added requirement to conduct competitive bidding at least every 6 years to select the most qualified candidate.
- Section 10.8 – Added Reserves created since last policy adoption. Reserve for ARB Operations, Market Data Purchases, & Board Elections.
- Administrative Updates
 - Updated job titles and role references for accuracy.
 - Reassigned employee receivables under Human Resources (Section 3.3.1).
 - Replaced outdated terminology with GFOA guidance. (Section 9.2)
 - Updated General Ledger Codes to match current account codes (Section 9.7)
 - Updated the process to align with current practice (Section 9.8.6 & 9.9.4)

Staff Recommendation & Motion Language

Staff recommends the adoption of the revised TCAD Finance Policy as presented.

I move to approve and adopt the Travis CAD finance policy effective September 1, 2025.

TRAVIS CENTRAL APPRAISAL DISTRICT

BOARD OFFICERS
JAMES VALADEZ
CHAIRPERSON
DEBORAH CARTWRIGHT
VICE CHAIRPERSON
NICOLE CONLEY
SECRETARY/TREASURER



LEANA MANN
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CELIA ISRAEL
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RESOLUTION 20250821-4B

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRAVIS CENTRAL APPRAISAL DISTRICT, ADOPTING THE TRAVIS CENTRAL APPRAISAL DISTRICT FINANCE POLICY ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE BOARD OF DIRECTORS HAS COMPLETED ITS REVIEW OF THE FINANCE POLICY OF THE DISTRICT AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO THE FINANCE POLICY AND PROVIDES FOR AN EFFECTIVE DATE.

WHEREAS, The Travis Central Appraisal District Finance Department has submitted the Finance Policy and Procedures to the Board of Directors of the Travis Central Appraisal District for the annual review.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TRAVIS CENTRAL APPRAISAL DISTRICT:

SECTION 1. That the Travis Central Appraisal District Finance Policy attached hereto as Exhibit "A" be and the same is hereby adopted and shall govern the finance policies for the District from and after the effective date of this resolution.

SECTION 2. That the Board of Directors of the Travis Central Appraisal District has completed its review of the finance policy and any changes made to the finance policy are recorded in Exhibit "A" hereto.

SECTION 3. That all provisions of the resolutions of the Travis Central Appraisal District in conflict with the provisions of this Resolution are, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 4. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Resolution which shall remain in full force and effect.

SECTION 5. That this resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the Board of Directors of the Travis Central Appraisal District on this 21st day of August, 2025.

TRAVIS CENTRAL APPRAISAL DISTRICT:

James Valadez, Chairman
Board of Directors

ATTEST:

Nicole Conley, Secretary
Board of Directors

Travis Central Appraisal District Finance Policy

850 E Anderson Lane
Austin TX 78752
PO Box 149012
Austin, TX 78714
512-834-9317

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1 Introduction

1.1 Purpose

This Finance Policy is to be used as the central source of reference to establish policies and delineate procedures for the effective and consistent management of financial operations of the Travis Central Appraisal District, hereinafter referred to as the District. This policy is intended to be general in some areas so that managers will have the flexibility to modify workflow responsibilities without constant revision of this policy.

1.2 Maintenance

Recommendations for changes and modifications should be submitted in writing to the Finance Director. The recommendations that are approved by the Finance Director will then be reviewed by the Chief Appraiser. If approved by both the Chief Appraiser and the Finance Director, the recommended revision will be submitted to the District's Board of Directors for approval.

2 Policy Overview

2.1 Revenue Policy

Specific information about the revenue policy can be found in the Revenue Policy section of this finance policy.

1. **Revenue Recognition:** Revenues shall be recorded on the modified accrual basis of accounting. Under this basis, revenues are recognized when they are susceptible to accrual, i.e., when they become both measurable and available.
2. **Daily Deposits:** In accordance with this finance policy, the District shall require weekly deposits of receipts only when the money on hand amounts to at least \$1,000. Any funds not immediately deposited shall be appropriately safeguarded in a locked file cabinet in the Finance Director's office.
3. **Monitoring Revenue:** District finance staff shall monitor revenues as billed and collected and shall report to the Board of Directors no less than quarterly on any past-due or uncollectible amounts.
4. **Authority:** The Finance Director shall be responsible for designing, implementing, monitoring, and amending accounting procedures as necessary, including internal controls, for the billing, recording, and reporting of all district revenues in compliance with Generally Accepted Accounting Principles (GAAP) and applicable state laws. Any changes to revenue procedures shall be reported to the Board of Directors at their next regularly scheduled meeting.

2.2 Cash Disbursement Policy

The cash disbursement section of this finance policy provides specific information about purchasing requisitions, competitive bidding, encumbrances, and accounts payable.

1. **Centralized Purchasing:** The District will operate under a centralized purchasing concept.
2. **Payments:** Local governments and state agencies are required to pay all bills owed within 30 calendar days. The District adheres to this requirement. Any deviations from this requirement are reported to the Chief Appraiser.
3. **Monitoring:** District finance staff shall monitor cash disbursements and report all capital asset purchases to the Board of Directors at least quarterly. The cash disbursements section of this finance policy outlines specific purchasing limitations.

4. **Authority:** The Finance Director shall be responsible for designing, implementing, monitoring, and amending, as necessary, accounting procedures, including internal controls, for the district's purchasing and cash disbursement functions in compliance with Generally Accepted Accounting Principles (GAAP) and applicable state laws. Any change to cash disbursement procedures shall be reported to the Board of Directors at their next regularly scheduled meeting.

2.3 Operating Budget Policy

Additional information on the operating budget can be found in the operating budget section of this finance policy.

1. **Planning:** The District will prepare a five-year operating budget projection annually, which will include projections of capital expenditures for the next five years.
2. **Performance Measures:** The District will integrate performance measures and productivity indicators into its budgetary process whenever feasible.
3. **Periodic Reporting:** The Finance Director shall present budget-to-actual financial reports to the Board of Directors at each regularly scheduled board meeting and bi-weekly to the Chief Appraiser.
4. **Balanced Budget:** The District shall submit a balanced budget wherein budgeted operating expenditures shall equal budgeted operating revenues.

2.4 Asset Management and Capital Improvement Policy

The capital assets section of this finance policy provides additional information on asset management and capital improvements.

1. **Planning for Operational and Maintenance Costs:** The District shall utilize an equipment replacement schedule to plan major operational and maintenance asset acquisitions on a systematic, comprehensive, and entity-wide basis.
2. **Asset Condition:** The District will maintain all assets at a level adequate to comply with all regulatory requirements and to minimize future replacement and maintenance costs.
3. **Planning:** The District will annually update a ten-year capital improvement program, identifying and describing each capital project along with the estimated cost.

4. **Capitalization:** The District will capitalize all asset costs that are \$1,000 or more and whose useful life is more than one year.

2.5 Cash Management and Investment Policy

1. **Written Policy:** The District's investment policy must be written and in compliance with all applicable state and local laws. The policy must be reviewed on an annual basis by the Board of Directors and approved through a resolution.
2. **Objectives:** The primary objectives of investment activities, in priority order, shall be preservation of principal, liquidity, and yield.
3. **Periodic Reporting:** The District shall provide quarterly investment reports to the Board of Directors.
4. **Treasury Services:** The District shall prepare a Request for Proposal (RFP) for banking services every 2 years, with the option to renew the contract for an additional 2 years.

2.6 Accounting Policy

1. **Authority for Accounting Procedures:** The District will establish and maintain the accounting system according to Generally Accepted Accounting Principles (GAAP) and all applicable state and local laws.
2. **Annual Audit:** An independent public accounting firm will perform an annual audit and issue an official opinion on the annual financial statements and a management letter indicating any suggestions for improvement or areas of concern.
3. **Transparency:** Full disclosure will be provided in the financial statements.
4. **Financial Report:** Upon completion of the financial audit, the district shall prepare the Annual Comprehensive Financial Report (ACFR), which will be submitted to the Government Finance Officers' Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting award.

2.7 Accounting Reserves Policy

1. **Source of Resources:** There shall be deposited, into specific general fund reserve funds, contributions from the general fund in amounts determined by the District Board of Directors.
2. **Operation of Fund:** The budget submission for each year shall include a recommendation for a general fund contribution to established general fund reserve funds. Prior to the end of each fiscal year, the District will prepare a report of any estimated surplus funds. If the Board of Directors decides to do so, a budget amendment will be prepared and approved by the Board of Directors. This budget amendment may allocate any general fund surplus funds to specific general fund reserve funds.
3. **Fund Manager:** The Finance Director shall administer all general fund reserve funds within the financial management system and shall serve as the reserve fund manager.
4. **Reporting:** A report of available reserve fund balances shall be presented to the board of directors quarterly at a regularly scheduled board meeting. Per GASB No. 54, all established reserves for the District will be treated as a committed fund balance and will be transferred to the designated fund through approval by the District's Board of Directors

3 Revenue Policy

3.1 General Information

3.1.1 Payments Received

The procedures for processing payments received by the District for assessments or other accounts receivable shall be in the manner prescribed by the cash receipts policy. Each individual cash receipt item shall be recorded in the appropriate subsidiary ledger and the general ledger. Revenues shall be recorded on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. The District requires weekly deposits of receipts only when the money on hand amounts to more than \$1,000. Any funds not immediately deposited shall be appropriately safeguarded in a locked file cabinet in the Finance Director's office.

3.1.2 Reporting of Open Balances

A report of all open balances shall be prepared at the end of each reporting period. This report shall balance with the period ending balance of the general ledger.

3.1.3 Records and Filing Procedures

A record shall be kept for each taxing unit of all accounts receivable items. The records shall be maintained in the Administration Department. Copies of statements and other correspondence relating to these accounts shall be kept in these files while the account is active. Inactive files and records may be transferred to the Records Management Officer in accordance with the TCAD Records Retention Policy.

3.2 Assessments and Other Accounts Receivables

Funds of the District are provided by the taxing jurisdictions within the boundaries of the District as prescribed by Chapter 6, Texas Property Tax Code. Under the authority of the Texas Property Tax Code and other statutes, the District shall establish assessments receivable (from taxing jurisdictions).

3.2.1 Assessments

1. **CALCULATION OF TAXING UNIT CONTRIBUTIONS-** Each taxing unit participating in the District shall be allocated a portion of the total amount of the District's budget. This portion is equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount

of property taxes imposed in the district by each participating unit for that year. If a taxing unit participates in two or more appraisal districts, only the taxes imposed in a district are used to calculate the unit's cost allocations in that district. If the number of real property parcels in a taxing unit is less than 5 percent of the total number of real property parcels in the district and the taxing unit imposes in excess of 25 percent of the total amount of the property taxes imposed in the district by all of the participating taxing units for a year, the unit's allocation may not exceed a percentage of the appraisal district's budget equal to three times the unit's percentage of the total number of real property parcels appraised by the district (Sec. 6.06 (c), Texas Property Tax Code).

2. **QUARTERLY BILLINGS-** The billing of assessments of the current year's budget shall be made in four installments, inclusive of adjustments. Each taxing unit shall be mailed an invoice showing the amount to be paid for the quarter. The invoice shall be mailed at least thirty days before the due date. The due dates shall be noted on the invoice. All amounts received in the District's office shall be forwarded to the District's depository.

3. **ASSESSMENTS DUE DATE-** Each taxing unit shall pay its allocation in four equal payments, payable prior to the beginning of each calendar quarter. The first payment is to be made before January 1 of the year in which the budget takes effect. A payment shall be delinquent if not paid on the last day of the quarter in which it is due. All delinquent payments incur a penalty of 5 percent of the quarterly assessment and accrue interest at an annual rate of 10 percent during the period where the assessment remains unpaid, as outlined in the Texas Property Tax Code.

4. **ASSESSMENT RECEIVABLE SUBSYSTEM-** An assessment receivable subsystem within the District's accounting system shall be established in which all taxing unit budget assessments are controlled. The subsystem shall contain the name and jurisdiction code of the taxing unit, the amount of the assessment, the balance forward, the penalty and interest incurred, and the total amount due. The subsystem shall also contain the taxing unit master file listing the presiding officer, tax assessor/collector (if applicable), and mailing address. Changes to the taxing unit master file shall be in writing and shall be approved by the Finance Director before changes are made. It is the responsibility of the Finance Director to maintain the subsystem.

5. **ASSESSMENT INVOICE-** Upon recording the calculated amounts of the taxing unit assessments in the assessment receivable subsystem, an invoice for each taxing unit shall be produced. Unless otherwise requested by the taxing unit, the invoice will be mailed to the presiding officer of the taxing unit, and a copy will be maintained in the assessments receivable file.

3.3 Charges for Services

The District also receives funds from other sources, such as the sale of data and surplus supplies and equipment.

3.3.1 Other Accounts Receivables

Certain District expenses, such as copies of public records, computer time, and the sale of surplus equipment, are reimbursable to the District. These expenditures are considered outside the governmental function of the District.

1. **PAYMENT FOR SERVICES:** Payment shall be made before services are provided by the District. In those cases where the actual cost of services cannot be determined until after the services are performed, an estimate of costs shall be prepared, and a deposit shall be secured from the buyer. Before delivery of the final product, any amount due from the buyer shall be collected.
2. **EXCEPTIONS TO PAYMENT IN ADVANCE:** In certain circumstances, services are provided whereby deposits or payments in advance are not practical or lawful. For example, payments for selection of health benefits under the provisions of the *Consolidated Omnibus Budget Reconciliation Act (COBRA)* may be made after services are provided. Payments from taxing units for special services may be deferred until revenues become available to the taxing unit.
3. **ACCOUNTS RECEIVABLE:** In circumstances where payments for services are not made in advance, the unpaid item becomes a receivable for the District immediately.
4. **OTHER ACCOUNTS RECEIVABLE SUBSYSTEM:** The District shall establish a separate accounts receivable subsystem within its accounting system for other accounts receivable items as defined above.
5. **STATEMENTS FOR OTHER ACCOUNTS RECEIVABLE:** The Finance Director shall generate statements and deliver the statements to the person or organization responsible for the receivable on a monthly basis. **Employee receivables are excluded from this process and shall be handled by the District's HR Department.**

4 Cash Disbursements Policy

4.1 Purchasing

The District will operate under a centralized purchasing concept. The Finance Director shall direct all purchasing activities and is responsible for the acquisition and distribution of equipment, supplies, materials, and services. Purchases shall be made in accordance with these policies and procedures as well as all applicable state and federal laws.

4.1.1 Purchasing Limitations

Purchases made by the District are governed by Section 6.11, Texas Property Tax Code, Chapter 252 of the Local Government Code, and these policies and procedures.

1. **PURCHASES GREATER THAN \$100,000-** All purchases exceeding \$100,000 require approval by the Board of Directors, pursuant to internal District policy. In accordance with Chapter 252 of the Local Government Code, as referenced in Section 6.11 of the Texas Property Tax Code, formal competitive bidding is required for purchases exceeding \$100,000. The District may not enter into a contract over this threshold unless the proposed contract complies with competitive bidding requirements or alternative procurement procedures as prescribed by state law.
2. **PURCHASES BETWEEN \$3,000 AND \$100,000-** Purchases between \$3,000 and the threshold requiring Board approval (\$100,000) must include at least three written competitive quotations. These quotes must be submitted in writing to the Finance Director. In making an expenditure of more than \$3,000 but less than \$100,000, the CAD Finance Staff shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter [2161](#), Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.
 - a. Purchases less than \$1,500 can be authorized by the Department Director.
 - b. Purchases less than \$10,000 but more than \$1,500 can be authorized by the Finance Director.
 - c. Purchases greater than \$10,000 must be authorized by the Chief Appraiser.
3. **PURCHASES LESS THAN \$3,000-** A micro-purchase is a low-dollar purchase of supplies or services of like kind, where the aggregate cost does not exceed an organization's predefined purchasing threshold. The District's Finance Director is

authorized to approve all purchases under \$3,000 without requiring competitive bidding.

4. **EMERGENCY PURCHASES-** Exceptions to the above limitations are permissible only in emergencies where delay would endanger the public or employee welfare, such as sewer, water or power failure, fuel shortage, transportation delay, or fire and health hazards. A full list of applicable exceptions is available in the Local Government Code, Chapter 252. Purchases under this provision require approval from the Chief Appraiser.
5. **PROFESSIONAL SERVICES-** Purchases of professional services shall be approved by the Chief Appraiser and, if necessary, the Board of Directors.

Dollar Range	Formal competitive bidding required?	Policy	Legal Requirement
\$0 - \$2,999	No	Micro-purchase rules	None
\$3,000 – \$10,000	No	At least three written quotes; Finance Director Approval	Must contact at least two HUBs on a rotating basis (§252.0215)
\$10,000 – \$99,999	No	At least three written quotes; Chief Appraiser Approval	Must contact two HUBs on a rotating basis (§252.0215)
\$100,000 +	Yes	Formal sealed bid/RFP (§252.021)	Formal sealed bid/RFP (§252.021); HUB automatically included in process

This chart summarizes policy and statutory requirements

**HUB = Historically Underutilized Business, as defined by the Texas Comptroller.*

4.1.2 Purchase Orders

A purchase order form is a numerically controlled form used by the District as a document of fund encumbrance and control. Purchase orders are issued in response to a request (oral or written) by a department director or manager. It must be completed in full and approved by the Finance Director, and in certain instances, the Chief Appraiser. Purchase orders for less than \$3,000 may be approved by a member of the Finance Department. All purchase orders for more than \$3,000 but less than \$10,000 must be approved by the Finance Director. All purchases over \$ 10,000 must be approved by the Finance Director and the Chief Appraiser.

1. **FORM AND DISTRIBUTION-** A purchase order is distributed as defined below.
 - a. The purchase order shall be delivered to the vendor by mail or any electronic means, as directed by the vendor's submission procedures.
 - b. A copy of the purchase order shall be maintained in the District's purchasing records and retained in accordance with the District's records retention policy.
2. **REGISTER OF PURCHASE ORDERS-** The Finance Director shall maintain a register of all purchase orders issued. The register may be kept using electronic media. The register shall include the purchase order number, name of vendor, amount, date issued, and any other information as necessary.
3. **SPLITTING PURCHASE ORDERS-** Splitting orders to avoid the competitive bidding requirements is strictly prohibited and against the law.

4.2 Competitive Bidding

Purchases subject to competitive bidding as required by Section 6.11, Texas Property Tax Code, and Chapter 252, Subchapter B of the Local Government Code shall be approved by the District's Board of Directors.

4.2.1 Competitive Bid Process

1. **PREPARATION OF BID SPECIFICATIONS-** Bid specifications shall be prepared by the requesting department in consultation with the Finance Director. Specifications shall be delivered to the Chief Appraiser for approval before being posted.

- 2. NOTICE REQUIREMENTS-** The notice shall be published on the District's website. **The Request for Proposal, or other competitive bidding document, must be posted for at least 14 days.** The notice shall state the time and place where bids will be received, a brief description of the purchase contract, the time and place where the proposals shall be submitted, the name and telephone number of the person to contact for copies of the specifications, and a statement that the bids shall be sealed. Offerors shall be treated fairly and equally with respect to any opportunity for discussion and revision of proposals. To obtain the best final offers, revisions will not be permitted after the submission deadline.
- 3. RECEIPT OF BIDS-** Bids shall be received up to the time provided in the specifications and notice. The employee responsible for receiving the sealed bids shall date and time stamp the bid envelopes. The envelopes shall remain sealed until the time provided for opening bids.
- 4. OPENING BIDS-** Bids shall be opened in an open session with at least the Chief Appraiser, Finance Director, and an employee from the requesting department, unless specified otherwise in the proposal documents. Any vendor or other person shall be permitted to attend the bid opening. At the bid opening session, all bids received in a timely manner shall be read aloud. Bids received after the time provided in the specifications shall not be opened or read and shall be returned to the person or firm submitting the bid.
- 5. BID TABULATION-** The Finance Director or his/her designee shall review and tabulate the bids as soon as practicable after the bid opening.
- 6. BID RECOMMENDATION-** Upon completion of the bid review and tabulation, the Finance Director shall prepare a report to the Chief Appraiser stating the nature of the bid, the tabulation of the bids and a recommendation as to the lowest, and most responsible bidder or the bidder who provides goods or services at the best value for the District. **The report and recommendation shall be placed upon the Board of Directors meeting agenda for board consideration if the total cost exceeds \$100,000 as stated in section 4.1.1.**
- 7. AWARD OF CONTRACT-** The Board of Directors shall review the bids received and the report prepared by the Finance Director and, if action is desired, award a contract to the lowest, most responsible bidder or the bidder who provides goods or services at the best value for The District. In determining the best value for the District, the District may consider:

- a. The purchase price;
- b. The reputation of the bidder and of the bidder's goods or services;
- c. The quality of the bidder's goods or services;
- d. The extent to which the goods or services meet the District's needs;
- e. The bidder's past relationship with the District;
- f. The total long-term cost to the District to acquire the bidder's goods or services; and/or
- g. Any relevant criteria specifically listed in the request for bids or proposals.

Before awarding a contract under the above criteria considerations, the District must indicate in the bid specifications that the contract may be awarded either to the lowest bidder or the bidder who provides goods or services at the best value to the District. The Board has the right to award a contract to one or more bidders for all or part of the purchase and to reject all bids.

- 8. CHANGE ORDERS-** The Board of Directors shall be authorized to approve change orders to increase the total contract amount. The Chief Appraiser shall be authorized to approve change orders to decrease the total contract amount.
- 9. EXCEPTIONS-** Sections 252.022 of the Local Government Code contain numerous exceptions to the competitive bidding requirements. The Chief Appraiser shall determine whether a proposed exempt contract shall be submitted to voluntary competitive bidding.
- 10. EFFECT OF NON-COMPLIANCE-** A contract awarded in violation of these policies and procedures or in violation of applicable statutes will be considered null and void.
- 11. OPEN RECORDS-** All bid documents, specifications, and contracts are public records and shall be open to public inspection during and after the time bids are opened. Bids and proposals submitted under the competitive proposal procedures shall be open to public inspection after the time a contract is awarded. **Certain aspects of the bid documents or the contract may be confidential under the Public Information Act. Consultation with the District's attorney is required in order to determine any confidentiality associated with those documents.**

4.2.2 Capital Purchases

The Finance Director and the Chief Appraiser shall approve purchases for capital equipment in accordance with Section 4.1.1 Purchasing Limitations.

1. **REQUEST AND APPROVAL-** The department director, the finance director, and the chief appraiser must complete and approve a request for capital purchases. This request may be submitted via email.
2. **BUDGETARY IMPACT-** Capital items requested that are not budgeted will require a budget line-item transfer of funds approved in another line item. If approved, the funds shall be transferred for capital acquisition.
3. **INVENTORY AND CONTROL-** The Finance Director shall establish a capital asset subsystem to inventory and control capital assets. The subsystem shall be maintained in accordance with the Capital Assets section of the Finance Policy.

4.2.3 Receipt of Equipment, Supplies, Materials, and Services

The Finance Department is responsible for equipment, supplies, materials, and services.

1. **AUTHORITY TO PAY INVOICES-** The receipt of goods or services authorizes payment of the invoice. The original purchase order information and authorization from Department Directors or division heads should be attached to the receiving report. Payment shall be made only for items or services actually received.

4.3 Encumbrances and Accounts Payable

This section details the procedures for establishing encumbrances and processing payments for vendor invoices. The purchase order shall be the authority to encumber the District's funds.

4.3.1 Vendor Payment Master Records

The Finance Director shall maintain permanent records for all encumbered items and vendor payments. In addition, a complete listing of all approved TCAD vendors shall be maintained and shall be known as the Vendor Master Files. Proof of receipt of goods or services, such as a packing list or a receiving report, should also accompany the invoice and purchase order, if available.

A report of all payments shall be provided to the Chief Appraiser at least monthly. Any payments over \$10,000 will also be provided to a representative of the Board of Directors for approval.

4.3.2 Encumbrances

1. Encumbering funds is the process of recording approved District obligations in the District's accounting system to reflect lawful indebtedness. The cycle of recording these obligations establishes reserves for encumbrances and is the accounting of approved purchase orders and contracts for expenditures.
2. It is the responsibility of the Finance Director to maintain the accounting system. Accounting for and changes to encumbrances shall be reported monthly.
3. The authority to encumber funds is the District's purchase order form, an approved request for purchase, or approved contract. No encumbrance shall be posted to the encumbrance subsystem unless proper approvals are affixed. The accounting copy of the encumbrance order is held for later processing through the accounts payable function.

4.3.3 Accounts Payable

The District adheres to the Prompt Pay Act. The Act is designed to encourage Texas governmental units to take advantage of discounts that may be offered for paying bills promptly. It requires all local governments and state agencies to pay all bills owed within 30 calendar days. The count for the 30-day payment period starts on the day after receipt of goods or services, or the date printed on the invoice, whichever is later.

The accounts payable function relates to the receipt and recording of vendor invoices, the preparation and processing of accounts payable vouchers, and the printing of checks to pay the District's indebtedness.

1. The accounting copy of the purchase order (and/or encumbrance order) shall be kept in an open purchase order file.
2. Upon receipt of a vendor invoice, the following documents shall be gathered and reviewed prior to preparation of an accounts payable voucher (check request):

- a. Accounting copy of the purchase order (if applicable);
 - b. A copy of the receiving report, which shall contain a listing of the items received from the vendor, time and date of the receipt, and signature of the District's employee who received the goods or services (if applicable);
 - c. The invoice from the vendor (original invoice); and
 - d. Any other documentation related to the transaction.
3. The gathered documents are matched and audited as to their accuracy. The following actions shall be taken to ensure accuracy and proper payment:
 - a. The vendor's name and address appearing on the invoice shall be matched to the vendor's name and address appearing on the purchase order and matched to the master vendor list.
 - b. The quantity and unit price of the goods or services appearing on the invoice shall be matched to the purchase order and to the receiving report.
 - c. The vendor's terms of payment on the invoice shall be reviewed for any possible discounts or late payment penalties.
 4. If any data is found to be different or incorrect during the matching and auditing process, the document shall be reviewed by the Finance Director, who shall take the necessary action to correct any discrepancies discovered prior to authorizing payment to any vendor.
 5. The approved invoice shall be entered into the accounting system for processing as an accounts payable item.
 6. Processing of checks for payment of accounts payable vouchers shall be accomplished through the accounting system. The system shall produce an audit trail of all payments to vendors and update encumbrances and expenditures. The system shall produce a listing of all checks written. Checks written shall be compared to the printed check listing and to the voucher and vendor invoices for accuracy.
 7. All paid vouchers, invoices, checks, and supporting documentation shall be scanned into the District's finance folder on the network. All documentation shall then be filed under the vendor's name. The hard-copy files shall be emptied and restarted each fiscal year. The files are to be turned over to the Records Management Officer at the end of the second year. The electronic copies of the documentation shall be kept on the network for three years (per TCAD's record retention policy).

8. An original check and a second check stub of each check shall be produced and shall be distributed as follows:
 - a. The original shall be distributed according to the cash disbursement procedures;
 - b. The check stub copy shall be attached to and filed with the paid vouchers, invoice, and supporting documents;
9. The original of any voided checks shall be filed in a numerical file by fiscal year. These voided checks shall be cancelled by writing the word "VOID" on the face. These voided checks shall be kept in a locked file cabinet.
10. At the end of each accounting period, all edited listings or reports produced by the accounting system shall be preserved. This may be done as an electronic copy. The records shall be kept until the disposal date as determined by the District's records retention policy.
11. Electronic payments through credit card payments or ACH transactions shall be used whenever possible. The District's goal is to reduce processing time and increase efficiency. All electronic payments shall be made through Wells Fargo Bank, N.A. Purchasing Card (CCER P-Card) or through an ACH transaction sent through Wells Fargo Bank, N.A. Any funds wired to a vendor must be approved by the Finance Director.

5 Operating Budget Policy

5.1 General Information

The District's annual budget shall be prepared and adopted in accordance with the provisions of Chapter 6, Texas Property Tax Code. The fiscal year for the District is the calendar year. A budget process that is well-integrated with other activities of the District, such as the planning and management functions, will provide better financial and program decisions and lead to improved governmental operations. The District's budget is considered a management control and planning tool and, as such, is incorporated into the accounting system of the District. An annual budget is legally adopted for the General Fund, and other funds if necessary. The District follows a balanced budget policy, meaning operating expenditures shall not exceed revenues received from the taxing units. The District also prepares a five-year budget forecast. This document is reviewed annually to make sure the District's current goals and objectives are aligned with the long-term goals and objectives. The District will integrate performance measures and productivity indicators into its budgetary process whenever feasible.

A good budget process:

- Incorporates a long-term perspective,
- Establishes linkages to broad organizational goals,
- Focuses budget decisions on results and outcomes,
- Involves and promotes effective communication with stakeholders, and
- Provides incentives to government management and employees.

5.2 Procedures for Preparations and Adoption

Each year the Chief Appraiser shall prepare a proposed budget for each of the operations of the District for the following fiscal year.

1. **CONTENT-** The proposed budget shall include a list showing each proposed position, the proposed salary for the position, all benefits proposed for the position, each proposed capital expenditure, and the estimate of the amount of the budget that will be allocated to each taxing unit. The district may also include any other additional information that they feel is beneficial.
2. **SUBMISSION TO TAXING UNITS AND BOARD OF DIRECTORS** - The Chief Appraiser shall submit copies to each taxing unit participating in the district and to the Board of Directors before June 15.
3. **PUBLIC HEARING-**The Board of Directors shall hold a public hearing to consider the budget. The Secretary of the Board shall deliver to the presiding officer of the governing body of each taxing unit participating in TCAD not later than the 10th day before the date of the hearing a written notice of the date, time

and place fixed for the hearing. The Board shall complete its hearings, make amendments to the proposed budget it desires, and finally approve a budget before September 15.

4. **DISAPPROVAL BY TAXING UNITS-** If governing bodies of a majority of the taxing units entitled to vote on the appointment of board members adopt resolutions disapproving a budget and file them with the Secretary of the Board within 30 days after its adoption, the budget does not take effect, and the board shall adopt a new budget within 30 days of the disapproval.
5. **AMENDING THE BUDGET-**The Board may amend the approved budget at any time, but the Secretary of the Board must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit participating in the District not later than the 30th day before the date the Board acts on it.

5.3 Reporting

The Finance Director shall ensure that reports demonstrating budget performance are prepared and made available monthly:

1. **FUND EXPENDITURE SUMMARY-** A fund expenditure summary for the general fund shall be generated monthly to present the general fund budget, the period expenditures, encumbrances, year-to-date expenditures, and the available balance for each account.
2. **DEPARTMENT EXPENDITURE SUMMARY-** A fund expenditure summary for each of the District's operating departments and divisions shall be generated monthly. These reports shall include the account status as presented by the Fund Expenditure Summary.
3. **REPORT DISTRIBUTION-** Monthly reports in the MIP accounting system via DrillPoint shall serve as the official source for these summaries. The reports shall be continuously accessible to the Chief Appraiser and updated each month.

6 Capital Assets

A capitalization policy is vital to the accounting and record-keeping functions of the District. Adequate and accurate records not only provide a basis for conformity in reporting, control, and accountability, but also aid in determining insurance values, maintenance costs, and replacement schedules. The purpose of the District's Fixed Asset Policy is to set forth guidelines for the physical and reporting control of the District's assets, including accountability over the assets, meeting financial reporting needs, and generating asset management information.

6.1 Definition

Capital Assets, also known as fixed assets or capital outlay items, have a useful life of more than one year and have an acquisition value of \$1,000 or more. Additions or improvements to capital assets that extend the useful life of the asset shall be capitalized if the addition has a value of more than \$1,000 and/or increases the useful life by more than one year.

6.2 Reason

This document is intended to describe the standard policies required for recording new fixed assets, updating or changing existing assets, and disposing of fixed assets. In addition, it is intended to provide the necessary steps to assist District personnel in the safeguarding, accounting for, and disposal of District assets.

6.3 Roles and Responsibilities

The major responsibilities each party has in connection with the Fixed Asset Policy and Procedures are as follows:

1. FINANCE DEPARTMENT
The Finance Department is responsible for the establishment and maintenance of an adequate fixed asset accounting system that allows for the proper presentation of fixed assets in the financial statements and the overall safeguarding of fixed assets.
2. FINANCE DIRECTOR
The Finance Director is responsible for ensuring the fixed asset accounting system is being properly maintained, including the identification of capital assets, accurate use of codes, determination of useful lives, reconciliation to the general ledger, and financial reporting. More specifically, the Finance Director is responsible for:

1. Effective administration and maintenance of the fixed asset accounting and control system
2. The proper tagging of all movable equipment;
3. Preparing an annual listing of all moveable equipment;
4. Physical inventories to verify the existence and condition of all fixed assets to ensure the accuracy of the District's accounting records;
5. Updating the fixed asset inventory based on inspection reports;
6. Evaluating loss, damage, destruction, disposal, theft, trade-ins, sale and/or transfer of District assets and providing recommendations with regard to the disposition of these assets;
7. Review and posting of depreciation through the Fixed Asset Module; Reconciliation of the fiscal year additions in the Fixed Asset Module to the general ledger;

3. PURCHASING/ACCOUNTS PAYABLE

The purchasing/accounts payable staff is responsible for ensuring that account codes are classified correctly for capital assets on purchase requisitions and invoices.

4. DEPARTMENT DIRECTORS

All department directors are responsible for:

1. Reading and understanding the Fixed Asset Policy;
2. Assuring that District property is given proper care and protection and is used for official purposes only;
3. Notifying the Finance Director whenever fixed assets are transferred, destroyed, stolen, or lost.
4. Identifying and reporting to the Finance Director any surplus property which is useable but not needed in his/her area, or which is beyond economic repair and therefore should be disposed of;
5. At no point in time are the department directors to dispose of any property of the District without proper approval from the Finance Director;
6. Assistance with the physical inventory processes.

6.4 Capitalization Policy

A capitalized fixed asset is property, such as equipment, buildings, and land, etc., with a cost of \$1,000 or more at the date of acquisition, with an expected useful life of more than one year. Capitalized fixed assets are acquired for the use in normal operations and are not for resale. All capitalized fixed assets are entered into the District's fixed asset software for inventory and financial reporting purposes.

Assets costing less than \$1,000 (inventory assets) are expensed in the period for which the expense is incurred, typically the fiscal year of purchase, and are not capitalized. Costs incurred to keep a capital asset in its normal operating condition that do not extend the original useful life of the asset or increase the asset's future service potential are not capitalized. These costs are expensed as repairs or maintenance. Any cost that improves the assets or extends the useful life of the asset will be capitalized. These costs either (1) increase the service capacity of the asset (i.e., effectiveness or efficiency) or (2) extend the estimated useful life of the asset. Improvements to capital assets will be treated as direct adjustments to the related asset.

6.5 Classification of Capital Assets

Capital fixed assets fall into many categories. The District has decided to classify its capital fixed assets into the following categories:

- 1) Building and Improvements
- 2) Land
- 3) Computer Equipment
 - a. Computer Equipment
 - b. Network Equipment
- 4) Furniture & Fixtures
- 5) Vehicles

6.5.1 Building and Building Improvements

Buildings are roofed structures used for the permanent or temporary shelter of persons or equipment. The building account includes the value of all buildings at purchase price or cost of construction. When buildings are constructed, all identifiable direct costs are included in the valuation. Direct costs include labor, materials, and professional services to construct the building, along with any other direct cost incurred during the period of construction to ready the building for its intended use. Building improvements are improvements made to an existing building. Any renovation or alteration to an existing building that adds useful space to the structure or extends the building's useful life will be considered a capital asset. Conversely, improvements that do not add useful space to the structure or extend the building's useful life will be considered maintenance and repair items.

6.5.2 Land

Land is the solid part of the earth's surface, whether improved or unimproved. The land account should include all land purchased, leased, donated, or otherwise acquired by the District. Purchased land should be carried on the records at cost. Donated land should be recorded at the appraised market value of the land at the time of its donation. Land improvements include excavation, fill and grading, removal, relocation, reconstruction, or property of other types such as railroads, telephone, and power lines, and the construction of retaining walls.

6.5.3 Computer Equipment

Computer equipment consists of long-lived capital assets that are normally technological in nature and are the basis of the District's IT infrastructure. Technology equipment includes all hardware, software, and cabling associated with the District's systems. Computer equipment includes both computer equipment (such as computer, printers, scanners, etc.) and network equipment (SAN storage devices, servers, etc.). The initial purchase of software will be capitalized if it meets the requirements under the capitalization policy; however, maintenance for the software will not be capitalized.

6.5.4 Furniture and Fixtures

Furniture and fixtures consist of property that does not lose its identity when removed from its location and is not changed materially or expended in use. Subclasses in this account include furniture, mail equipment, maintenance equipment, microfiche equipment, miscellaneous equipment, office equipment, and storage equipment.

6.5.5 Vehicles

Vehicles include any car, truck, SUV, delivery van etc. owned by the District. The purchase cost of the vehicle will be capitalized if it meets all requirements of the capitalization policy; however, maintenance and repair of the vehicles will be expensed in the period in which they are incurred.

6.6 Other Capital Assets

Construction in Progress (CIP) is the cost of buildings or other capital projects that are under construction as of the balance sheet date. CIP represents a temporary capitalization of labor, materials, and equipment of a construction project. When the constructed asset is substantially complete, costs in the CIP account are classified to one or more of the major asset categories, and corresponding reductions must be made to the CIP account.

6.7 Acquisition of Capital Equipment

The acquisition of fixed assets starts with the creation of the purchase request. The purchase order for capital equipment should itemize the equipment being requested. Purchases are subject to fund availability and budget limitations.

Special requirements do exist for certain types of movable equipment. For example, furniture purchases must conform to the standards developed by the Finance Director. Additionally, Computer IT equipment purchases must be approved by the IT Director. These approvals must be in writing.

When the item is received and the invoice is sent to Accounts Payable for processing, the invoice sent to Accounts Payable should clearly indicate the Purchase Order number it is attached to, particularly for items that arrive in various stages with separate invoices. The Finance Director is responsible for reconciling the capital assets purchased and adding the items to the Sage Fixed Assets system.

6.8 Ownership of Capitalized Assets

Generally, the District owns all fixed assets purchased with District funds (includes restricted and unrestricted funds). At no point in time will ownership of an asset belong to employees if the asset was purchased with District funds.

6.9 Tagging Fixed Assets

Maintaining positive identification of assets is the primary purpose of tagging. Tagging is important to:

- Provide an accurate method of identifying individual assets,
- Aid in the annual physical inventory,
- Control the location of all physical assets,
- Aid in the maintenance of fixed assets, and
- Provide a common ground of communication for both the Finance Department and the assets' users.

Generally, all fixed assets meeting the capitalization criteria are tagged when received by the purchasing department. IT equipment is usually tagged by the IT department and the information is sent via e-mail to the Finance Director.

For items that are not easily affixed with an asset tag, the asset number is still recorded in the Fixed Assets Module, but not physically attached to the asset. Tags for capitalized assets that are not tagged are placed in the District's fixed asset software, and a record of non-tagged assets is maintained outside of the fixed asset software. A description of the asset is also recorded, including location details.

Assets not needing a tag are:

- Buildings
- Land
- Land Improvements
- Some building improvements
- Large network computer equipment

CAUTION: Do not tag artwork, sensitive technical equipment, or other items where tagging will affect its function, value, or the ability to return it under warranty. A file for all untaggable capital assets must be maintained by the Finance Director.

6.10 Depreciation Policy

Depreciation is the allocation of the total acquisition cost of a capital fixed asset over its estimated useful life. Land, certain land improvements, construction-in-progress, inexhaustible works of art, historical treasures, and similar assets are not depreciated. Land is considered to have an unlimited useful life, and its salvage value is unlikely to be less than its acquisition cost. Certain land improvements may be considered to have an unlimited useful life and therefore are not to be depreciated.

Depreciation of fixed assets is computed on a straight-line basis over their estimated useful lives (capitalized cost divided by useful life) as follows:

Building	30-50 years
Building Improvements	10-50 years
Land Improvements	10-50 years
Furniture & Fixtures	3-10 years
Computer Equipment	3-10 years
Vehicles	5-10 years

The Finance Director will assign a useful life based on the type of asset. The useful lives described above are just guidelines. A determination of useful life will be made by the Finance Director for each specific capital fixed asset purchased based on past experience. The District uses a monthly depreciation convention. Depreciation of the asset begins the month after purchase.

6.11 Accounting for Capital Fixed Assets

The Fixed Asset module requires periodic updating (annual inventory) and maintenance, including reconciliation to the general ledger, to remain current and valuable. The District will perform a physical inventory periodically. The ultimate responsibility of the physical inventory falls with the Finance Director, but all department directors should assist in the process as needed. Advance notice will be given to individual departments regarding dates. The purpose of a physical inventory is to verify the existence and condition of fixed assets and ensure the accuracy of District accounting records.

All fixed asset acquisitions, transfers, sales of surplus, disposals, and corrections must be entered into the system in a timely manner. It is imperative that those responsible comply with this document to establish and maintain accurate fixed asset records.

6.12 Disposition of Fixed Assets

The Finance Director is responsible for changing the status of records when an asset is disposed of. In general, surplus or obsolete equipment may be disposed of by transferring to another department, discarding/scraping, trading in, donating, or selling the asset. The Finance Office will provide the approvals necessary to proceed with the disposition of the asset.

If an asset is to be moved from one location to another or from one department to another, the Finance Department must be notified (written or oral). Under no circumstances should any District-owned property be moved without prior consent. The Finance Director will provide the approvals necessary to proceed with the movement of the asset.

6.13 Lease and SBITA Accounting Policy

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 87 and No. 96, the District will recognize qualifying leases and subscription-based information technology arrangements (SBITAs) as capital assets and liabilities for financial reporting purposes.

A lease is defined as a contract that conveys control of the right to use a nonfinancial asset, such as buildings, vehicles, or equipment, for a period of time in exchange for consideration (GASB 87). A SBITA is defined as a contract that conveys control of the right to use another party's IT software, either alone or in combination with tangible capital assets, for a specified term in exchange for consideration (GASB 96). This policy applies to all departments and all agreements with a noncancelable term greater than 12 months unless specifically excluded.

Departments entering into lease or subscription agreements must notify the Finance Director prior to execution. The Finance Director will review each agreement to determine whether it qualifies under GASB 87 or GASB 96 and will ensure the appropriate accounting treatment is applied.

If an agreement qualifies, the Finance Director will complete the entry of the lease details in the District's leasing software once the agreement is determined to fall under GASB 87, GASB 96, or regulated lease guidance.

A lease or subscription liability and a corresponding right-to-use asset will be recorded at the commencement of the term. The liability is measured at the present value of expected payments. The asset includes the liability amount plus any prepayments or direct costs necessary to place the asset into service. The asset will be amortized over the shorter of the lease/subscription term or the useful life of the underlying asset.

Leases and SBITAs will be capitalized if the value of the agreement meets or exceeds the District's \$1,000 capitalization threshold. Agreements below this threshold will be expensed but may still require disclosure in the financial statements.

Leases and SBITAs will be reviewed annually or upon modification to determine whether remeasurement or other accounting updates are required due to changes in payment terms, lease duration, or other material terms.

7 Cash Management and Investment Policy

Funds received by the District shall be deposited with the District's depository and may be disbursed only by written check, draft, or order signed as required by this policy. The District's depository shall be designated in the manner prescribed by Section 6.09, Texas Property Tax Code.

7.1 The District's Depository

As required by Section 6.09, Texas Property Tax Code, the District's Board of Directors shall solicit bids for the purpose of establishing the District's depository. The depository shall serve as the depository for all or part of the District's funds. The depository shall also perform various banking functions for the District.

1. **DEPOSITORY CONTRACT-** The District shall execute a written depository contract agreement with the selected depository. The depository agreement may be for a period of two years with the option to renew for an additional two years.
2. **PLEGGED SECURITIES-** Upon selection and execution of the depository contract, the depository shall pledge an amount equal to 100% of the amount of funds on deposit at any time. To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, they shall be secured in the manner provided by law for the security of funds of municipalities. Pledge securities shall be held for safekeeping in a Federal Reserve Bank with safekeeping receipts issued to and held by the District.
3. **RELEASE OR SUBSTITUTION OF SECURITIES-** The District may release or allow substitutions of required securities as prescribed by Section 116.082 of the Local Government Code.
4. **RESPONSIBILITY-** The Finance Director is responsible for and is authorized to require, release, or allow substitutions of pledged securities unless otherwise prescribed.

7.2 Cash Receipts

Funding for the District is provided by taxing units within the boundaries of the District as prescribed by Chapter 6, Texas Property Tax Code. The District also receives funds from other sources, such as the sale public data and the sale of surplus equipment.

1. **RECEIPTS-** Quarterly assessment receipts from taxing units and cash collected from other parties shall be forwarded to the Finance Director. The Finance Director or his/her designee shall log the week's receipts, endorse all checks and bank drafts with a closed endorsement, prepare a deposit ticket, and forward the completed deposit to the District's depository. The deposit of checks may be done electronically.
2. **POSTING TO LEDGERS-** The individual items of the deposit shall be posted to the appropriate accounts receivable subledger in the general ledger.
3. **UN-DEPOSITED CASH AND CHECKS-** Any cash, checks or drafts received throughout the week shall be secured in a locked area under the custody and control of the Finance Department. All cash and checks exceeding \$1,000 shall be deposited at the end of every week.

7.3 Investment Policy

See TCAD's [Investment Policy](#) for all policies involving the investment of the District's funds.

8 Retirement Fund Policy

8.1 Purpose

The purpose of this Investment Policy Statement (IPS) is to assist Travis Central Appraisal District in effectively supervising, monitoring, and evaluating the management of the Deferred Compensation Plan for Public Employees 457 Governmental Plan and Trust and Travis CAD 401a (Plan). The District has the authority to oversee the investment of the Plan's assets. The District will discharge its responsibilities under the Plan solely in the interests of Plan participants and their beneficiaries. The Plan's investment program is defined in the various sections by:

1. Stating in a written document the District's attitudes, expectations, objectives, and guidelines for the investment of all Plan assets.
2. Encouraging effective communication between the District and service vendors by stating the responsibilities of the District, the investment managers, the investment consultant (if one is selected), and the record keepers and administrators.
3. Establishing the number and characteristics of offered investment options.
4. Establishing procedures for selecting, monitoring, evaluating, and, if appropriate, replacing investment options.
5. Complying with all applicable ERISA, fiduciary, prudence, and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Plan assets.

This section has been formulated based on the District's consideration of the financial implications of a wide range of policies and describes the prudent investment process the District deems appropriate.

8.2 Statement of objectives

Background

Travis Central Appraisal District sponsors the Deferred Compensation Plan for Public Employees 457 Governmental Plan and Trust and Travis CAD 401a (Plan). The purpose of the Plan is to encourage employees to build long-term careers by providing eligible employees with a convenient way to save on a regular and long-term basis for retirement.

This policy has been arrived at upon consideration of a wide range of policies by the District, and describes the investment process the District deems prudent and appropriate. This process includes offering various asset classes and investment management styles that, in total, are expected to offer participants a sufficient level of overall diversification and help them to meet their total investment return objective over the long-term. The objectives of the Plan are:

1. Have the ability to pay all benefit and expense obligations when due.
2. Control and account for all costs of administering the Plan and managing the investments.
3. Follow but not formally adopt Department of Labor 404(c) safe harbor provisions, which include offering a mix of investment options that will allow Plan participants to build sufficiently diversified portfolios while taking into account their investment goals, risk profile, and time horizon.

8.3 Duties and responsibilities

8.3.1 The District

As fiduciaries under the Plan, the primary responsibilities of the District are:

1. Prepare and maintain this investment policy statement.
2. Provide sufficient asset classes with different and distinct risk/return profiles so each Plan participant can prudently diversify his/her account.
3. Prudently select investment options.
4. Control and account for all investment, record keeping, and administrative expenses associated with the Plan.
5. Monitor and supervise all service vendors and investment options.
6. Avoid prohibited transactions and conflicts of interest.

8.3.2 Custodian

Custodians are responsible for the safekeeping of the Plan's assets. The specific duties and responsibilities of the custodian are:

1. Maintain portfolio by legal registration.
2. Value the holdings.
3. Collect all income and dividends owed to the Plan.
4. Settle all transactions (buy-sell orders).
5. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Plan since the previous report.

8.3.3 Investment Consultant

The District has retained Mesirow Financial Investment Management, Inc. (MFIM), an objective third-party consultant, to assist the District in managing the overall investment process. MFIM will be responsible for assisting the District through a disciplined and rigorous investment process to help the Committee to meet the fiduciary responsibilities outlined in this investment policy statement.

8.4 Asset class guidelines

The District believes long-term investment performance, in large part, is primarily a function of asset class mix. The District has reviewed the long-term performance characteristics of the broad asset classes, focusing on balancing the risks and rewards.

Historically, while interest-generating investments, such as bonds, have the advantage of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, have a higher expected return but also greater return variability. From an investment decision-making point of view, this variability of returns may be worth accepting, provided the participant's time horizon for the equity portion of his or her portfolio is sufficiently long (five years or greater).

Asset classes included in the Plan are as follows

- Aggressive Allocation
- Diversified Emerging Markets
- Foreign Small/Mid Growth
- Foreign Large Growth
- Foreign Large Blend
- Foreign Large Value
- World Stock
- Commodities
- Real Estate
- Small Growth
- Small Blend
- Small Value
- Mid-Cap Growth
- Mid-Cap Blend
- Mid-Cap Value
- Large Growth
- Large Blend
- Large Value
- World Allocation
- Target Date
- Retirement Income
- Moderate Allocation
- Conservative Allocation
- Convertibles
- World Bond
- High Yield Bond
- Multisector Bond
- Long Government
- Intermediate-Term Bond
- Inflation Protected Bond
- Intermediate Government
- Short-Term Bond
- Money Market

8.5 Implementation

The District will apply the following due diligence criteria in screening each investment option.

1. Regulatory oversight: Each investment option should be managed by: (a) a bank; (b) an insurance company; (c) a registered investment company (mutual fund); or, (d) a registered investment adviser.
2. Correlation to style or peer group: The investment option should be highly correlated to the asset class being implemented. This is one of the most critical parts of the analysis since most of the remaining due diligence involves comparisons of the investment option to the appropriate peer group.
3. Performance relative to a peer group: The investment option's performance should be evaluated against a respective peer group.
4. Performance relative to assumed risk: The investment option's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against a respective peer group.
5. Minimum track record: The investment option should have sufficient history so that performance statistics can be properly calculated.
6. Expense ratios/fees: The investment option's fees should be fair and reasonable.
7. Stability of the organization and investment policy: There should be no organizational problems or investment policy changes perceived to impact the investment option in a severely negative manner.
8. Legal: There should be no legal issues perceived to impact the investment option in a severely negative manner.

8.6 Monitoring

8.6.1 Performance Objectives

The District acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the District intends to evaluate investment performance from a long-term perspective.

The District is aware that the ongoing review and analysis of the investment options are just as important as the initial due diligence. The performance of the investment options will be monitored on an ongoing basis, and it is at the District's discretion to take corrective or preventative actions, such as replacing an investment option, if deemed appropriate at any time.

On a timely basis, but not less than annually, the District will meet to review whether each investment option continues to conform to the search criteria outlined in the Implementation section; specifically:

1. The investment option's performance and fees relative to those of its peers;
2. Consistency in the investment option's process and investment style;
3. Stability in the investment option's organization, investment policy, and/or personnel; and,
4. Any legal, SEC, and/or other regulatory agency proceedings affect the investment option's organization.

8.6.2 Benchmarks

The District has determined it is in the best interest of the Plan's participants that performance objectives be established for each investment option. Manager performance will be evaluated in terms of an appropriate market index (e.g., the Russell 1000 Index for a large-cap blend domestic equity manager) and the relevant peer group (e.g., the large-cap growth mutual fund universe for a large-cap growth mutual fund). A current list of available investment options can be viewed on the District's public drive. All employees of the District have access to the available investment options.

8.6.3 Watch List Procedures

An investment option may be placed on a Watch list and a thorough review and analysis of the investment option may be conducted, including but not limited to issues related to any of the following:

1. **Performance** - ranks all investment options versus their appropriate peers
2. **Organization** - tracks key investment personnel and ownership changes
3. **Legal** - discloses lawsuits, settlements, or regulatory issues
4. **Investment Policy** - identifies changes in strategy and/or target asset allocation
5. **Consistent Style** - pinpoints all issues pertaining to style based on historical returns
6. **Expenses** - compares fees to a peer group average to assess the competitiveness

The decision to retain or terminate an investment option cannot be made by a formula. It is the District's confidence in the investment option's ability to perform in the future that ultimately determines the retention of an investment option.

8.6.4 Review of the IPS

The District will review this policy at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the policy will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the policy.

9 Accounting Policy

This section details the procedures for recording data to the general ledger and reporting the financial activities of the District. The general ledger is the record of the financial activities of the District. Financial statements summarize the general ledger and subsidiary ledgers for a given period. The District shall demonstrate, through the use of financial statements and schedules, how the resources of the District are being used.

9.1 Fiscal Year and Reporting Periods

The District's fiscal year shall begin on January 1 and end on December 31 of each calendar year. Interim financial statements shall be prepared by the Finance Director monthly and presented to the Board of Directors at each regularly scheduled meeting.

9.2 Financial Audits

The District's annual financial statements shall be audited by a public accounting firm annually as provided by state law. The examination shall be in accordance with generally accepted auditing standards. The examination shall include tests of the accounting records necessary to render an opinion of whether the financial statements fairly represent the District's financial position. The District shall prepare an **Annual Comprehensive Financial Report (ACFR)** in conformity with Generally Accepted Accounting Principles as published by the Governmental Accounting Standards Board, and the report shall be reviewed by the District's independent auditors.

1. **REQUEST FOR QUALIFICATIONS (RFQ)**- The district Finance Department shall prepare and publish a request for qualifications (RFQ) at least every 6 years to allow for interested independent auditors to submit their qualifications and potentially be selected through the RFQ process to conduct the annual financial audit for the District.

9.3 Basis of Presentation of Operations

The presentation of the District's operations shall be the fund accounting method. Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The following fund types and account groups shall be included in the financial statements:

1. **GOVERNMENTAL FUND-** A governmental fund is one through which all governmental functions of the District are financed. The acquisition and use of the District's expendable financial resources and the related liabilities are accounted for in the General Fund, a governmental fund. All proceeds of specific revenue sources that are restricted or committed to expenditures for a specified purpose (other than debt-service or capital projects) are reported in the Special Revenue Fund, a governmental fund. All financial resources that are restricted, committed, or assigned to expenditures for capital outlays should be accounted for in the Capital Projects Fund, a governmental fund. All financial resources that are restricted, committed, or assigned to expenditures for principal and interest should be accounted for in the Debt-Service Fund, a governmental fund. The governmental funds will use a modified accrual basis of accounting. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. **The creation and closing of all funds must be approved by the Chief Appraiser.**
2. **FIDUCIARY FUND-** A fiduciary fund accounts for assets held by TCAD in a trustee capacity or as an agent for individuals. TCAD shall account for the activities of the deferred compensation plan as an agency fund. An agency fund is custodial in nature and does not involve measurement of results of operation.
3. **ACCOUNT GROUPS-** Account groups are used to establish accounting control and accountability for the District's fixed assets and long-term obligations. The following are the District's account groups:
 - a. General Fixed Assets—This group of accounts is established to account for all the district's fixed assets.
 - b. General Long-term Debt- This group of accounts is established to account for all long-term obligations of the District.

9.4 Basis of Accounting

The modified accrual basis of accounting is used to account for governmental funds operations. Under this method of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, if measurable.

9.5 General Ledger and Subsidiary Ledgers

All financial transactions of the District are recorded in the general ledger. A detailed listing of the accounts within the general ledger shall be prepared on a monthly basis. Subsidiary ledgers for cash, accounts receivable, accounts payable, payroll, and fixed assets shall be reconciled to the general ledger on a monthly basis. (For specific policies and procedures on reconciliations of subsidiary ledgers, see the month-end reporting policies and procedures and the year-end reporting policies and procedures below.)

9.6 Financial Statements and Reports

The following interim financial statements and reports (management operating statements and reports) shall be prepared from the general ledger at least once a month or on a more frequent basis as required. The Director of Finance is responsible for preparation of the statements and reports.

1. **BALANCE SHEET-** A balance sheet shall be prepared monthly to present recorded assets, liabilities and fund balances of the governmental funds
2. **STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-** This statement for the governmental funds shall be prepared monthly to present the period's revenues and expenditures. This statement also outlines the change in fund balance.
3. **BUDGET TO ACTUAL SUMMARY-** A fund expenditure summary for the general fund shall be prepared monthly to present the general fund budget, the period expenditures, encumbrances, year-to-date expenditures, and the available balance for each account.
4. **AGED RECEIVABLES --**A monthly report listing the delinquent taxing unit receivables shall be prepared monthly. This report shall present the name of the jurisdiction, amount delinquent, the days past due, and whether the amount is a regular quarterly payment or penalty and interest payment.
5. **OTHER REPORTS-** Other reports may be prepared or required for management control.

9.7 Chart of Accounts

The following account number ranges and account groups shall be used to establish the chart of accounts. The detailed chart of accounts may be changed from time to time to be more descriptive of transactions recorded in the general ledger.

10110-10199	Cash & Cash Equivalents	20110-20290	Accounts Payable
10210-10490	Accounts Receivables	30110-30199	Fund Balance
10510	Prepaid Expenditures	40100-40999	Expenditures
10610--10690	Fixed Assets & Accumulated Dep.	50110-50299	Revenues
		60000-60005	Interfund Transfers

9.8 Month End Closing Process

The month-end closing process is an accounting procedure undertaken at the end of every month to close out the current posting period. The purpose of this process is to have a snapshot of transactional activity at the end of the month. This snapshot is used as a planning tool for the remaining part of the year. The month-end closing process should be completed by the Finance Director and Finance Department staff.

9.8.1 Bank Statement Reconciliation

The first necessary step is to complete the reconciliation for all bank accounts. Some common adjustments that need to be made at the end of the month are any EFT payments that were not previously recorded and all monthly banking fees.

9.8.2 Transactions Not Yet Entered

All accounts payable transactions must be completed for the month that is being closed. Invoices for the closing month should be collected through the 10th of the following month and processed before the month-end closing process can continue.

9.8.3 Current Assets Reconciliation

All current asset accounts (i.e. accounts receivable, employee insurance receivables, COBRA Premiums Receivable, Prepaid Expenditures, etc.) should be reconciled. The reconciliation shall be saved to the Month-End Closings folder on the network.

9.8.4 Current Liability Reconciliations

All current liability accounts (e.g., accounts payable, Accrued Expenditures, Accrued Payroll, FIT Payable, Medicare Taxes Payable, TCAD Retirement Payable, Employee Payroll Deductions Payable, etc.) should be reconciled. The reconciliation shall be saved to the Month-End Closing folder on the network.

9.8.5 Other Reconciliations

Any other accounts that appear in the fund statements should be reconciled. The reconciliation shall be saved to the Month-End Closing folder on the network.

9.8.6 Chief Appraiser's Documentation Packet

Once all fund statement accounts have been reconciled, each reconciliation shall be printed and compiled into a month-end approval packet. An approval page shall be placed as the cover sheet. During the review process, the Finance Director shall conduct the initial review, initial each individual account reconciliation, and sign the approval page. The Chief Appraiser shall then complete the final review, also initialing each individual account reconciliation and signing the approval page to indicate final approval. Once all reviews are complete, the fully signed packet shall be scanned and uploaded to the appropriate folder within the accounting directory. All reconciliations and approvals shall be completed promptly following the close of each month.

9.8.7 Reports

After all reconciliations have been completed and the Chief Appraiser has reviewed the reconciliations, the Month-End Reports can be generated. The following month-end reports should be generated:

- a) Balance Sheet for the General Fund
- b) Balance Sheet for any other Governmental Fund
- c) Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund
- d) Statement of Revenues, Expenditures, and Changes in Fund Balance for any other Governmental Fund
- e) Budget to Actual for the General Fund
- f) Budget to Actual for any other Governmental Fund
- g) Any other report that is helpful in making future decisions should be printed and distributed to the requesting person.

9.8.8 Distribution

The reports above should be distributed to the Chief Appraiser, the District's Board of Directors, any Director who requests the statements, and any taxpayer who completes an open records request. The month-end financial statement should be provided to the Board of Directors at their next meeting after the month-end closing process is completed.

9.9 Year-End Closing Process

The Year-End closing process is conducted much like the month-end closing process. However, at year-end, the long-term accounts are also reconciled for the preparation of combining statements such as the Statement of Net Position and the Statement of Activities. This is also done for the preparation of audit materials for the Fiscal Year-End audit. This information will be supplied to the auditors when they are conducting fieldwork.

9.9.1 Month End Closing

The December month-end closing should be completed before the year-end closing process can begin. Complete the steps above before beginning the year-end closing process.

9.9.2 Long-Term Assets

All long-term asset accounts (i.e. Fixed Asset accounts including depreciation on the fixed assets) should be reconciled. The reconciliation shall be saved to the Year-End Closing folders on the network.

9.9.3 Long-Term Liabilities

All long-term liability accounts (i.e. Compensated Balances, Net Pension Liability, etc.) should be reconciled. The reconciliation shall be saved to the Year-End Closing folders on the network.

9.9.4 Chief Appraiser's Documentation Packet

Once all accounts have been reconciled, each reconciliation shall be printed and compiled into a year-end approval packet. An approval page shall be placed as the cover sheet. During the review process, the Finance Director shall conduct the initial review and sign the approval page. The Chief Appraiser shall then complete the final review, also signing the approval page to indicate final approval. Once all reviews are complete, the fully signed approval page shall be scanned and uploaded to the appropriate folder within the accounting directory. All reconciliations and approvals shall be completed promptly following the Fiscal Year-End audit.

10 Accounting Reserves Policy

Saving for future projects, acquisitions, and other allowable purposes is an important planning consideration for the district. Reserve funds provide a mechanism to legally save funds to finance all or part of future infrastructure and equipment. Planning today and saving incrementally for expected future events can help mitigate the financial impact of major, nonrecurring, or unforeseen expenditures on the District's annual operating budget. Saving for future capital needs can protect the budget against known risks (a potential lawsuit) or unknown risks (a flood).

10.1 Source of Resources

There shall be deposited, into specific general fund reserve funds, contributions from the general fund in amounts determined by the District Board of Directors.

Such contributions may consist of:

1. General fund resources identified in the adopted budget for a fiscal year as contributions to specific general fund reserve funds;
2. General fund expenses in amounts less than anticipated in the budget for a fiscal year; and
3. Other general fund resources deemed appropriate by the District's Board of Directors.

10.2 Operation of Fund

The budget submission for each year shall include a recommendation for a general fund contribution to established general fund reserve funds, **as District management deems appropriate.**

Prior to the end of each fiscal year, the District will prepare a report of any estimated surplus funds. If the Board of Director's decides to do so, a budget amendment will be prepared and approved by the Board of Directors. This budget amendment may allocate any general fund surplus funds to specific general fund reserve funds.

The resources in the general fund reserve funds shall accumulate from year to year until such time as:

1. The available reserves in the reserve funds meet the established threshold. The threshold is established individually for each reserve fund (see below); or
2. The Board of Directors passes through a majority vote that appropriates all or part of the available reserves to be spent on the specific purpose that the reserve was established for; or
3. All reserve funds will be invested in investments approved by the Public Funds Investment Act and the Travis Central Appraisal District Investment Policy.

Once the reserve fund reaches its designated maximum fund balance, the funds shall be returned to the taxing entities.

10.3 Fund Manager

The Finance Director shall administer all general fund reserve funds within the financial management system and shall serve as the reserve fund manager.

10.4 Reporting

A report of available reserve fund balances shall be presented to the board of directors quarterly at a regularly scheduled board meeting.

Per GASB No. 54, all established reserves for the District will be treated as a committed fund balance and transferred to the designated fund upon approval by the District's Board of Directors.

10.5 Reserve for Technology

10.5.1 Purpose and Type

The purpose of the technology reserve fund is to incrementally save for known technology replacements and for the purchase of unknown technological advances that could provide greater efficiencies in the field of mass appraisal. The District has established three sub-reserve accounts under the reserve for technology.

1. Reserve for Computer Equipment

The purpose of this reserve is to save incrementally and mitigate the cost of workstation replacement. The District budgets to replace workstations and other peripherals throughout the building every 5-8 years.

2. Reserve for Network Infrastructure

The purpose of this reserve is to save incrementally and mitigate the cost of network infrastructure replacements and upgrades, including the replacement of the SAN, servers, phone, and network equipment.

3. Reserve for Technology Enhancements

The purpose of this reserve is to save incrementally for any technological advancement in upcoming years that could provide greater efficiencies in the field of mass appraisal.

10.5.2 Reserve Balance Threshold

<u>Reserve</u>	<u>Threshold</u>
Reserve for Computer Equipment	5% of Annual Operating Budget
Reserve for Network Infrastructure	10% of Annual Operating Budget
Reserve for Technology Enhancements	5% of Annual Operating Budget

10.6 Reserve for Litigation

10.6.1 Purpose and Type

The purpose of the litigation reserve fund is to save for potential future litigation.

10.6.2 Reserve Balance Threshold

<u>Reserve</u>	<u>Threshold</u>
Reserve for Litigation	50% of Annual Operating Budget

10.7 Reserve for Building Acquisition

10.7.1 Purpose and Type

The purpose of the building repair and replacement reserve fund is to save for the future purchase of new building or needed repairs and remodeling to the current building. As Travis County grows exponentially, so does the need for TCAD staff. The current appraisal district office has limited room for growth and a potential purchase of a new building may be necessary in the future.

10.7.2 Reserve Balance Threshold

<u>Reserve</u>	<u>Threshold</u>
Reserve for Building Acquisition	50% of Annual Operating Budget

10.8 Reserve for Appraisal Review Board Operations

10.8.1 Purpose and Type

The purpose of the Appraisal Review Board Operations Reserve Fund is to save for future expenditures in which the Appraisal Review Board exceeds their budget authority.

10.8.2 Reserve Balance Threshold

<u>Reserve</u>	<u>Threshold</u>
Reserve for Building Acquisition	50% of Annual Operating Budget

10.9 Reserve for Market Data Purchases

10.9.1 Purpose and Type

The purpose of the market data purchases reserve fund is to save funds to purchase any new or additional sources of sales data when they become available or known to the District. This type of sales data is often expensive and requires a long-term contract.

10.9.2 Reserve Balance Threshold

<u>Reserve</u>	<u>Threshold</u>
Reserve for Market Data Purchases	10% of Annual Operating Budget

10.10 Reserve for Board Elections

10.10.1 Purpose and Type

The purpose of the board elections reserve fund is to save for future election costs. During the 88th legislative session, changes to laws required Appraisal Districts to conduct elections for 3 places on the Board of Directors. The cost of holding an election is substantial and could jeopardize the Districts annual operating funds.

10.10.2 Reserve Balance Threshold

<u>Reserve</u>	<u>Threshold</u>
Reserve for Board Elections	10% of Annual Operating Budget



TRAVIS CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS AGENDA ITEM DETAILS

Item 4C: Chief Appraiser's Report

Presenter Leana Mann, Chief Appraiser

Background Information

The Chief Appraiser will provide an update on the current operations of the CAD, including:

- 2025 Protest Season & Certification
- Community Outreach
- Taxpayer Experience Snapshot
- Legislative Update

Staff Recommendation & Motion Language

There are no staff recommendations for this item.

No board action is needed for this item.



Post Certification Status Report

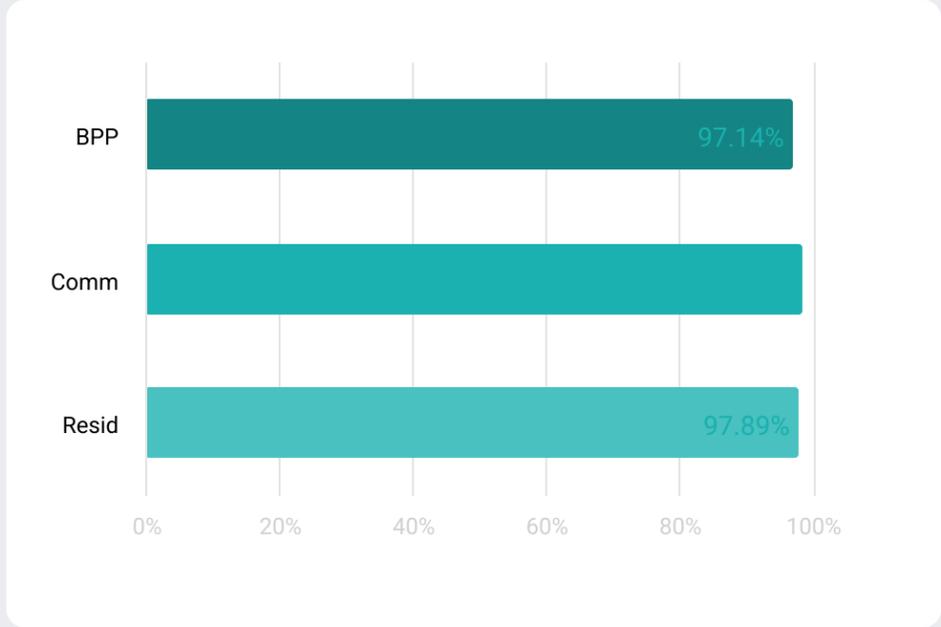
Protest Filed
209,280

Protest Complete
203,611

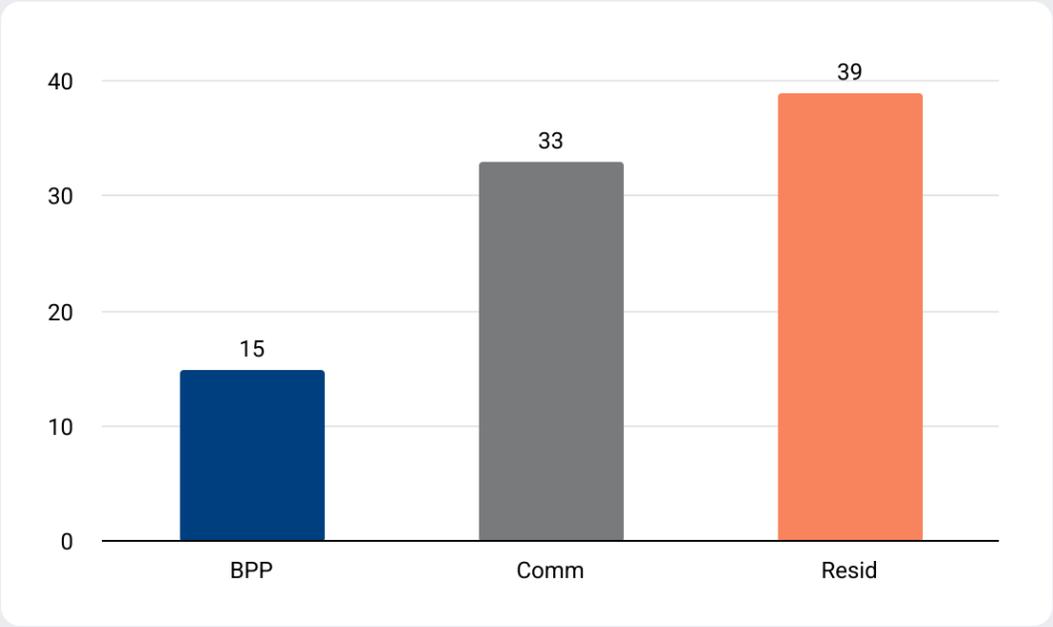
Percent Complete
99.80%

Work Days Until Certification
0

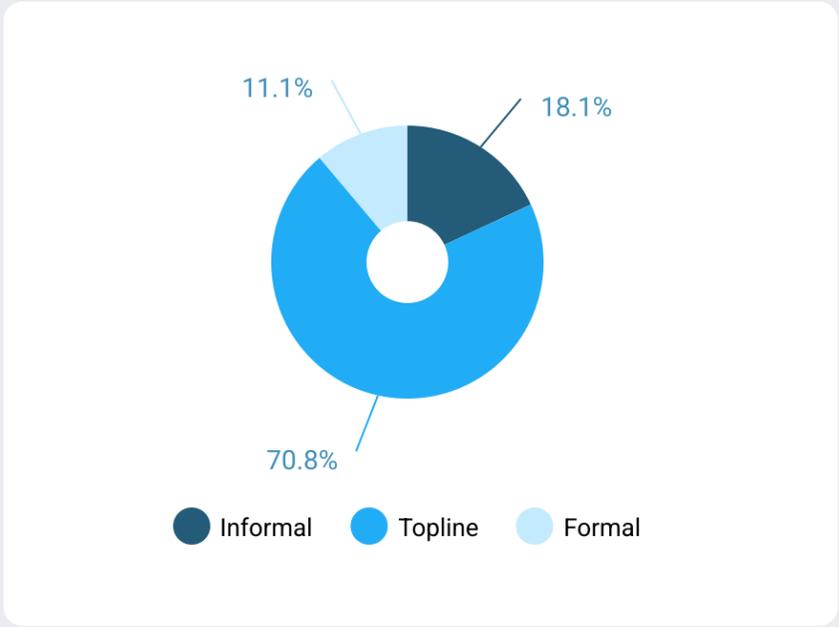
Percent Complete



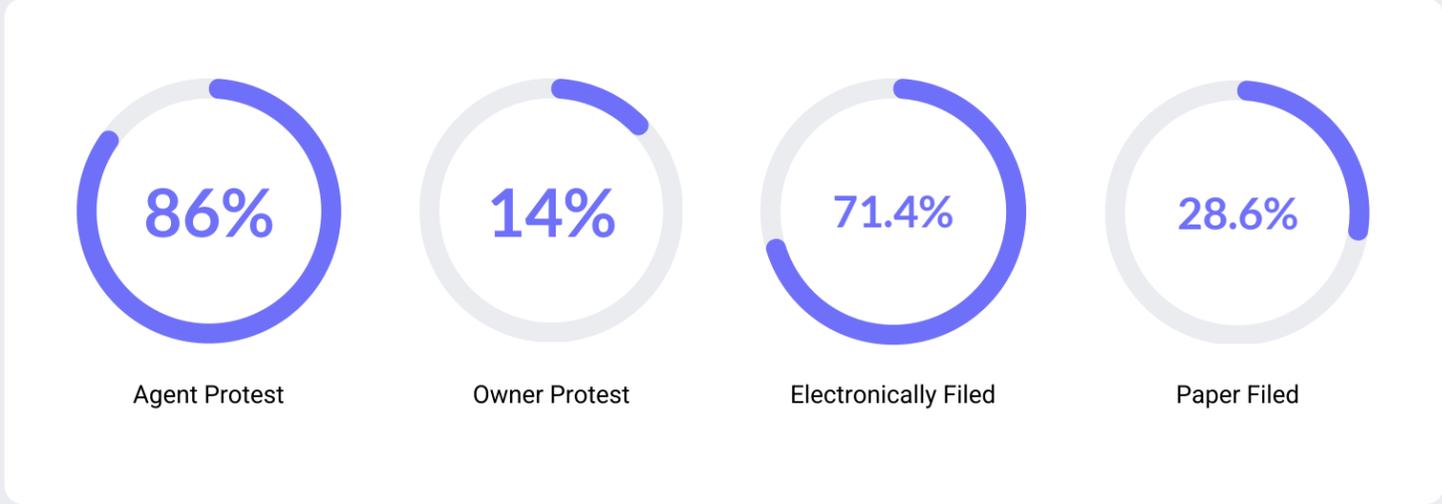
Pending Scheduling



Resolution



Filing Statistics



Top 5 Agents

Top 5 by Protest Count:

Agent	Count	% of Total
Ownwell, Inc.	46,325	22.2%
Texas Protax	36,434	17.4%
Five Stone Property Tax	32,074	15.4%
O Connor & Associates	8,182	3.9%
Home Tax Shield	5,407	2.6%

Top 5 by Protest Value:

Agent	% of Total
Ryan LLC- Morrison & Head	14.2%
Texas Protax	13.8%
Ownwell Inc.	10.0%
Five Stone Property Tax	9.1%
Ryan LLC- Austin	7.2%



TRAVIS CENTRAL APPRAISAL DISTRICT

COMMUNITY OUTREACH

COMMUNITY OUTREACH CALENDAR

JANUARY 2025

7 Webinar: Your Property Tax Bill
Travis Central Appraisal District

8 Monthly Benefits Clinic
Austin VA/City of Austin

FEBRUARY 2025

1 Exemption Clinic
Del Valle Library

8 Homestead Exemptions
Del Valle Community Coalition

12 Monthly Benefits Clinic
Austin VA/City of Austin

27 Webinar: BPP Explained
Travis Central Appraisal District

MARCH 2025

1 Property Tax 101 Town Hall
Circle C HOA

4 TCAD 101 for Property Owners
Rotary Club of Austin

12 Monthly Benefits Clinic
Austin VA/City of Austin

19 Webinar: Homestead Exemptions
Travis Central Appraisal District

29 Exemption Clinic
Pflugerville Public Library

APRIL 2025

Notices of Appraised Value Sent Out

9 Monthly Benefits Clinic
Austin VA/City of Austin

12 Community Impact Day
Austin Black Real Estate Professionals

14 Community Resource Fair
Austin Police Department

16 How to Protest Your Appraisal
Austin Board of Realtors

19 Notices & The Protest Process
Anderson Community Development Corp.

22 Webinar: Notices & The Protest Process
Travis Central Appraisal District

23 How to Protest Your Appraisal
Austin Board of Realtors

23 Agriculture & Wildlife Valuations
Travis County

24 Notices & The Protest Process
Realty Austin/Mueller Residential

26 How to Protest Your Appraisal
Austin Board of Realtors

30 How to Protest Your Appraisal
Austin Board of Realtors



TRAVIS CENTRAL APPRAISAL DISTRICT

COMMUNITY OUTREACH

COMMUNITY OUTREACH CALENDAR

MAY 2025

Protest Deadline

12 Webinar: Notices & Protests
City of Jonestown

14 Monthly Benefits Clinic
Austin VA/City of Austin

21 Better Together Resource Fair
Department of Veterans Affairs

JUNE 2025

Protest Season

6 TCAD 101 for Real Estate Professionals
Stanberry Realtors

18 Legislative Recap
Texas Women in Public Finance - Austin

21 Homeowner Resource Fair
Frost Bank

JULY 2025

Protest Season

9 Monthly Benefits Clinic
Austin VA/City of Austin

AUGUST 2025

Truth in Taxation

1 Pflugerville Tax Office Reopening
Travis County Tax Office

2 Last Minute Exemption Clinic
Pflugerville Public Library

13 Webinar: Navigating TravisTaxes.com
Travis Central Appraisal District

Monthly Benefits Clinic
Austin VA/City of Austin

AUGUST 2025 (Continued)

Truth in Taxation

20 TCAD 101 for Real Estate Professionals
Patten Title

21 TCAD 101 for Real Estate Professionals
Travis Central Appraisal District

23 Del Valle Day
Del Valle Community Coalition

SEPTEMBER 2025

Truth in Taxation

6 Tax Rates & Property Tax Bills
Anderson Community Development Corp.

10 Monthly Benefits Clinic
Austin VA/City of Austin

OCTOBER 2025

Truth in Taxation

8 Monthly Benefits Clinic
Austin VA/City of Austin

NOVEMBER 2025

Election Day and Property Tax Bills Available

12 Monthly Benefits Clinic
Austin VA/City of Austin

15 Community Connections Resource Fair
Austin Energy

DECEMBER 2025

Property Tax Bills Available

10 Monthly Benefits Clinic
Austin VA/City of Austin



TRAVIS CENTRAL APPRAISAL DISTRICT

TAXPAYER EXPERIENCE SNAPSHOT

CUSTOMER SERVICE

Average In-Person Wait Time	5:07 minutes
Average Phone Wait Time	15:00 minutes
Average Exemption Processing Time	63 days

Yes, my inquiry was resolved.	92.7%
I am satisfied with the time it took to resolve my issue.	84.4%
My TCAD representative was knowledgeable about my issue.	88.3%
My TCAD representative was professional and courteous.	91.4%



PROTESTS

It was easy to schedule my informal meeting.	89.1%
My appraiser was professional and courteous.	91.2%
My appraiser answered my questions about my property and its value.	84.2%
It was easy to accept my settlement offer.	84.5%



“ Our reviewer was very kind, understanding, and provided helpful guidance. ”

“ My appraiser was exceptionally patient and explanatory through the process. Really appreciate the kindness and professionalism afforded to me. ”