



**Freestone Central
Appraisal District**
218 N Mount Street
Fairfield TX 75840

Don Awalt, RPA/CTA/GCA Chief Appraiser
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**Notice of Public Meeting of the Board of Directors
For the Freestone Central Appraisal District**

Notice is hereby given that the Board of Directors of the Freestone Central Appraisal District will meet on January 11, 2023, at 7:00 p.m. at 218 North Mount, Fairfield, Texas.

The agenda for the meeting is as follows:

- I. Call to Order
- II. Proof of posting of notice in accordance with Chapter 551, Texas Government Code, as amended, known as the Texas Open Meetings Act.
- III. Declaration of Quorum
- IV. Receipt of Public Comment
- V. Consideration and Action on Minutes of December 14, 2022
- VI. Consideration and Action on Approval of Monthly Financial Reports for December 2022
- VII. Consideration and Action on Investment Officer's Quarterly Report
- VIII. Consideration and Action on Ratifying Public Funds Investment Policy
- IX. Consideration and Action on Authorizing Broker Dealers for the District's Investments
- X. Consideration and Action on Approval of Training Sources for the District's Investment Officers
- XI. Consideration and Action on Designating Investment Officers
- XII. Consideration and Action on Previously Tabled Item, Appointing a Taxpayer Liaison Officer
- XIII. Review Chief Appraiser's Quarterly Report on Changes to Appraisal Roll
- XIV. Chief Appraiser's Report
- XV. Adjournment

This notice is given pursuant to Texas Open Meetings Act, Chapter 551, Government Code.

I, Don Awalt certify that this notice was posted at
Freestone CAD Office 1/6/2023 at 3:00 PM and
www.freestonecad.org 1/6/2023 at 3:00 PM

Notary Public in and for Freestone County

SUSCRIBED AND SWORN TO BEFORE ME this the 6 day of January, 20 23

Melissa Marberry
Signature of Notary



Freestone Central Appraisal District
Directors Meeting

Minutes of December 14, 2022

Regular Meeting #520

The Freestone Central Appraisal District Board of Directors met at the appraisal office located at 218 North Mount, Fairfield, Texas. Board members present were Craig Dunlap, Lovie Whyte, Jerry Don Sanders, and Sid Fryer. Representing the appraisal district was Don Awalt, Chief Appraiser; and Carol Clark, Administrative Assistant.

Mr. Dunlap called the meeting to order at 7:01 p.m.

Mr. Dunlap established proof of the posting of public notice of the meeting in accordance with the Texas Open Meeting Act from the affidavit attached to the foot of the posted agenda.

Mr. Dunlap then declared a quorum of members present.

Consideration and action were taken on the minutes of the meeting held on November 9, 2022. Mr. Sanders asked Mr. Awalt to explain ...'25.25 Motions to Correct the Appraisal Roll' recorded at the bottom of the first page. Mr. Awalt responded that the paragraph should have said ...Sect. 25.25. of the Texas Tax Code Motions to Correct the Appraisal Roll. There was a motion by Mr. Sanders to approve the minutes of November 9, 2022. Ms. Whyte seconded the motion. Motion carried.

The board then reviewed the district's monthly financial reports for November 2022. Mr. Awalt pointed out the payment of \$55,625.00 made to Pritchard & Abbott for the district's mineral appraisal services. He then informed the board that the payment of \$1,780.54 made to the Card Service Center account for Ms. Gilley Lee was towards travel and training. The payment included travel expenses for the appraisers who attended the TRCA Conference. Reviewing the Budget vs. Actual Mr. Awalt explained that the Notary & Financial Bonds account was 149.1 percent over budget. Mr. Awalt stated that he had not included this account while adjusting the 2022 operating budget; although the percentage seemed to be rather high, the account is only \$81 over budget. The total expenses are well under 100 percent. A motion was made by Ms. Whyte to approve the monthly financial reports for November 2022. Mr. Sanders seconded the motion. The motion carried unanimously.

The board considered Item VII on the agenda. Mr. Awalt referred to the email correspondence with the district's attorney that was included in the board packet. He explained that the District Judge appoints the ARB members and appoints the officers. One of the members appointed is not eligible to serve on the Appraisal Review Board but the district cannot communicate with the District Judge due to the requirements stated in the Property Tax Code; the appraisal district can only submit the applications and may provide information regarding the applicant owing any delinquent taxes. Mr. Ralstin volunteered to be the Taxpayer Liaison Officer (TLO) to communicate between the appraisal district, the board of directors and the ARB. Mr. Awalt stated that Mr. Ralstin may not be eligible as he is already serving on the board.

Mr. Awalt continued to explain to the board that the TLO will report taxpayer complaints, and non-value complaints to the board once a month. They will work for the board and not the appraisal district; ARB complaints will be reported to the Property Tax Assistance Division (PTAD) at the end of each year. The TLO will work under contract for approximately \$1,000 per year at \$250 per quarter. They will have an email address where they can be contacted.

Mr. Awalt added that Ms. Bobbi Shepherd, and Ms. LaDonna Mullen, two previous employees of the district have expressed interest in becoming the TLO. The District Judge has amended the appointment of board members to include Mr. Jack Hansel, Mr. Fred Beagles Jr., and Mr. Ron Brokmeyer.

Mr. Dunlap asked Mr. Awalt if he would create a job description for the TLO. Mr. Awalt agreed to put one together and reminded the board that Ms. Shepherd and Ms. Mullen are both familiar with the operations of the appraisal district, the board of directors, and the ARB. Mr. Dunlap added that the board would review the job description at the next board meeting. Mr. Fryer made a motion to table the appointment of a Tax Payer Liaison Officer until the next meeting. Mr. Sanders seconded the motion. Motion carried.

Mr. Awalt then presented the Chief Appraiser's Report for the district's activities since the last meeting.

Noted in the report:

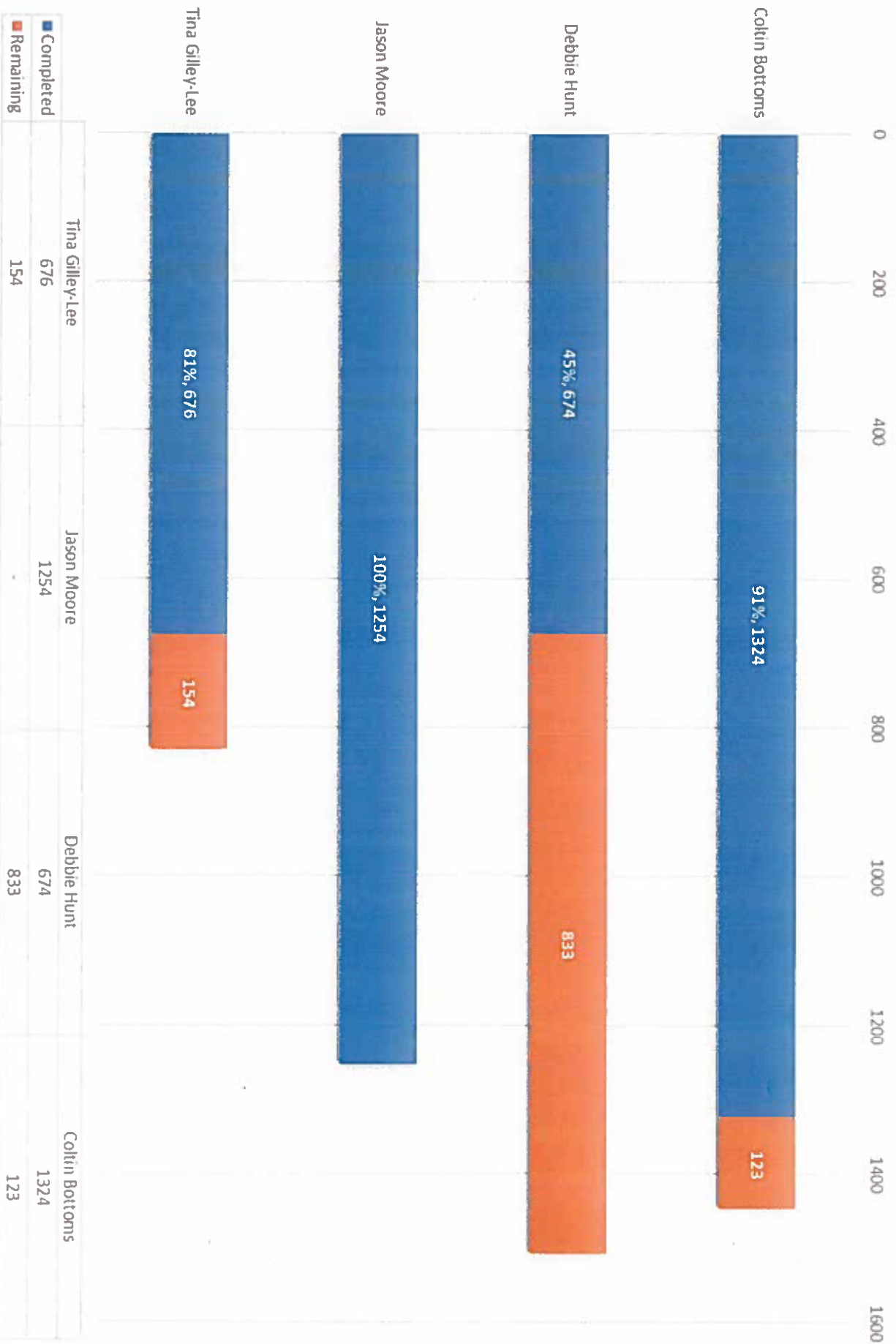
- Field inspections per the adopted 2023-2024 Reappraisal Plan are moving along at a good pace. Please refer to the attached progress chart.
- On November 18th Mr. Awalt completed the second week of required training at TAAD's Chief Appraiser Institute and can now use the CCA designation as a Certified Chief Appraiser.

There being no further business or public comments, Mr. Dunlap declared the meeting adjourned at 7:31 p.m.

Chairman

Secretary

2023 Field Inspection Progress



Freestone Central Appraisal District
APPRAISAL BILL LIST
December 2022

Date	Num	Name	Memo	Clr	Amount
<i>Dec 22</i>					
12/01/2022	12198	Texas Association of Countie...	Group 60735 - Employer Con...		13,407.14
12/01/2022	12198	Texas Association of Countie...	Retiree Insurance Payment		73.12
12/01/2022	12199	TAAD	TAAD Level III & Level IV RP...		325.00
12/07/2022	ACH	Waste Connections Lone Sta...	Account No. 5176-015081061...		96.94
12/07/2022	12200	AT&T	Utilities		91.22
12/07/2022	12201	BIS Consulting	Cyber Security Training - 12 ...		360.00
12/07/2022	12202	City of Fairfield	Utilities		50.65
12/07/2022	12203	Flatt Stationers, Inc.	Misc. Office Supplies		194.30
12/07/2022	12204	Navarro Central Appraisal Di...	Navarro CAD Winter Worksh...		50.00
12/07/2022	12205	Morrison Lawn Service	Mowed Property 11/4/2022 & ...		100.00
12/07/2022	12206	MS Smith Commercial Janit...	Janitorial Services for Decem...		650.00
12/07/2022	12207	Xerox Corporation	Equipment Lease - 3TX-4052...		153.51
12/07/2022	12207	Xerox Corporation	Copies		152.20
12/07/2022	12208	Xerox Corporation	Equipment Lease - 3TX-4205...		106.86
12/07/2022	12208	Xerox Corporation	Copies		71.45
12/14/2022	12209	Bowden Debbie	Reimbursement for Purchase ...		59.54
12/14/2022	12210	Brookshire Bros. Ltd.	Refreshments		25.80
12/14/2022	12211	Low Swinney Evans & James...	Fairfield Property Inc CV22195		294.50
12/14/2022	12211	Low Swinney Evans & James...	Dew Real Estate Holdings LL...		424.00
12/14/2022	12211	Low Swinney Evans & James...	DCP Southern Hills Pipeline L...		45.00
12/14/2022	12211	Low Swinney Evans & James...	General Services		55.50
12/14/2022	12211	Low Swinney Evans & James...	Retainer		75.00
12/14/2022	12212	TAAD	TAAD 42nd Annual Conferen...		450.00
12/14/2022	12213	Xerox Corporation	Equipment Lease - 6TB-4507...		412.99
12/14/2022	12213	Xerox Corporation	Copies		205.75
12/14/2022	ACH	Atmos Energy	Utilities - Cust # 3021007784		104.01
12/14/2022	ACH	Music Mountain	1 Water Cooler & 2 Bottles - ...		26.24
12/14/2022	ACH	TXU Energy	Utilities - Account 900000072...		371.08
12/15/2022	12214	Sanders Jerry Don	BOD Meeting 12/14/2022 - S...		25.00
12/15/2022	12215	Fryer, Sid	BOD Meeting 12/14/2022 - Fr...		25.00
12/15/2022	12216	Dunlap, Craig	BOD Meeting 12/14/2022 - D...		25.00
12/15/2022	12217	Whyte, Lovie	BOD Meeting 12/14/2022 - W...		25.00
12/15/2022	12218	Beagles, Amanda	ARB Meeting 12/15/2022 - Be...		75.00
12/15/2022	12219	Samford, Eric	ARB Meeting 12/15/2022 - Sa...		75.00
12/15/2022	12220	Brokmeyer Ron	ARB Meeting 12/15/2022 - Br...		75.00
12/22/2022	12221	Texas Association of Countie...	Employer Contribution		13,416.44
12/22/2022	12221	Texas Association of Countie...	Retiree Insurance Payment		73.12
12/22/2022	ACH	Card Service Center	TDLR Licence Renewal Moor...		45.00
12/22/2022	ACH	Card Service Center	Misc. Office Supplies		85.59
12/22/2022	ACH	Card Service Center	LexisNexis		53.30
12/22/2022	ACH	Card Service Center	Marriot - Awalt, Bottoms - Ha...		1,483.06
12/22/2022	ACH	Quill Corporation	Misc. Office Supplies - Accou...		143.86
12/22/2022	12222	ODP Business Solutions LLC	Misc. Office Supplies		104.63
12/22/2022	12223	Petty Cash	Reimburse Petty Cash		3.89
<i>Dec 22</i>					<u>34,165.69</u>

Freestone Central Appraisal District
Budget vs. Actual
January through December 2022

	Jan - Dec 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
01-4000 · Entity Contributions	1,443,772.15	1,350,620.00	93,152.15	106.9%
01-4001 · Interest Revenue-Unrestricted	1,236.20	0.00	1,236.20	100.0%
01-4002 · Other Revenue	13,189.85	3,000.00	10,189.85	439.7%
01-4007 · Fund Balance/Reserved for Le...	0.00	150,000.00	-150,000.00	0.0%
01-4008 · Fund Balance/Entity Pmt Rese...	0.00	54,500.00	-54,500.00	0.0%
01-4009 · Fund Balance-Reserve Next Y...	0.00	88,492.00	-88,492.00	0.0%
01-4011 · Fund Balance-CAD Earnings	0.00	30,385.00	-30,385.00	0.0%
01-4013 · Fund Balance/Mapping Reserve	0.00	2,485.00	-2,485.00	0.0%
Total Income	1,458,198.20	1,679,482.00	-221,283.80	86.8%
Expense				
01-6100 · Employee Salaries	464,814.25	526,950.00	-62,135.75	88.2%
01-6101 · Employee Retirement	81,607.83	95,890.00	-14,282.17	85.1%
01-6102 · Employee Medicare	7,888.76	9,270.00	-1,381.24	85.1%
01-6103 · Employee Health Insurance	156,759.43	169,680.00	-12,920.57	92.4%
01-6104 · TWC Unemployment	546.35	2,160.00	-1,613.65	25.3%
01-6105 · Workman's Comp Insurance	3,048.00	3,200.00	-152.00	95.3%
01-6106 · Professional Dues	2,210.33	3,910.00	-1,699.67	56.5%
01-6107 · Auto Allowances	66,300.00	84,750.00	-18,450.00	78.2%
01-6109 · Board of Director	1,265.97	2,100.00	-834.03	60.3%
01-6110 · Ag Advisory Board Expense	99.38	200.00	-100.62	49.7%
01-6111 · Longevity Pay	9,337.50	11,370.00	-2,032.50	82.1%
01-6112 · Communications Allowances	3,600.48	4,800.00	-1,199.52	75.0%
01-6200 · Postage	29,765.12	29,500.00	265.12	100.9%
01-6201 · Public Notices	5,600.45	11,500.00	-5,899.55	48.7%
01-6202 · General Office Supplies	25,994.11	28,500.00	-2,505.89	91.2%
01-6203 · Subscriptions	7,215.74	7,100.00	115.74	101.6%
01-6204 · Software Maintenance	5,659.91	5,665.00	-5.09	99.9%
01-6300 · Equipment Lease	18,552.50	19,655.00	-1,102.50	94.4%
01-6301 · Mineral/Utility/Industrial Appr	222,500.00	222,500.00	0.00	100.0%
01-6304 · CAMA Software Lic/Website M...	39,575.00	39,580.00	-5.00	100.0%
01-6305 · Mapping Services	34,265.00	34,270.00	-5.00	100.0%
01-6306 · Internet Services	8,228.00	8,840.00	-612.00	93.1%
01-6307 · Service Agreements	2,993.56	3,000.00	-6.44	99.8%
01-6400 · Insurance	2,781.50	2,795.00	-13.50	99.5%
01-6401 · Equipment Maintenance	0.00	1,000.00	-1,000.00	0.0%
01-6402 · Financial Auditor	5,950.00	6,000.00	-50.00	99.2%
01-6403 · Notary & Financial Bonds	246.00	165.00	81.00	149.1%
01-6404 · Building & Grounds Maintenance	10,434.15	14,100.00	-3,665.85	74.0%
01-6406 · Travel & Training	17,573.81	18,450.00	-876.19	95.3%
01-6407 · Utilities	19,654.51	20,880.00	-1,225.49	94.1%
01-6500 · Equipment Purchase	0.00	1,000.00	-1,000.00	0.0%
01-6600 · Contingency	0.00	40,385.00	-40,385.00	0.0%
01-6700 · Litigation Fees & Legal Expense	17,239.80	150,000.00	-132,760.20	11.5%
01-6801 · ARB Meeting Expense	10,251.52	10,450.00	-198.48	98.1%
01-6802 · ARB Litigation & Legal Expense	0.00	1,000.00	-1,000.00	0.0%
01-6803 · ARB Travel & Training	375.00	375.00	0.00	100.0%
14-4008 · Fund Bal/Entity Payment Rese...	0.00	88,492.00	-88,492.00	0.0%
Total Expense	1,282,333.96	1,679,482.00	-397,148.04	76.4%
Net Ordinary Income	175,864.24	0.00	175,864.24	100.0%
Net Income	175,864.24	0.00	175,864.24	100.0%

Freestone Central Appraisal District
Balance Sheet
As of December 31, 2022

	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
01-1010 - General Fund 40405078	760,941.28
01-1000 - A/P Cash	100.00
01-1003 - Petty Cash	50.00
01-1008 - Payroll Account	1.12
Total Checking/Savings	761,092.40
Other Current Assets	
10-1000 - Buildings & Improvements	242,313.18
10-1100 - Equipment, Furniture & Fixtures	86,462.39
20-1000 - Amount to be Provided	10,282.00
Total Other Current Assets	339,057.57
Total Current Assets	1,100,149.97
Other Assets	
01-2450 - Prepaid Expenses	13,856.08
30-1000 - Deferred Outflows - Contrib.	81,344.00
30-1010 - Deferred Outflows - Invest Exp.	25,522.00
30-1015 - Deferred Outflows - Assumptions	143,843.00
30-9999 - Amount to be Provided-Pension	-57,785.00
Total Other Assets	206,780.08
TOTAL ASSETS	<u>1,306,930.05</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
01-2000 - Accounts Payable	3,368.96
Total Accounts Payable	3,368.96
Other Current Liabilities	
01-2200 - Deferred Revenue	244,979.00
01-2400 - Salaries Payable	10,993.65
10-2000 - Inv in General Fixed Assets	328,775.57
20-2100 - Accrued Vacation Time Payable	10,282.00
Total Other Current Liabilities	595,030.22
Total Current Liabilities	598,399.18
Long Term Liabilities	
30-2000 - Net Pension Liability(Asset)	87,827.00
30-2505 - Deferred Inflows - Pension	105,097.00
Total Long Term Liabilities	192,924.00
Total Liabilities	791,323.18
Equity	
01-3000 - Fund Balance-Earnings	339,742.63
Net Income	175,864.24
Total Equity	515,606.87
TOTAL LIABILITIES & EQUITY	<u>1,306,930.05</u>



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Quarterly Report of Public Funds Investments

For
**Quarter Ending
December 31st, 2022**

Per the provisions of both the Public Funds Investment Act of the State of Texas (Chapter 2256 of the Government Code), the district's designated investment officer should submit an investment report to the board of directors at least quarterly. The report must include:

- The investment position of the district on the date of the report.
- Statement of the investment strategy as expressed in the district's investment policy.
- Summary statements for each fund group, stating the
 - Beginning market value for the reporting period,
 - Additions and changes to the market value during the period,
 - Ending market value for the period, and
 - Fully accrued interest for the reporting period.
- Statement of compliance with the district's investment policies and Public Funds Investment Act.

This report is submitted to the district's board of directors in order to satisfy the requirements stated above.

1.0 Investment Policy Requirements

As a public governmental entity, the appraisal district is subject to the provisions of the Public Funds Investment Act. Requirements for maintaining and investing public funds are found in Section 2256 of the act.

The act requires the district to:

- Adopt an investment policy,
- Appoint an investment officer,
- Invest its funds according to the requirements of its investment policy,
- Monitor the performance of its investment policy through quarterly reports submitted by its investment officer.

The investment officer is responsible for administering the financial matters of the district. In doing so, he is responsible for investing and disbursing funds according to the district's investment policy and its general operating budget. He is also responsible for developing and implementing policies and procedures to ensure sound fiduciary responsibility regarding the district's finances.

Following are general responsibilities regarding the district's funds. Detailed policies and procedures are maintained in *FCAD Official Policies, Chapter IV Financial Affairs*.

1.01 Operations and Maintenance

Investments and cash management are the responsibility of the Chief Appraiser who is the district's appointed investment officer.

The district's operations are funded by the various taxing jurisdictions with territory within the district's boundaries. Invoices stating contribution amounts are sent to these jurisdictions at least 30 days before the first day of each calendar quarter. Payments are past due and incur a mandatory ten percent late fee if not paid before the 10th day of the first month in the quarter. These funds are deposited in the district's general operating fund with its depository as received.

Other nominal funds are received by the district daily for the production of records and services outside of the district's typical operations. These funds are deposited in the district's general operating fund with its depository weekly.

1.02 Internal Control

Funds Received - All funds received by the district are subject to internal audits to ensure that all funds received by the district are properly deposited.

A schedule for quarterly entity contributions is reviewed by the district's quality control officer as deposits are made to ensure that correct amounts for each payment is both deposited and credited in the district's bookkeeping system.

The quality control officer also is charged with the responsibility of reviewing receipts issued for nominal fees (i.e. records, services, etc.) before releasing funds to the district's bookkeeper for deposit. Bank deposit receipts for these funds are also reviewed as deposited.

Fund Disbursement – All funds are disbursed from the district's general fund by written check or transfer between bank accounts (i.e. payroll). The Chief Appraiser is authorized to sign checks on any account up to an amount of \$15,000. There is no limit on the fund transfer amount.

Checks may only be written, and funds transferred when supporting documentation for the expense is present (i.e. statement, invoice, etc.). All expenses must be approved by the Chief Appraiser before the bookkeeper may issue the check.

1.03 Investment Position

All funds held by the district are considered by the board to be operational funds and should remain liquid for ready access in daily operations of the district.

For this reason, all funds are deposited in the district's general fund checking account in its depository and disbursed as needed. Monies are transferred into the payroll checking account bi-weekly to meet payroll obligations. Only the General Fund account is an interest-bearing account currently earning .20% annual percentage yield.

2.0 Pledged Securities

The district's depository is required to provide evidence of securities pledged for deposited amounts exceeding the FDIC insured limit of \$250,000.

Community National Bank, as the district's depository, has provided proof of pledged securities as:

	<i>Oct. 2022</i>	<i>Nov. 2022</i>	<i>Dec. 2022</i>
FDIC Coverage	250,000	250,000	250,000
Community National Pledged Securities	504,049	517,516	766,337
Total Fund Coverage	754,049	767,516	1,016,337
Less Highest Daily Balance	-735,788	-666,620	-845,813
Minimum Over (Under) Pledge	18,261	100,896	170,524

3.0 Quarterly Fund Activity Summary

Following is a summary of funds in the district's possession for this reporting quarter:

	General Fund	Payroll Fund	Total
Beginning Balance	619,757	1,677	621,434
Deposits	431,823	158,149	589,972
Total Interest Earned	342	0	342
Expenses	-305,094	-159,825	-464,919
Ending Balance	746,828	1	746,829

4.0 Investment Strategy

In its investment policy, the district has determined that all the funds in its custody are dedicated to the daily general operations of the district and must remain safe and liquid.

The policy does grant the investment officer the authority to invest funds in certificates of deposit with the district's depository to earn higher interest returns on deposits. All such investments must mature within three years of investment.

With low interest rates and limited funds available for such investments, no such investments were made during this quarter.

5.00 Compliance Statement

I, Don Awalt, as the board appointed investment officer of the Freestone Central Appraisal District, do hereby certify that the foregoing is a complete and true analysis of the financial conditions of the Freestone Central Appraisal District for the calendar quarter ending December 31, 2022.

Furthermore, I certify that all funds in my custody have been invested according to the district's adopted public investment policy, the Public Funds Investment Act, and all other applicable state and federal laws, as in effect during this reporting period.



Don Awalt, RPA/CTA
Public Funds Investment Officer

Submitted to and approved by the district board of directors on this the ____ day of _____, 20__

Chairman

Secretary

3.00 Selecting a Depository

The board shall select a depository through the district's competitive bid process.

A depository for the district's funds shall be selected meeting the depository requirements listed in the district's public funds investment policy, FCAD Official Policies Chapter III, Section 4.04

4.00 Public Funds Investment Policy

As a political subdivision of the State of Texas, the appraisal district is subject to the provisions of the Texas Government Code, Chapter 2256. This section of the Government Code requires the district to prepare and adopt an investment policy with investment strategies for each of its fund types, appoint an investment officer, and receive periodic reports from the investment officer regarding the district's funds and their investment performance.

4.01 Investment Policy Objective

It is the intent of the district's board of directors that the district's funds be invested in a safe manner that provides enough liquidity for its operations with a rate of return that is both acceptable to the board and provides maximum security for those investments. Further, it is the intent of the board to conform to all state laws and statutes which govern the investment of public funds, including but not by way of limitation, the Public Funds Investment Act, Chapter 2256, Government Code.

4.02 Fund Types & Investment Terms

- A. Generally, the district's funds are limited to its annual operating income, provided quarterly by the taxing jurisdictions that are required by state law to participate in the district and who are legally bound to its support. Other funds may include entity payment reserves, and funds encumbered for specific purposes. Section 6.06(j) of the Property Tax Code requires the district to refund any excess funds it has collected (remaining unencumbered fund balance) at the end of its fiscal year.

Any deferred compensation and retirement funds associated with the district are not subject to this policy.

Following are the four basic fund types associated with the district.

- **General Operating Funds** are those funds that are included in the district's annual operating budget as adopted and/or amended by its board of directors. These funds should remain liquid (in a checking account) for ability in daily operations of the district.
- **Payroll Funds** are those funds that have been transferred from the general operating funds and employee payroll withholdings to meet federal payroll requirements and employee elected payroll deductions. These funds should remain liquid (in a checking account) for ability in daily operations of the district.
- **Entity Payment Reserves** are those funds that the board has chosen to retain as a credit toward the funding of the district in the next fiscal year. These funds may remain liquid (in a checking account) or invested in a Certificate of Deposit with the district's depository bank, in accordance with its depository contract for a term that expires on or before January 1 of the year for which the funds are held.
- **Funds Encumbered for Specific Purposes** include those monies that the board of directors has chosen to hold to fund future litigation, building renovation/repair, or other expensive projects for which future funds must be built-up. These funds may remain liquid (in a checking account) or invested in a Certificate of Deposit with the district's depository bank, in accordance with its depository contract for a term not to exceed three years. Length of term is to be determined by the board, at the recommendation of the district's investment officer, based upon the expected use date for the funds.

The district's investment officer(s) will inform its designated depository of any significant change in the amount or activity of deposits within a reasonable time before the change occurs.

4.03 Standards of Care

(A) Delegation of Investment Authority

The Chief Appraiser is designated by the board of directors to serve as the district's public funds investment officer and is responsible for the performance of all duties and responsibilities set out in the following standards of care. However, the board of directors as a whole retains ultimate responsibility as fiduciaries of the assets of the appraisal district. (PFIA 2256.006)

(B) Prudent Person Rule

The district's funds shall be invested with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probability safety of capital and the probable income to be derived.

(C) Training

The board of directors shall provide periodic training in investments for its public funds investment officer through courses and seminars offered by professional organizations and associations in order to insure the quality and capability of his/her investment decisions in compliances with the Public Funds Investment Act.

Ten hours of training must be completed within 12 months of taking office or assuming these duties. Thereafter, ten hours of training must be completed every two years. (PFIA 2256.008)

(D) Ethics & Conflicts of Interest

The district's investment officer must file a disclosure statement with the Texas Ethics Commission and the board of directors if:

- The officer has a personal business relationship with a business organization offering to engage in an investment transaction with the district; or
- The officer is related within the second degree of affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the district. (PFIA 2256.005)

The requirement for filing such disclosures is hereby extended to the board of directors should either of these situations arise with one of its members.

4.04 Depository Requirements

1. The district's board of directors must solicit bids for a depository at least once in each two-year period.
2. The board and the depository may agree to extend a depository contact for one additional two-year period.
3. The board must choose the financial institution which offers the most favorable terms and conditions for handling the district's funds. Other requirements required by PTC Section 6.09 are:
 - The depository must be a Texas or United States banking corporation or a savings and loan association whose deposits are insured by the Federal Savings and Loan Insurance Corporation.
 - Article 2529c, Tex. Rev. Civ. Stat., places limitations on the selection of a depository in which a member of the board of directors has an interest.
 - A depository is not disqualified from bidding and becoming a depository if an employee of the appraisal district is an officer, director or stockholder of the bank who is not charged with the duty of selecting the depository.

- If any board members own 10 percent or less of the bank's outstanding stock, the bank is eligible to be selected as the district's depository, as long as no officer, director or stockholder of the bank votes or participates in the proceedings. If more than 10 percent of the bank's outstanding capital stock is owned by board members, the bank is disqualified.
 - Property Tax Code Section 6.036 prohibits an appraisal district from contracting with a director or with a business entity in which a member of the board has a substantial interest. "Substantial interest" exists when a director and his or her spouse have a combined ownership of at least 10 percent of the voting stock or shares of the business, or the director or his or her spouse serve as a partner, limited partner or officer in the business.
4. The depository selected by the board shall acknowledge in its depository contract agreement with the district that it has read and understands the district's investment policies and will enforce those policies during the duration of the depository contract.

4.05 Suitable & Authorized Investments

The board of directors has determined that all of its funds are to be maintained with its depository bank. Funds encumbered for specific future expenditures may be invested in certificates of deposit with the district's depository.

4.06 Security of Investments

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, the depository must secure funds in the manner provided by law for the security of funds of counties.

When funds in a depository exceed the limit insured by the Bank Insurance Fund or Savings Association Insurance Fund, the excess must be secured in the same manner as similar county funds. Local Government Code Section 116.051 provides for securing county funds. Section 116.051 allows a depository 15 days after selection to insure funds that are not otherwise insured. The board has the option of insuring these funds in one or more of the following ways:

- **Personal Bonds.** The depository may execute and file with the board a bond or bonds, payable to the chair of the board and the successors in office. The board must approve the bond. At least five solvent sureties who own unencumbered real property in Texas that is not exempt from execution must sign the bond. The amount of the bond must equal the estimated highest daily balance of the district. The estimate may not be less than 75 percent of the highest daily balance the district held in the preceding year. If personal bonds are used, the board must check into the solvency of the sureties at least twice a year.
- **Surety Bonds.** The bond is to be executed by a solvent surety company authorized to do business in the state rather than by individual sureties.
- **Pledged Securities.** The depository may pledge to the district specified types of securities in an amount equal to the insured appraisal district funds on deposit. The types of securities that qualify are identified in Local Government Code Section 116.054 and in Art. 2529b-1, Tex. Rev. Civ. Stat. When the pledged securities exceed the district funds, the district's public funds investment officer must permit the release of such securities in an amount equal to the excess. When the funds deposited increase beyond the amount of securities pledged, the depository must immediately pledge additional securities to cover the funds.

4.06 Investment Fund Reporting

The public funds investment officer shall prepare an internal management report quarterly for the board of directors. This written report shall include for each fund type:

- A statement regarding the investments position,
- The beginning and ending market value of the investment, and state the accumulated earnings (or losses);
- Status of pledged securities; and,
- The investment's maturity date.

The report shall include a statement of compliance with the district's investment strategy and the Public Funds Investment Act and the Government Code, Chapter 2256.

These reports shall be available for public inspection by the 10th day of the month following the end of each calendar quarter both at the district's office and on its website.

4.07 Annual Review

(A) The board of directors must annually:

- Review the district's investment policy. If no changes are necessary, the board, by resolution must ratify the existing policy. If changes are needed, the board must by resolution adopt changes to the policy;
- Prepare a list of authorized broker dealers for the district's investments;
- Approve training sources for the district's investment officers;
- Designate investment officers; and
- Engage a person or firm qualified to perform governmental audits to audit the district's investment reports and records.

(B) Quarterly reports should be reviewed at least annually by the district's independent financial auditor.

5.00 Operating Budget

The Chief Appraiser operates the district under financial provisions of a general operating budget that is approved by the district's board of directors.

5.01 Proposed Budget

Before May 15 of each year, the chief appraiser submits to the board a proposed budget for the upcoming fiscal year. The district's fiscal year is the calendar year.

The chief appraiser's proposed budget must list each proposed position in the district, the position's proposed salary and benefits, and each proposed capital expenditure.

The proposed budget must include an estimate of the amount of the budget allocated to each taxing unit participating in the district. Final budget allocations are determined when actual levy figures are known.

Collection or assessment services are a separate budget from the main appraisal district budget. Only units using these services pay for them. The chief appraiser should budget separately for these services. This separation permits allocating costs to the responsible taxing units.

The board may direct the chief appraiser to adjust the proposed budget and present it again to the board for its consideration before scheduling a public hearing to adopt the budget.

5.02 Public Hearing & Publication of Budget

The board of directors must hold a public hearing to consider the budget. This hearing gives taxing units and the public an opportunity to observe and comment on how funds are being spent. (Content of the notice is outlined in PTAD form 50-196.)

The budget must be finally approved before September 15 according Sec. 6.06 (b) of the Property Tax Code.

Before the board holds the budget hearing, the board has assigned the chief appraiser the responsibility of:

Taxpayer Liaison Officer

The role of the Taxpayer Liaison Officer (TLO), as defined in the Texas Property Tax Code Sec. 6.052, is to assist local property owners with questions and concerns regarding the policies and procedures of the local appraisal district or Appraisal Review Board and resolving disputes not involving matters that may be protested under Texas Tax Code Section 41.41. The TLO is also responsible for providing clerical assistance to the local administrative district judge in the selection of appraisal review board members.

The TLO is not an employee of the Chief Appraiser and works directly under the authority of the Board of Directors.

Duties

- Assist in providing public information and materials designed to assist property owners in understanding.
 - The appraisal process,
 - Protest procedures,
 - Procedures for filing complaints and suggestions.
- Monitoring the designated TLO email.
- Communicating with taxpayers, Chief Appraiser or Appraisal Review Board (ARB) Chairman about complaints or suggestions in order to come to a resolution.
- Reporting to the Board of Directors at each regular meeting, the status or resolution of any complaints or comments.
- Reporting to the Property Tax Assistance Division (PTAD) of the Texas Comptroller's Office any complaints or comments about the ARB.
- Providing assistance to and communicating with the administrative district judge concerning ARB appointments.

2023 Field Inspection Progress



	Tina Gilley-Lee	Jason Moore	Debbie Hunt	Coltin Bottoms
Completed	830	1254	735	1368
Remaining	-	-	772	79

Completed Remaining