



# Travis Central Appraisal District

Year Ended December 31, 2017

Popular  
Annual  
Financial  
Report

Leana Mann, CGFO  
Finance &  
Facilities Director

# TABLE OF CONTENTS

- Letter from the Finance & Facilities  
     Director \_\_\_\_\_ 1
- Organizational Chart \_\_\_\_\_ 2
- Travis County at a Glance \_\_\_\_\_ 3
- Travis CAD Functions \_\_\_\_\_ 6
- Financial Position \_\_\_\_\_ 8
- Capital Assets \_\_\_\_\_ 11
- Awards & Acknowledgements \_\_\_\_\_ 12

## Travis Central Appraisal District Board of Directors

<b>Mr. Richard Lavine, Chair</b> Austin ISD	Mr. Kristoffer S. Lands, Vice-Chair City of Austin/Austin ISD
<b>Mr. Ed Keller, Secretary</b> Austin ISD	Mr. Bruce Grube Travis County
<b>Mr. James Valadez</b> Travis County	Mr. Tom Buckle West Travis County
<b>Ms. Eleanor Powell</b> City of Austin	Mr. Rico Reyes East Travis County
<b>Ms. Blanca Zamora-Garcia</b> City of Austin	Mr. Bruce Elfant Travis County Tax Assessor/Collector

# LETTER FROM THE FINANCE & FACILITIES DIRECTOR



Travis County Taxpayers,

I am pleased to present the Popular Annual Financial Report (PAFR) for the Travis Central Appraisal District for the year ended December 31, 2017. The PAFR is intended to provide an overview of the District's financial position as well as provide a summary of economic and demographic trends. This report was prepared using financial information taken from the 2017 Comprehensive Annual Financial Report (CAFR) that was audited by Singleton, Clark and Co., PC. The audit received an unqualified

opinion, which means that the financial statements were prepared using Generally Accepted Accounting Principles (GAAP) and are free of any material misstatements.

The PAFR summarizes the financial information contained in the CAFR, but is not intended to replace the CAFR. The PAFR is unaudited and not issued in accordance with GAAP since it is a condensed and simplified report. If you would like more detailed information than is contained in this report, please refer to the District's CAFR which can be found on the District's website at <https://www.traviscad.org/reports-request/>. If you have any questions, concerns or recommendations, please contact us at (512) 834-9317 or by email at [Lmann@tcadcentral.org](mailto:Lmann@tcadcentral.org).

Respectfully submitted,

A handwritten signature in black ink that reads "Leana H. Mann". The signature is written in a cursive, flowing style.

Leana H. Mann, CGFO  
Finance & Facilities Director  
Travis Central Appraisal District

# TRAVIS CAD ORGANIZATIONAL CHART



# TRAVIS COUNTY AT A GLANCE

The Austin region continues to thrive as it enters its eighth straight year of positive trends in real estate and overall economic growth. Population in the metro area, increasing at a record pace, is driven by strong job growth and an unemployment rate of 2.7% which remains one of the lowest in the country. The technology sector continues to be the driving force with Fortune 500 companies continuing to move to or expand their operations in Austin. This has had an indirect benefit for smaller businesses and the economy as a whole. Austin added over 30,000 jobs in 2017 making it among the Fastest Growing of the top 50 Metro Areas.

## Fastest Growing Among Top 50 Metro Areas

	Nonfarm payroll jobs Jan. 2018	Jan. 2017-Jan. 2018		Rank
		Difference	Percent Ch.	
Riverside MSA	1,475,300	52,200	3.7%	1
Austin MSA	1,045,200	36,900	3.7	2
Orlando MSA	1,268,700	41,300	3.4	3
Seattle MDiv	1,702,800	54,200	3.3	4
Charlotte MSA	1,188,100	34,800	3.0	5
San Jose MSA	1,104,900	31,600	2.9	6
Jacksonville MSA	695,500	19,700	2.9	7
Sacramento MSA	972,000	25,500	2.7	8
Portland MSA	1,168,400	30,600	2.7	9
Nashville MSA	980,200	25,500	2.7	10

*Data is not seasonally adjusted.*

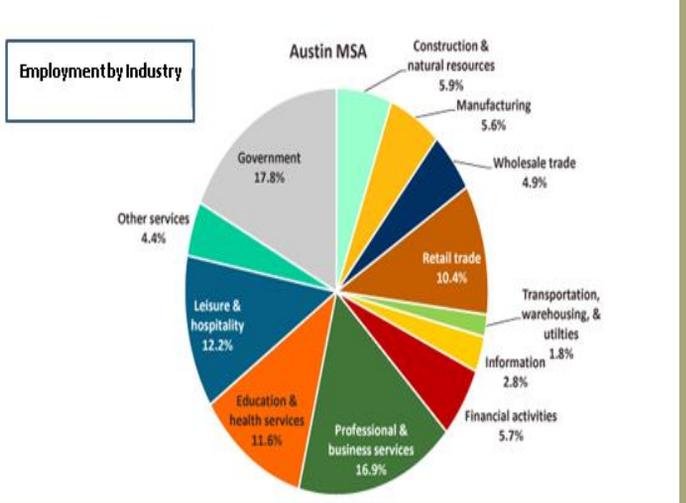
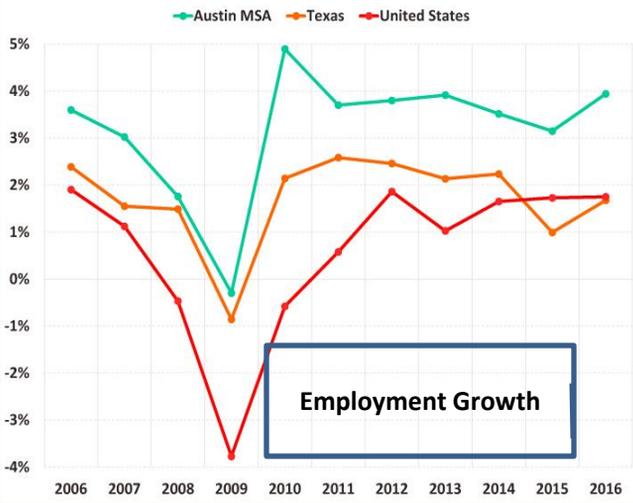
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES).

## TOP TEN EMPLOYERS

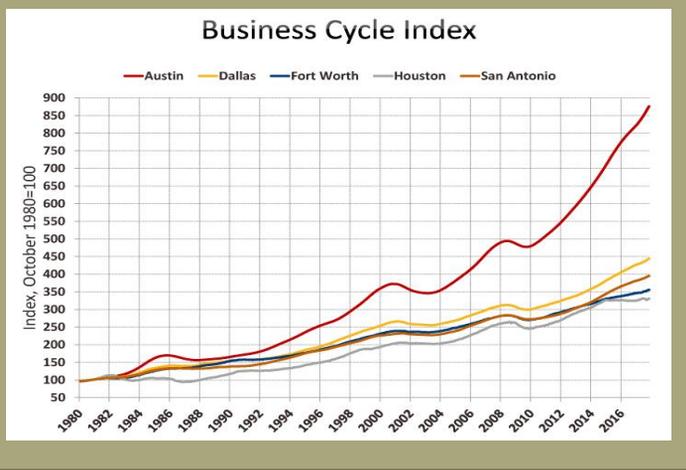
1. State of Texas
2. The University of Texas
3. City of Austin
4. HEB Grocery Co.
5. Federal Government
6. Dell, Inc.
7. Austin ISD
8. Seton Family of Hospitals
9. Walmart Stores, Inc.
10. St. David's Healthcare

## TOP TEN PROPERTY TAXPAYERS

1. Samsung Austin Semiconductor LLC
2. CSHV Properties
3. St. David's Healthcare
4. Parkway Properties
5. Apple, Inc.
6. HEB Grocery Co.
7. IMT Capital II Riata LP
8. IBM, Corp.
9. Finley Company
10. Freescale Semiconductor, Inc.



Austin has consistently ranked among the top 50 best performing metro areas. The Federal Reserve Bank of Dallas' Business Cycle Indexes indicates Austin's economic activity expanded at a rapid pace of 7.4% in 2017.

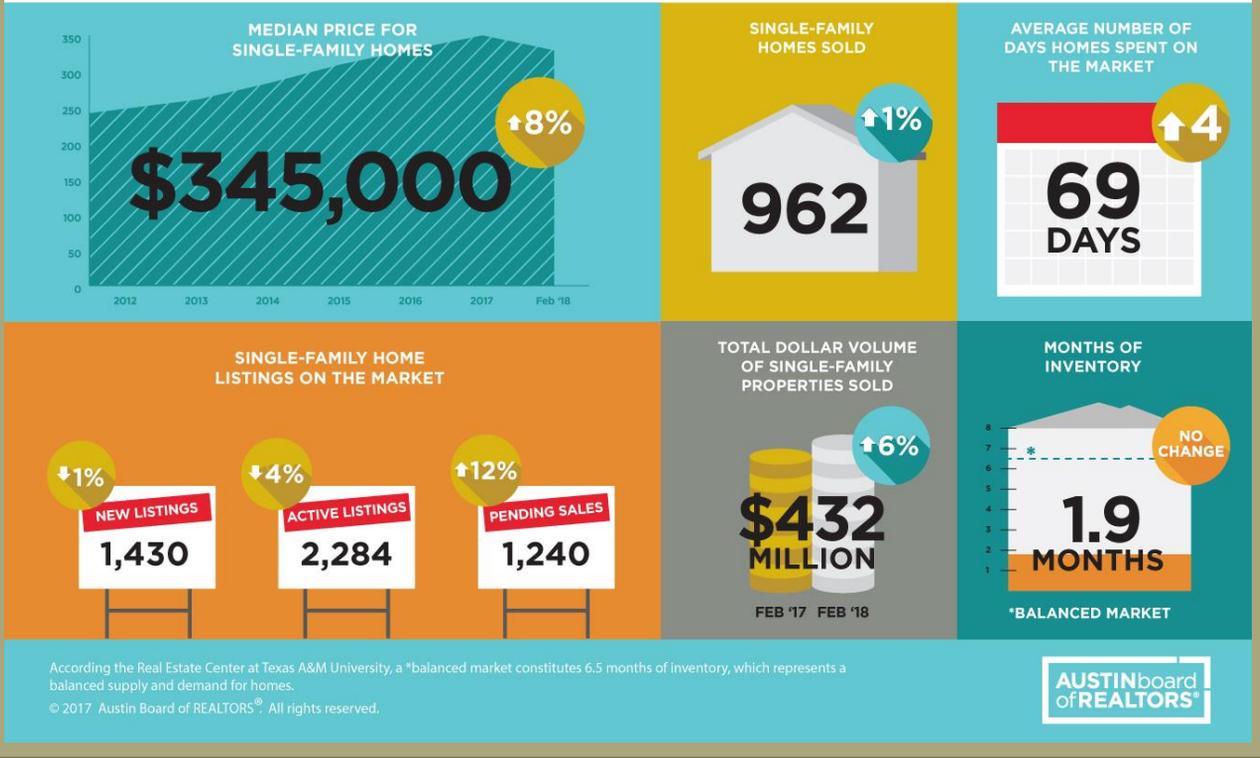


Strong performance across all commercial portfolios is marked by an ever widening gap between decreasing vacancy and increasing rents. This dynamic yielded strong commercial investment gains and appreciating market values. The supply of housing continues to lag behind strong demand, which is being fueled by the region's job and population growth. 2018 marks the fifth consecutive year that housing supply remained in the 2.0 month range, well below to 6 months considered a stabilized market.



# FEBRUARY 2018 STATISTICS

The statistics below show an accurate picture of how the Austin-area housing market stands. These statistics are for single-family homes compared year-over-year. Visit [ABoR.com/statsfeb18](http://ABoR.com/statsfeb18) for the full press release and other area-specific infographics.



# WHAT DOES AN APPRAISAL DISTRICT DO?



The Travis Central Appraisal District was created under the 66<sup>th</sup> Texas State Legislature in 1979 under the provisions of Senate Bill 621 known as the Property Tax Code. The District is responsible for the appraisal of property subject to ad valorem taxation in Travis County, Texas. The District is governed by a board of nine directors serving two year terms, plus a tenth statutorily designated non-voting member who is the County Tax Assessor-Collector. The taxing entities located within Travis County appoint the members of District's Board of Directors.

The District was formed in 1981 and formally began operations in 1982, pursuing its mission to provide accurate appraisal of all property in Travis County at one hundred percent of market value, equally and uniformly, in a professional, ethical, economical and courteous manner, working to ensure that each taxpayer pays only their fair share of the property tax burden. As stipulated under the Texas Property Tax Code, the District serves the citizens and taxpayers of Travis County and the taxing entities which lie within Travis County.

## THE PROPERTY TAX CALENDAR

<b>January 1</b>	Appraisal districts are required to appraise property at its value on this date. A lien attaches to each taxable property to ensure property tax payment.
<b>January 1 - April 30</b>	Appraisal districts complete appraisals and process applications for exemptions.
<b>January 31</b>	Taxes due to local taxing units (or county tax assessor, if acting on their behalf).
<b>February 1</b>	Local taxing units begin charging penalty and interest for unpaid tax bills.
<b>April - May</b>	Appraisal districts send notices of appraised value.
<b>May 1</b>	Appraisal review boards begin hearing protests from property owners.
<b>July 25</b>	Appraisal districts certify current appraised values to taxing units.
<b>August - September</b>	Local taxing units adopt tax rates.
<b>October 1</b>	Local taxing units begin sending tax bills to property owners.

# Travis Central Appraisal District

*The activities of the Travis Central Appraisal District are governed by the legislature, and the administrative rules adopted by the Comptroller's Property Tax Assistance Division.*

## Our Mission

*The mission of the Travis Central Appraisal District is to provide accurate appraisal of all property in Travis County at one hundred percent market value, equally and uniformly, in a professional, ethical, economical and courteous manner, working to ensure that each taxpayer pays only their fair share of the property tax burden.*

## Our Vision

*The Travis Central Appraisal District will act in accordance with the highest principles of professional conduct, ethics, accountability, efficiency, openness, skill and integrity. We approach our activities with a deep sense of purpose and responsibility.*

## Our Values

- **Appraise-** fairly, efficiently, and effectively, balancing the needs of both taxpayers and the taxing units by adhering to the Texas Property Tax Code, USPAP, and generally accepted appraisal standards.
- **Educate-** taxpayers of their rights, remedies and responsibilities.
- **Communicate-** collaboratively with and encourage communication among the taxing units, taxpayer public, and the agency.
- **Service-** provide exceptional customer service that is accessible, responsible and transparent.
- **Performance-** demand integrity, accountability and high standards from all staff and strive continuously for excellence and efficiency.

## Strategic Goals

1. *Develop appraisals that reflect market value and ensure fairness and uniformity*
2. *Be efficient in business processes and ensure that mission critical tasks are completed in a timely manner with a high level of accuracy*
3. *Collect, create and maintain accurate data*
4. *Ensure that the district maintains a highly educated, motivated and skilled workforce*
5. *Provide customer service that is courteous, professional and accurate*

# FINANCIAL POSITION

## Government-Wide

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide information, both long-term and short-term, about the District's overall financial condition.

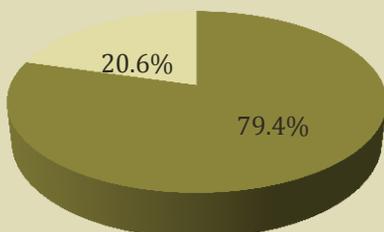
### Statement of Net Position

	2017	2016
<b>ASSETS:</b>		
Current and other assets	\$ 15,297,863	\$ 12,657,534
Capital assets, net of depreciation	3,966,782	4,198,586
<b>Total assets</b>	<b>19,264,645</b>	<b>16,856,120</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,053,645</b>	<b>4,422,400</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>23,318,290</b>	<b>21,278,520</b>
<b>LIABILITIES:</b>		
Current and other liabilities	5,759,352	5,082,844
Noncurrent liabilities	2,877,959	3,353,699
<b>Total liabilities</b>	<b>8,637,311</b>	<b>8,436,543</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>243,040</b>	<b>137,599</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>8,880,351</b>	<b>8,574,142</b>
<b>Total net position</b>	<b>14,437,939</b>	<b>12,704,378</b>
<b>NET POSITION BY CATEGORY:</b>		
Investment in capital assets	3,966,782	4,198,586
Unrestricted	10,471,157	8,505,792
<b>Total net position</b>	<b>\$ 14,437,939</b>	<b>\$ 12,704,378</b>

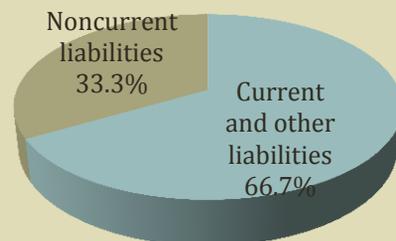
**Statement of Net Position-** The statement of net position reports all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, both current and noncurrent, with the difference between the two reported as net position. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position may serve as an indicator of whether its financial health is improving or deteriorating, respectively. In the statement of net position, the assets, liabilities and net position are separately displayed for governmental activities and business-type activities. Activities of the District as a whole include only governmental activities. The District has no business-type activities or component units. At the end of fiscal year 2017, the District's assets and deferred outflows of

resources, which totaled \$23,318,290, exceeded liabilities and deferred inflows of resources, which totaled \$8,880,351, by \$14,437,939. This difference is known as net position. The District's net position increased by \$1,733,561 from fiscal year 2016 to 2017, an increase of 13.6%.

**Assets of Governmental Activities at December 31, 2017**



**Liabilities of Governmental Activities at December 31, 2017**



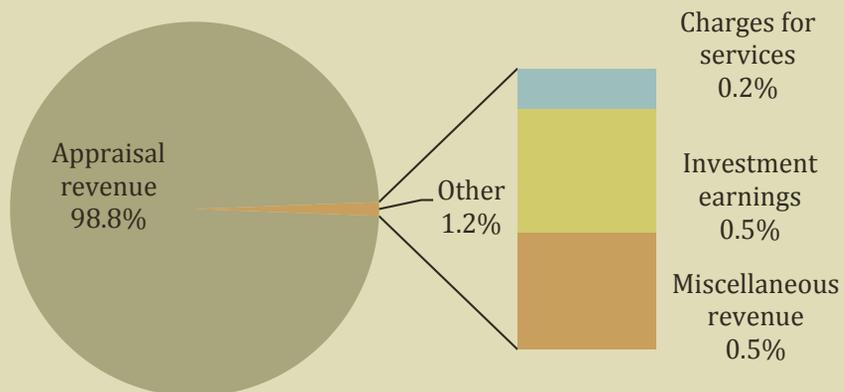
## Change in Net Position

	2017	2016
<b>PROGRAM REVENUES:</b>		
Charges for services	\$ 30,583	\$ 28,886
<b>GENERAL REVENUES:</b>		
Appraisal assessments	18,103,517	17,492,994
Less credits to jurisdictions	(311,528)	-
Investment earnings	93,566	15,572
Miscellaneous	87,590	76,946
<b>Total revenues</b>	<b>18,003,728</b>	<b>17,614,398</b>
<b>EXPENSES:</b>		
Payroll and related expenses	11,470,225	9,701,375
Data processing	1,206,626	1,332,497
Transportation	53,916	22,351
Operating supplies	169,475	585,281
Rentals	65,424	64,227
Legal and professional	1,310,221	1,256,519
Utilities and telephone	212,177	199,302
Building and equipment maintenance	139,863	192,145
Other services	910,437	1,753,409
Depreciation expense	731,803	634,294
<b>Total expenses</b>	<b>16,270,167</b>	<b>15,741,400</b>
<b>Change in Net Position</b>	<b>1,733,561</b>	<b>1,872,998</b>
<b>Net position, beginning balance</b>	<b>12,704,378</b>	<b>10,831,380</b>
<b>Net Position, Ending Balance</b>	<b>\$ 14,437,939</b>	<b>\$ 12,704,378</b>

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

**Change in Net Position:** The District's net position increased from 2016 to 2017 13.6% (\$1,733,561). The District's total revenue increased from 2016 to 2017 by 2.2% (\$389,330). This increase corresponds to the 3.5% increase in the fiscal year 2017 budget less the credits issues to the jurisdiction for prior year surplus budget funds. Other revenue sources totaled \$121,404, a 5.0% decrease from the 2015 total of \$127,967. In 2016, the District collected less in rendition penalty payments and less charges for services from taxpayers requesting data.

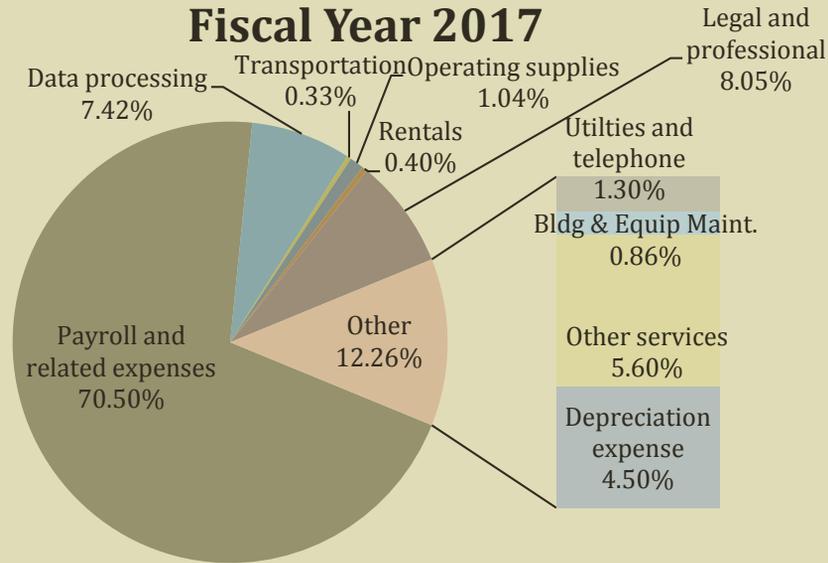
## Revenues of Governmental Activities- by Source Fiscal Year 2017



Total expenses for fiscal year 2017 totaled \$16,270,167. Total expenses increased from 2016 to 2017 by 3.4% (\$528,767). This increase was related to the District's Valic retirement plan that was implemented during the 2017 fiscal year. Employees are now provided with a 401(a) retirement plan and a 457(b) plan with an available matching component.

Payroll and related expenses, (such as salary, Medicare and retirement contributions, health, dental, life and disability insurance, workers compensation and unemployment insurance) contribute to the majority of the District's total expenses (70.5%). These expenses totaled \$11,470,225 in 2017. The payroll and related expenses increased 18.2% (\$1,768,850) from 2016 to 2017.

## Expenses of Governmental Activities- by Source



## Governmental Funds

**Fund Financial Statements:** The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Like many other local and state governments, the District utilizes fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. There are three types of funds that government entities utilize, depending on their specific needs and requirements: (1) governmental funds, (2) proprietary funds and (3) fiduciary funds. During 2016, the District had only 1 fund- the General Fund.

### Fund Balance= Assets & Deferred Outflows-Liability & Deferred Inflows

The *general fund* is the chief operating fund of the District. At the end of fiscal year 2017, the District's general fund reported an ending fund balance of \$9,538,511, an increase of \$1,963,821. \$751,287, or 7.9% of the total fund balance was nonspendable in the form of prepaid items. \$4,164,814, or 43.7 % of the total fund balance was committed in the form of reserves for future expenditures. \$4,622,410, or 48.5% was unassigned and available for future operational needs. Total fund balance increased by \$1,963,821 or 25.9% from fiscal year 2016 to 2017.

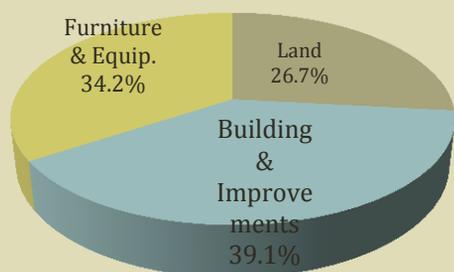
#### Fund Balance

	2017	2016
Committed- reserves	\$ 4,164,814	\$ 3,164,814
Nonspendable- prepaid items	751,287	893,474
Unassigned	4,622,410	3,516,402
<b>Total fund balance</b>	<b>\$ 9,538,511</b>	<b>\$ 7,574,690</b>

# CAPITAL ASSETS

**Capital Assets:** The District's investment in capital assets for its governmental activities at the end of fiscal year 2017 totaled \$3,966,782 (net of accumulated depreciation). The investment in capital assets includes land, building and improvements, and furniture and equipment. Net capital assets decreased from the prior fiscal year by \$231,804 (5.5%).

**Capital Assets, Net of Accumulated Depreciation at December 31, 2017**



**Capital Assets Net of Accumulated Depreciation**

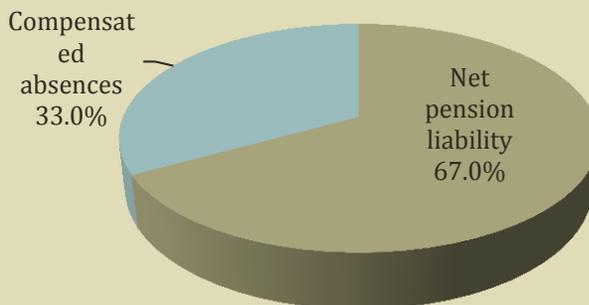
	Balance December 31, 2017	Balance December 31, 2016
Land	\$ 1,060,153	\$ 1,060,153
Building and improvements	3,733,164	3,681,363
Less: Accumulated depreciation	(2,182,678)	(2,019,056)
Buildings and improvements, net	1,550,486	1,662,307
Furniture and equipment	4,945,733	4,587,080
Less: Accumulated depreciation	(3,589,590)	(3,110,954)
Furniture and equipment, net	1,356,143	1,476,126
Governmental activities capital assets, net	<u>\$ 3,966,782</u>	<u>\$ 4,198,586</u>

**Long-Term Liabilities:** Total long-term liabilities increased by \$1,762,504 (110.8%). This increase was due to the actuarially determined value of the District's Net Pension Liability, which increase \$1,639,320 (189.9%).

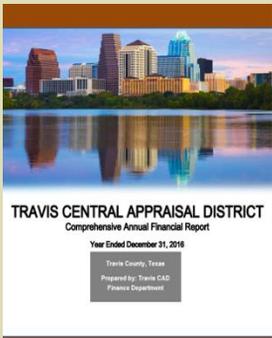
**Long-term Liabilities at December 31, 2017**

	Balance December 31, 2017	Balance December 31, 2016
Net pension liability	\$ 1,929,095	\$ 2,502,702
Compensated absences	948,864	850,997
Total governmental activities	<u>\$ 2,877,959</u>	<u>\$ 3,353,699</u>

**Long-term Liabilities at December 31, 2017**

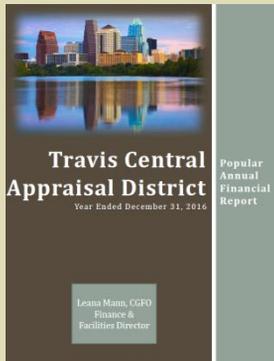
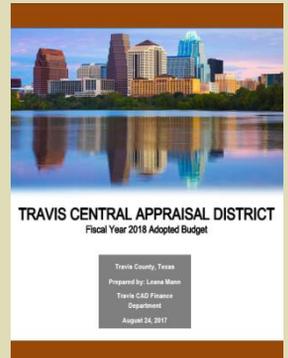


# AWARDS & ACKNOWLEDGEMENTS



The District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016 was awarded the Certificate of Achievement for Excellence in Financial Reports by the Government Finance Officers Association. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The CAFR is prepared by the District's Finance Department and is audited by an independent firm of certified public accountants. The purpose of the CAFR is to provide a detailed look at the District's financial position.

The Government Finance Officers Association presented a Distinguished Budget Presentation Award to the Travis Central Appraisal District for its annual budget for the fiscal year beginning January 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



The Government Finance Officers Association presented an award to the Travis Central Appraisal District for its popular annual financial report (PAFR) for the fiscal year ending December 31, 2016. In order to receive this award, a government agency must produce a high quality PAFR specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

The Government Treasurers' Organization of Texas (GTOT) awarded the District the Certificate of Distinction for its investment policy that was reviewed and submitted in February 2017.

