TRAVIS CENTRAL APPRAISAL DISTRICT
2019

Popular Annual Financial Report

Year Ended December 31, 2019

Leana H. Mann, CGFO
Director of Operations
Travis Central Appraisal District
Travis County, Texas

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*

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2019 Board of Directors

Mr. Tom Buckle, Chair West Travis County	Mr. Bruce Grube, Vice-Chair Travis County
Mr. James Valadez, Secretary Travis County	Ms. Theresa Bastian City of Austin
Mr. Anthony Nguyen East Travis County	Ms. Eleanor Powell City of Austin
Mr. Ryan Steglich Austin ISD	Mr. Felipe Ulloa Austin ISD/City of Austin
Ms. Blanca Zamora-Garcia City of Austin	Mr. Bruce Elfant Travis County Tax Assessor/Collector

Ms. Marya Crigler
Chief Appraiser

LETTER FROM THE 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, 2019. 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 2019 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.
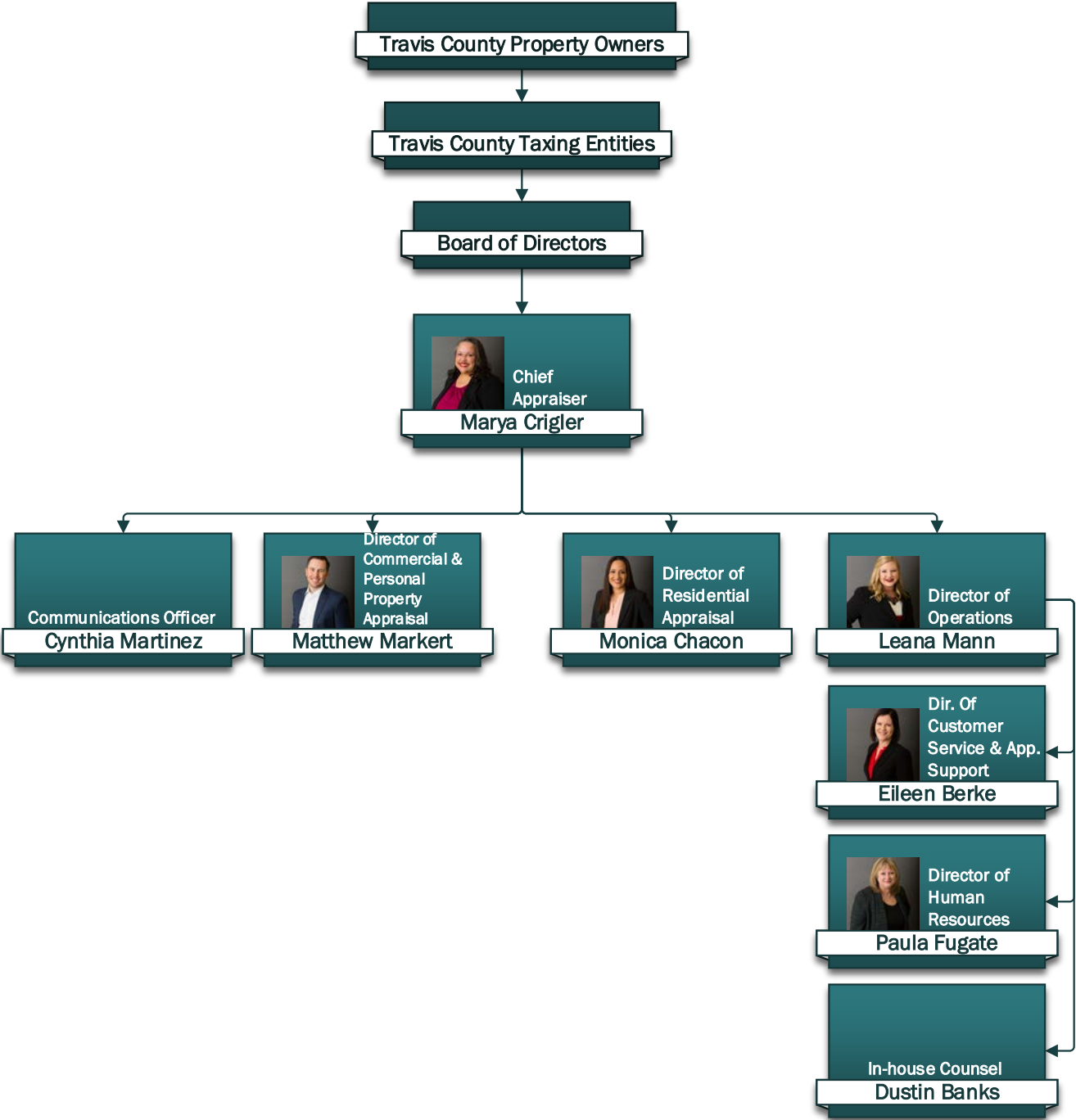
The PAFR summarizes the financial information contained in the CAFR but is not intended to replace the CAFR. While the PAFR uses the same measurement focus and basis of accounting as the CAFR, the PAFR is unaudited and not issued in accordance with GAAP since it is a condensed and simplified report. If you would like more detailed information than is contained in this report, please refer to the District's Comprehensive Annual Financial Report, which can be found on the District's website at https://www.traviscad.org/reports-request/ under the Financial Reports tab. If you have any questions, concerns or recommendations for the District's Finance Department, please contact me by phone at (512) 834-9317 or by e-mail at Lmann@tcadcentral.org.

Respectfully submitted,

Leana H. Mann

Leana H. Mann, C.G.F.O.
Director of Operations
Travis Central Appraisal District

ORGANIZATIONAL CHART

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Travis County Property Owners
            │
            ▼
Travis County Taxing Entities
            │
            ▼
    Board of Directors
            │
            ▼
     Chief Appraiser
     Marya Crigler
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Communications Officer
Cynthia Martinez

Director of Commercial & Personal Property Appraisal
Matthew Markert

Director of Residential Appraisal
Monica Chacon

Director of Operations
Leana Mann

Dir. Of Customer Service & App. Support
Eileen Berke

Director of Human Resources
Paula Fugate

In-house Counsel
Dustin Banks

THE LOCAL ECONOMY

2019 saw the global economy record its weakest growth rate since the global financial crisis a decade ago. Unease caused by rising trade barriers and associated uncertainty weighed on business sentiment and activity globally, according to the International Monetary Fund. The U.S. economy grew at a 2.3% rate in 2019 which is well below the 3% growth target set by the White House. An inverted yield curve, long-term demographic trends of an aging society, and trade barriers between the U.S. and China, Canada and Mexico contributed to the slowed economic growth. Texas, however, saw 4.4% growth in gross domestic product which ranked highest in the nation. More specifically, commercial real estate development contributed $54.15 billion to the state's economy, making Texas the top state in the U.S. for CRE development contribution to state GDP. After interest rate increases in 2018, the Federal Reserve reversed course and cut rates three times throughout 2019 which helped keep capitalization rates low and commercial real estate pricing at all-time highs. With volatility in global financial markets and most economists expecting the U.S. economy's continued expansion, appetite for local commercial real estate investment remains strong. Part of the reason for this strong outlook is the substantial amount of capital available for real estate acquisition.

Locally, economic growth in Austin is expected to continue outpacing much of the rest of the country due in part to its diversified economy and its ability to draw a substantial amount of domestic and international capital. Austin was one of only two U.S. markets to land on this year's Global Momentum Index which identifies a number of economic growth drivers, including talent attraction, the expansion of innovation hubs and better urban planning. The Texas capital was named the top city for overall real estate prospects in this year's Urban Land Institute annual industry survey, "Emerging Trends in Real Estate 2020." UIL's report credited Austin's deep talent pool and a commitment to business and real estate development for helping it rise in rank from the sixth spot last year. The population continued to swell at historic rates in 2019 and unemployment rates remained near two-decade lows. Wells Fargo Securities senior economist Sarah House predicted that the local economy will climb by 5% next year, down from 6% in 2019 but well above her 2020 national forecast of 1.8%.

▲ **POPULATION**
According to the most recent U.S. Census, Austin was the fastest growing large city and is expected to reach a population of 4.5 million by 2050.
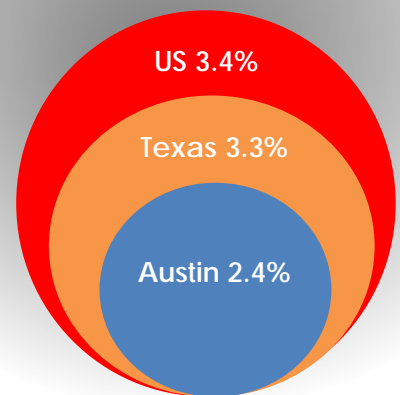
▲ **AUSTIN BUSINESS CYCLE INDEX**
Grew at 6.0% annually, marking a decade of consecutive expansion.

▼ **UNEMPLOYMENT**
Austin's unemployment rate was 2.4% at yearend 2019, well below the national and state level.

Unemployment Rates

US 3.4%

Texas 3.3%

Austin 2.4%

Austin once again has topped the U.S News & World Report's ranking of the best places to live in the United States. With a diverse and well educated workforce, no state income taxes and a business friendly climate, there are no signs of a slowdown in Austin's popularity and growth, solidifying its boomtown status.

Where Does Austin Rank?

It's no wonder that Austin is a popular landing spot for corporate headquarters and individuals alike. Austin consistently ranks high across a broad spectrum of studies including:

- No. 1 Best Place to Live in the USA – 3rd year in a row (*U.S. News, April 2019*)
- No. 1 Best State Capital to Live in – 3rd year in a row (*WalletHub, February 2020*)
- No. 1 Tech Town (*CompTIA, December 2019*)
- No. 1 Job Market – 2nd year in a row (*The Wall Street Journal, February 2020*)
- No. 1 Population Growth Among Large Cities – 8th year in a row (*U.S. Census Bureau, April 2019*)
- No. 1 U.S. Market for Real Estate Investment (*PwC & Urban Land Institute, September 2019*)

- No. 1 State for contributions to state GDP created by CRE development (*NAIOP, February 2020*)
- No. 1 Growth of $1 Million Business (*LendingTree, July 2019*)
- No. 2 Fastest Job Growth Rate in the U.S. (*Bureau of Labor Statistics, January 2020*)
- No. 3 Unemployment Rate in Texas (*Texas Workforce Commission, January 2020*)
- No. 3 Best Cities for Science, Technology, Engineering, Math Jobs (*WalletHub, January 2020*)
- No. 4 Most Pet Friendly City (*WalletHub, August 2019*)
- No. 19 Global Momentum Index, Top 20 Cities in the World (*JLL, January 2020*)

Economy

Austin's Business-Cycle Index Growth Rate was 6.0% annually marking a decade of consecutive expansion.
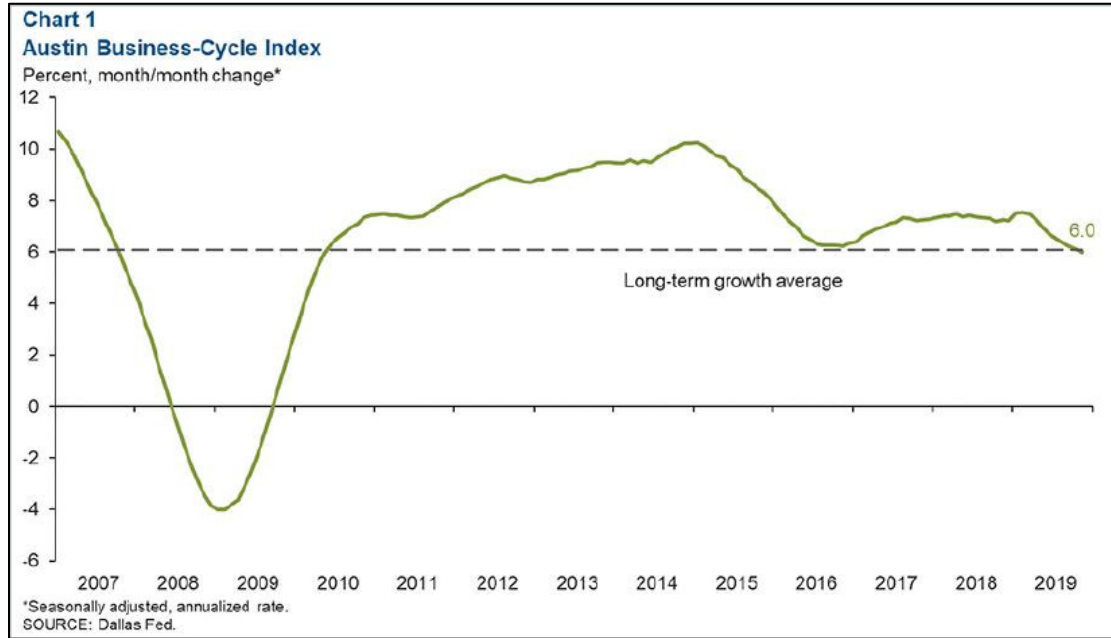
Population Growth

Austin's 2.5% population growth rate topped all large U.S. markets according to the most recent study published by the U.S. Census Bureau. Of the roughly 53,000 people added to Austin's population from July 1, 2017 to July 1, 2018, 16,000 were attriibutable to natural population growth and about 37,000 attribuatable to people moving to Austin, or rougly 100 people per day. Travis County, along with five other Texas counties, ranked in the Top 10 counties in numeric growth over the past decade. Travis County added nearly 250,000 people over that time span and Austin's population growth is expected to remain strong. The Texas State Demographer's Office is projecting Austin's total population to reach more than 4.5 million by 2050.
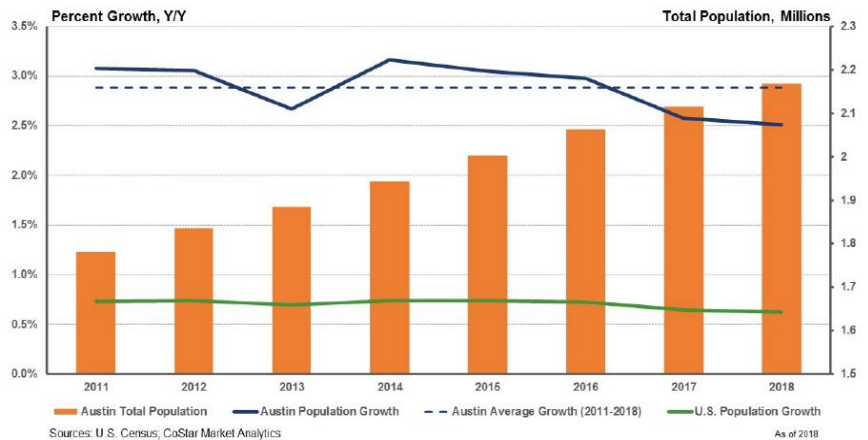

### Top 10 Counties in Numeric Growth, 2010 to 2019

Rank	State	County	April 1, 2010 (Estimated Base)	July 1, 2019	Numeric Growth
1	Arizona	Maricopa County	3,817,365	4,485,414	668,049
2	Texas	Harris County	4,093,176	4,713,325	620,149
3	Washington	King County	1,931,287	2,252,782	321,495
4	Nevada	Clark County	1,951,268	2,266,715	315,447
5	Texas	Tarrant County	1,810,664	2,102,515	291,851
6	Texas	Bexar County	1,714,781	2,003,554	288,773
7	California	Riverside County	2,189,765	2,470,546	280,781
8	Texas	Dallas County	2,367,430	2,635,516	268,086
9	Texas	Collin County	781,419	1,034,730	253,311
10	Texas	Travis County	1,024,444	1,273,954	249,510

Source: U.S. Census Bureau

Job Growth

Austin has been ranked the top market for jobs in the U.S. for the second year in a row, according to The Wall Street Journal. Led by the expansion of large tech companies including Apple, Google, Facebook and Amazon, the tech industry grew by more than 7% annually. Austin continues to be a desired location for relocating company headquarters as well as startups. The Austin economy saw the construction sector expand by more than 10% over the past year as residential and commercial construction remains in high demand. According to the Bureau of Labor Statistics, Austin added more than 34,000 jobs over the past year, good for the second fastest growth rate in the country at 3.5%. Wages grew at 5% which ranked third in the nation.

COVID-19 Pandemic
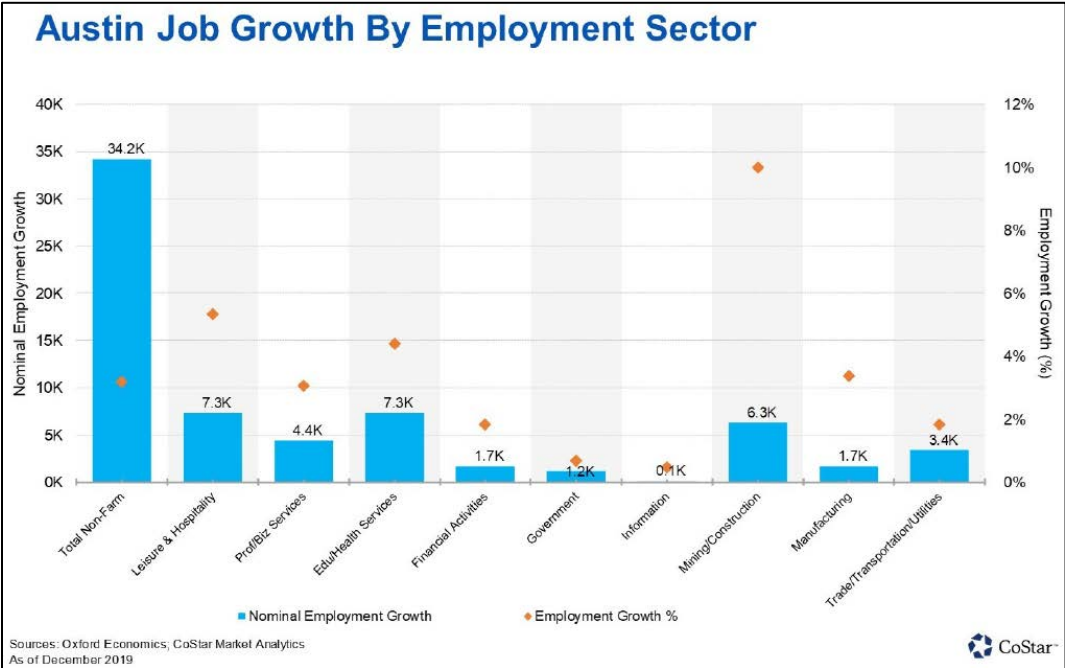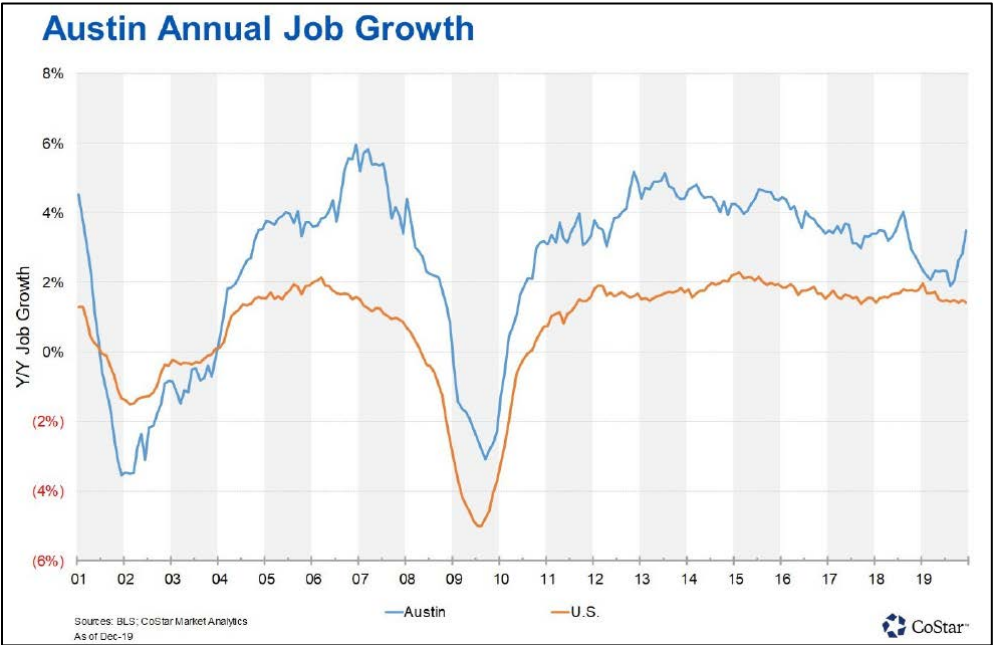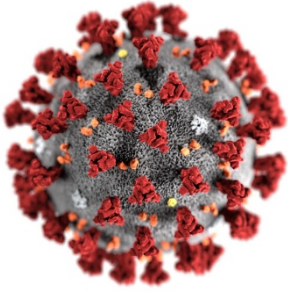
Though the state legislated effective date of appraisal is January 1 of every year, our world looks much different than it did just a few months ago. What was expected to be another lucrative year for Commercial Real Estate in the U.S. has come to an abrupt halt due to the Coronavirus outbreak.

In Austin, many commercial leasing transactions have been put on hold and large listings pulled off the market as investors take a wait-and-see approach to the commercial real estate market and the global economy as a whole. Due to social distancing and shelter-in-place ordinances, many businesses have had to adjust their way of doing business or are shuttering completely while waiting out the pandemic. The Texas Workforce Commission reported receiving 700,000 jobless claims in recent weeks, more than it received in all of 2019, and those numbers are expected to continue to rise. Some industry sectors, such as grocery suppliers and those providing the public with essential services and goods, have actually boosted pay and extended overtime hours for employees. Walmart recently announced its plans to hire another 15,000 employees in Texas to meet increased customer demand.

Not all asset types will be affected equally, however. Lodging and retail are expected to be hit the hardest by the pandemic as revenues in those property types have already began to spiral down dramatically. The cancelation of many events in Austin including South by Southwest and Rodeo Austin have had a huge impact on revenues in those industries which rely heavily on these events and the tourists spending they bring to the local economy. An impact study conducted by Trepp Bank Research forecasts a cumulative default rate across commercial mortgages overall will rise to 8%, up from the current 0.4% default rate. The effect on the lodging sector is expected to be most immediate and severe with a cumulative default rate near 35%. Office, multifamily and the industrial sector will see less dramatic distress as indicated in the chart labeled Figure 1: Cumulative Default Rate.

FIGURE 1: CUMULATIVE DEFAULT RATE

Source: Trepp
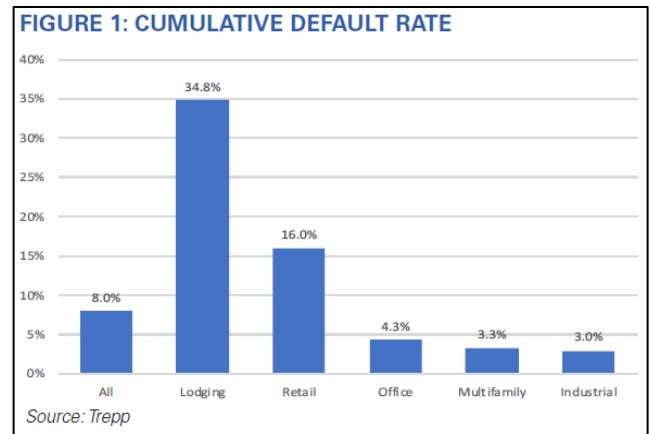
The industrial sector, in fact, may benefit from the Coronavirus outbreak. CoStar recorded nearly 800 Industrial lease signings across the U.S. totaling over 14 million square feet between March 16 and April 1. Online retailers, shipping companies and government agencies have rushed to find warehouse and logistics space in order to meet the spike in demand in online ordering, as well as added demand for pickup and delivery from closed bricks-and-mortar stores and food providers.

There is no doubt the COVID-19 pandemic has and will continue to have a large impact on Commercial Real Estate values in the coming months. The depth of an economic downturn will largely depend on how quickly the pandemic is put under control, according to local economist Angelos Angelou. "The difference in Austin is once the economy begins to recover, we're going to be one of the cities to recover first," Angelou said in an interview with the Austin Business Journal. For the most part, Austin managed to avoid the sharp economic downturn of the Great Recession and is regarded as one of the most recession-proof cities in the Nation. In a recent analysis conducted by SmartAsset, a financial tech company, Austin ranked 5th most recession-resistant city in the U.S. Austin's strong showing is supported by its strong job growth, low unemployment rate, a diverse economy and an extremely low percentage of public relying on assistance programs. TCAD, along with economist, politicians and world health officials, will continue to closely follow the developments and effects of COVID-19 throughout 2020.
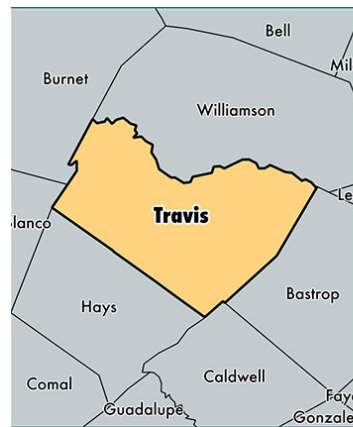
WHAT DOES AN APPRAISAL DISTRICT DO?

The Travis Central Appraisal District was created under the 66th 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. Travis County appoints two board members, Austin ISD appoints two board members, City of Austin appoints two board members, and Austin ISD and City of Austin appoint one board member together. The remaining two board members are appointed by a vote of the eastern and western taxing entities within Travis County.

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.

Travis County is located in south central Texas astride the Balcones Fault, the boundary between the Edwards Plateau to the west and the Blackland Prairies to the east. Its county seat, Austin, is the capital of Texas. Travis County's population as of January 1, 2019, according to the City of Austin demographer, is estimated to be 1,296,668. The population of the Austin-Round Rock greater metro area is estimated to be 2,215,727. Since the last census in 2010, the population of Travis County has grown by 27%.

Each Texas county is served by an appraisal district that determines the value of all of the county's taxable property. Generally, a local government that collects property taxes, such as a county, city and school district, is a member of the appraisal district. A board of directors appointed by the member governments presides over the appraisal district. The appraisal district is considered a political subdivision and must follow applicable laws such as Open Meetings and Public Information Acts. Meetings are generally open to the public and information generated by the appraisal district is, in most cases, also available to the public. The appraisal district board of directors hires a chief appraiser, approves contracts and sets policies. The chief appraiser is the chief administrator of the appraisal district. The chief appraiser may employ and compensate professional, clerical and other personnel as provided by the appraisal district budget. The chief appraiser's primary duty is to discover, list, review and appraise all taxable property within the appraisal district using generally accepted appraisal techniques.

THE PROPERTY TAX CALENDAR

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

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.
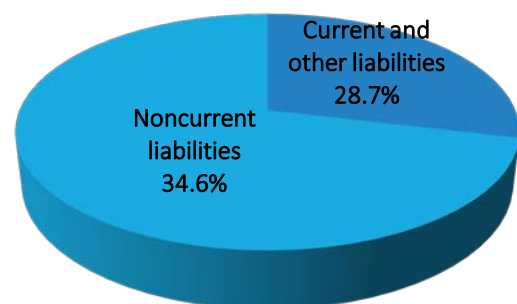
Statement of Net Position

		2019		2018		2017
ASSETS:						
Current and other assets	$	19,041,260	$	17,479,433	$	15,297,863
Capital assets,						
net of depreciation		12,593,655		3,629,947		3,966,782
Net pension asset		-		1,399,262		-
Total assets		31,634,915		22,508,642		19,264,645
DEFERRED OUTFLOWS OF RESOURCES		3,989,385		1,592,461		4,053,645
TOTAL ASSETS & DEFERRED OUTFLOWS		35,624,300		24,101,103		23,318,290
LIABILITIES:						
Current and other liabilities		7,463,805		6,561,143		5,759,352
Noncurrent liabilities		18,504,972		236,715		2,877,959
Total liabilities		25,968,777		6,797,858		8,637,311
DEFERRED INFLOWS OF RESOURCES		378,561		838,153		243,040
TOTAL LIABILITIES & DEFERRED INFLOWS		26,347,338		7,636,011		8,880,351
Total net position		9,276,962		16,465,092		14,437,939
TOTAL NET POSITION, RESTATED		9,276,962		9,986,658		9,986,658
NET POSITION BY CATEGORY:						
Investment in capital assets		4,400,301		3,629,947		3,966,782
Restricted		1,477,431		-		-
Unrestricted		3,399,230		6,356,711		10,471,157
Total net position	$	7,799,531	$	9,986,658	$	14,437,939

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. At the end of fiscal year 2019, the District's assets and deferred outflows of resources, which totaled $35,624,300, exceeded liabilities and deferred inflows of resources, which totaled $26,347,338 by $9,276,962. This difference is known as net position. The District's net position decreased by $709,696 from fiscal year 2018 to 2019, a decrease of 7.1%.

Assets of Governmental Activities at December 31, 2019

Capital assets 39.8%
Current and other assets 60.2%
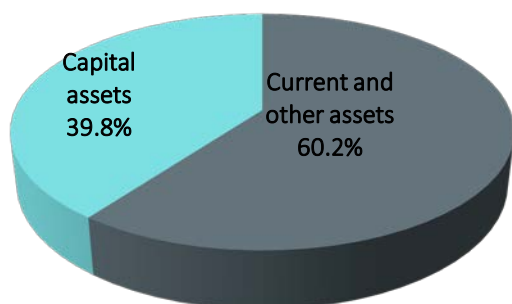
Liabilities of Governmental Activities at December 31, 2019

Current and other liabilities 28.7%
Noncurrent liabilities 34.6%

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 decreased from 2018 to 2019 by 7.1% ($709,696). The District's total revenue increased from 2018 to 2019 by 3.9% ($753,345). Other revenue sources totaled $453,087, a 26.3% increase from the 2018 total of $358,711. During 2019, the Federal Reserve increased the fed funds rate multiple times which allowed the District to earn $ 80,731 more than 2018 investment earnings.
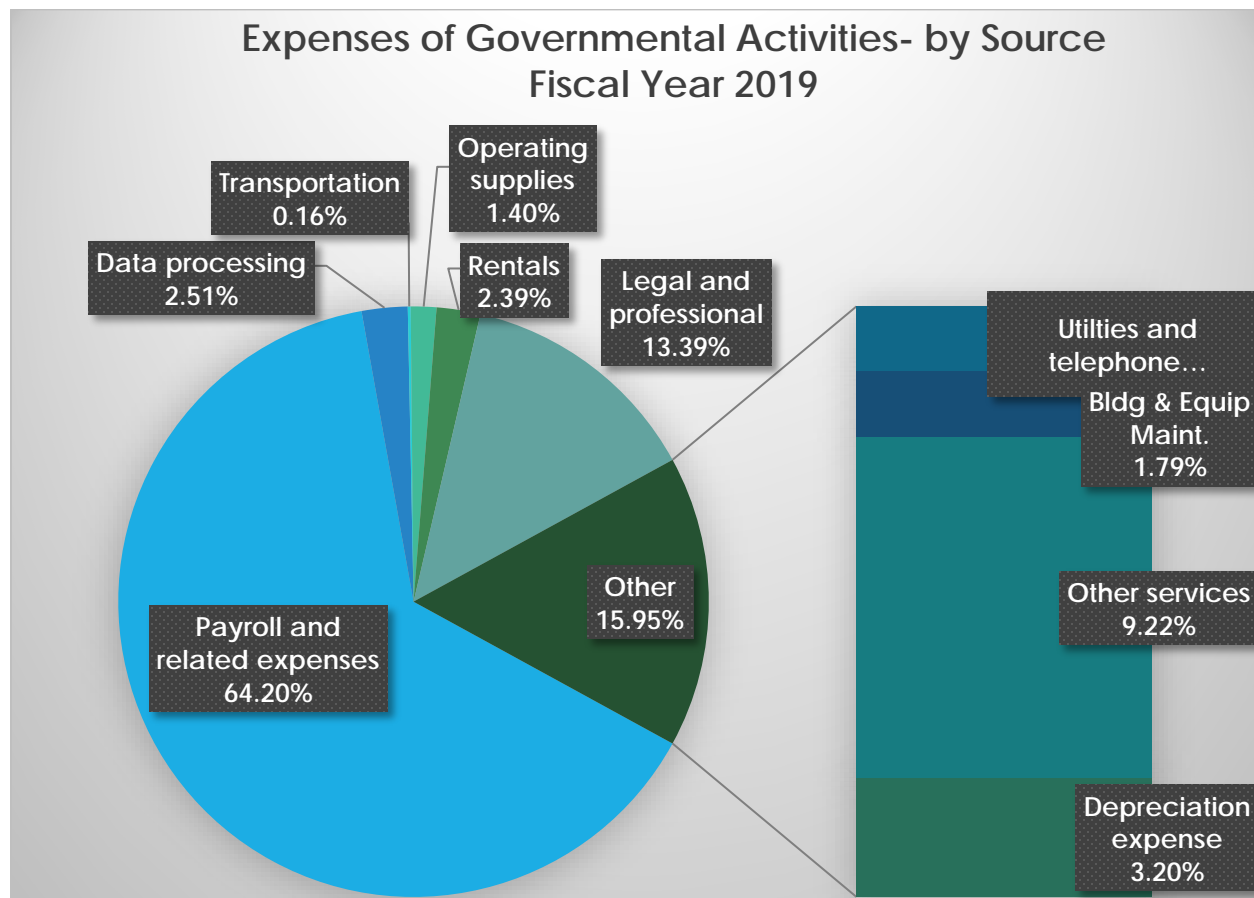
Change in Net Position

	2019	2018	Increase (Decrease)	Total Percentage Change 2018-2019	Percent of Total
PROGRAM REVENUES:					
Charges for services	$ 15,710	$ 30,611	$ (14,901)	-48.7%	0.1%
GENERAL REVENUES:					
Appraisal assessments	19,486,627	18,827,658	658,969	3.5%	97.7%
Less credits to jurisdictions	-	-	-	0.0%	0.0%
Investment earnings	332,979	252,248	80,731	32.0%	1.7%
Miscellaneous	104,398	75,852	28,546	37.6%	0.5%
Total revenues	19,939,714	19,186,369	753,345	3.9%	100.0%
EXPENSES:					
Payroll and related expenses	13,078,326	10,998,474	2,079,852	18.9%	63.3%
Data processing	511,294	551,025	(39,731)	-7.2%	2.5%
Transportation	32,332	51,919	(19,587)	-37.7%	0.2%
Operating supplies	285,192	192,446	92,746	48.2%	1.4%
Rentals	487,706	143,982	343,724	238.7%	2.4%
Legal and professional	2,726,782	2,339,462	387,320	16.6%	13.2%
Utilties and telephone	354,890	223,916	130,974	58.5%	1.7%
Building and equipment maintenance	364,224	235,734	128,490	54.5%	1.8%
Insurance	28,551	62,661	(34,110)	-54.4%	0.1%
Other services	1,878,183	1,597,340	280,843	17.6%	9.1%
Interest	250,191	-	250,191	100.0%	1.2%
Depreciation expense	651,739	762,257	(110,518)	-14.5%	3.2%
Total expenses	20,649,410	17,159,216	3,490,194	20.3%	100.0%
Change in Net Position	(709,696)	2,027,153	(2,736,849)	-135.0%	-7.7%
Beginning net position, restated	9,986,658	7,959,505	2,027,153	100.0%	107.7%
Net Position, Ending Balance	$ 9,276,962	$ 9,986,658	$ (709,696)	-7.1%	100.0%

Revenues of Governmental Activities- by Source
Fiscal Year 2019
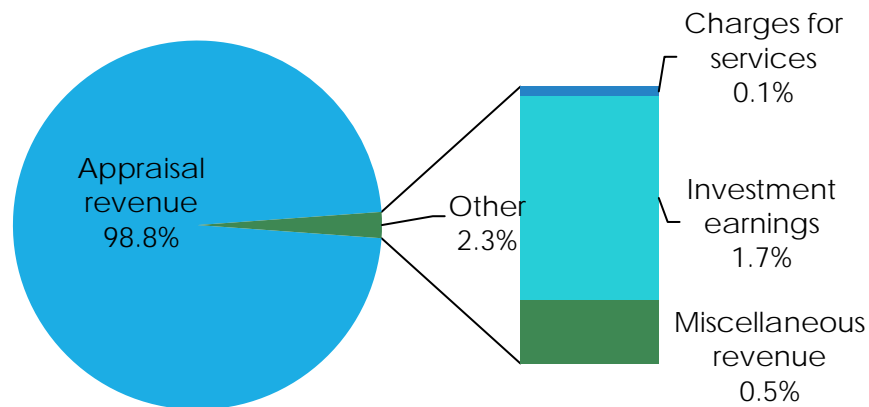
Total expenses for fiscal year 2019 totaled $20,649,410. Total expenses increased from 2018 to 2019 by 20.3% ($3,490,194). Payroll and related expenses, (such as salary, Medicare and retirement contributions, health, dental, life and disability insurance) contribute to the majority of the District's total expenses (63.3%). These expenses totaled $10,998,474 in 2018. The payroll and related expenses increased 18.9% ($2,079,852) from 2018 to 2019. The majority of this increase is due to the Appraisal Review Board (ARB) increased expenditures during the 2019 fiscal year. The ARB increased the number of panels to 40 panels and 150 members for the 2019 fiscal year. ARB expenses increased 266.8% ($1,157,432) from 2018 to 2019.

Expenses of Governmental Activities- by Source
Fiscal Year 2019

Transportation 0.16%
Operating supplies 1.40%
Data processing 2.51%
Rentals 2.39%
Legal and professional 13.39%
Payroll and related expenses 64.20%
Other 15.95%
Utilties and telephone…
Bldg & Equip Maint. 1.79%
Other services 9.22%
Depreciation expense 3.20%

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.

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

The District's governmental funds are comprised of the General Fund- the District's main operating fund and a special revenue fund dedicated to the 850 EAL Holding Corp, which is reported as a blended component unit. At the end of fiscal year 2019, the District's total governmental funds reported an ending fund balance of $12,671,072, an increase of $1,023,572. $541,218, or 4.3% of the total fund balance was nonspendable in the

Fund Balance

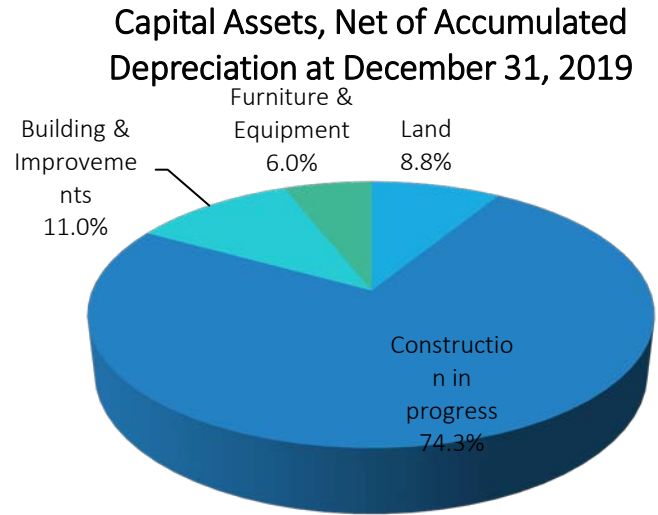|	2019	2018	2017
Committed- reserves	$ 6,070,049	$ 6,228,423	$ 4,164,814
Restricted	1,477,431	-	-
Nonspendable- prepaid items	541,218	667,721	751,287
Unassigned	4,582,374	4,751,356	4,622,410
Total fund balance	$12,671,072	$11,647,500	$ 9,538,511

form of prepaid items. $6,070,049, or 47.9% of the total fund balance was committed in the form of reserves for future expenditures. $1,477,431, or 11.7% was restricted for future capital expenditures. $4,582,374, or 36.2% was unassigned and available for future operational needs. Total fund balance increased by $1,023,572 or 8.8% from fiscal year 2018 to 2019.

LONG-TERM ASSETS & LIABILITIES

Capital Assets: The District's investment in capital assets for its governmental activities at the end of fiscal year 2019 totaled $12,593,655 (net of accumulated depreciation). The investment in capital assets includes land, construction in progress, building and improvements, and furniture and equipment. Net capital assets increased from the prior fiscal year by $8,963,708 (246.9%).

Capital Assets Net of Accumulated Depreciation

	Balance December 31, 2019	Balance December 31, 2018	Balance December 31, 2017
Land	$ 1,107,653	$ 1,107,653	$ 1,060,153
Construction in progress	9,352,785	-	-
Building and improvements	3,716,660	3,607,007	3,733,164
Less: accumulated depreciation	(2,335,859)	(2,191,745)	(2,182,678)
buildings and improvements, net	1,380,801	1,415,262	1,550,486
Furniture and equipment	5,253,444	5,152,227	4,945,733
Less: accumulated depreciation	(4,501,028)	(4,045,195)	(3,589,590)
furniture and equipment, net	752,416	1,107,032	1,356,143
Related debt	(9,840,400)	-	-
Governmental activities capital assets, net	$ 2,753,255	$ 3,629,947	$ 3,966,782

Capital Assets, Net of Accumulated Depreciation at December 31, 2019

- Building & Improvements 11.0%
- Furniture & Equipment 6.0%
- Land 8.8%
- Construction in progress 74.3%

Long-term Liabilities: Total long-term liabilities increased by $13,518,120 (223.6%). This increase was related to multiple factors: long-term note payable for the purchase and renovation of the District's new office building, increase in the net pension liability, and the implementation of a retiree healthcare plan (OPEB liability).

Long-term Liabilities at December 31, 2019
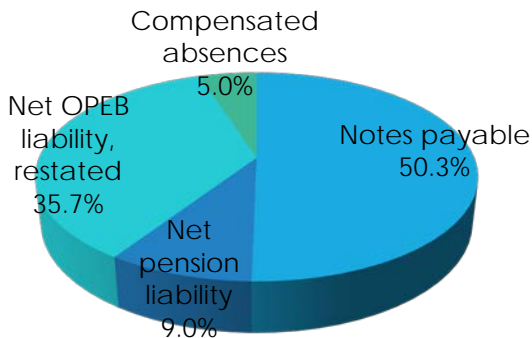
- Compensated absences 5.0%
- Net OPEB liability, restated 35.7%
- Net pension liability 9.0%
- Notes payable 50.3%

Long-term Liabilities at December 31, 2019

	Balance December 31, 2019	Balance December 31, 2018	Balance December 31, 2017
Notes payable	$ 9,840,400	$ -	$ -
Net pension liability	1,763,932	(1,399,262)	1,929,095
Net OPEB liability, restated	6,975,715	6,478,434	-
Compensated absences	983,170	965,925	948,864
Total governmental activities	$ 19,563,217	$ 6,045,097	$ 2,877,959

AWARDS & ACKNOWLEDGEMENTS
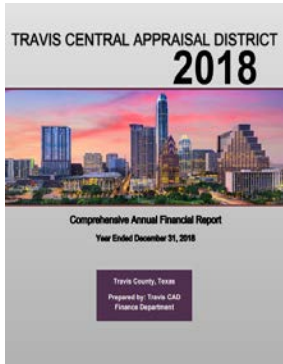
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Travis Central Appraisal District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the eighth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Travis Central Appraisal District, Texas for its annual budget for the fiscal year beginning January 1, 2020. This was the eighth consecutive year that the District achieved this prestigious award. 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. This award is valid for a period of one year only.
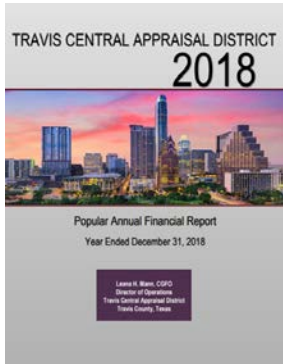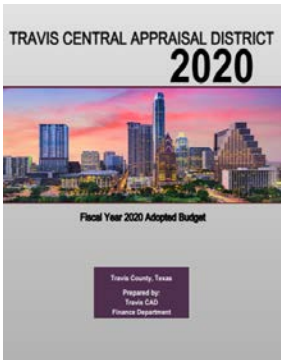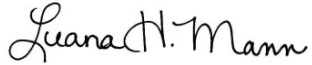
The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Travis Central Appraisal District for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2018. This was the third consecutive year that the District achieved this prestigious award. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only.

The Government Treasurers' Organization of Texas (GTOT) presented the Travis Central Appraisal District with the Certificate of Distinction for the District's investment policy. The Certificate of Distinction is awarded to local government entities whose investment policy shows a commitment to maintaining a comprehensive investment policy that meets the criteria set forth by the GTOT. This was the fourth consecutive award that the District has received for its 2019-2020 investment policy.

The preparation of this report could not have been accomplished without the dedicated services of the management team of the Travis Central Appraisal District. I would like to express my appreciation to all who assisted in this effort. An acknowledgment to Matthew Markert, Director of Commercial and Personal Property Appraisal, for preparing the market analysis of the local economy for the Popular Annual Financial Report. Finally, I would like to acknowledge the Chief Appraiser, Marya Crigler, and the Board of Directors for the Travis Central Appraisal District, who have supported the finance staff in our goal of excellence in financial management and reporting.

Respectfully submitted,

Leana H. Mann

Leana H. Mann, CGFO
Director of Operations
Travis Central Appraisal District