



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

*Don Awalt, RPA/CTA/CCA Chief Appraiser*  
*Phone: 903-389-5510*  
*Fax: 903-389-5955*  
*Email: general.info@freestoncad.org*  
*www.freestoncad.org*

## **Quarterly Report of Public Funds Investments** For **Quarter Ending** **June 30<sup>th</sup>, 2023**

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 10<sup>th</sup> 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:

### Pledged Securities

	<u>April</u>	<u>May</u>	<u>June</u>
FDIC Coverage	250,000	250,000	250,000
CNB Pledged Securities	742,519	733,669	487,770
<b>Total Fund Coverage</b>	<b>992,519</b>	<b>983,669</b>	<b>737,770</b>
Highest Daily Balance GF	666,263	644,773	718,091
Highest Daily Balance PR	29,191	29,191	33,988
<b>Highest Daily Balance Total</b>	<b>695,454</b>	<b>673,964</b>	<b>752,079</b>
<b>Over (Under) Pledge</b>	<b>297,065</b>	<b>309,705</b>	<b>(14,309)</b>

In June the additional pledged securities fell short of covering the combined highest daily balance for both the general Fund account and the payroll account. One of the securities that had been pledged in the past had a maturity date of 6/13/2023. The additional securities pledged were sufficient to cover the combined balance of \$664,883 as of 06/30/2023.

## 3.0 Quarterly Fund Activity Summary

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

### Rounded Quarter Combined Recap

	<u>General</u>	<u>Payroll</u>	<u>Total</u>
Beginning Book Balance	625,456	1,687	627,143
Total Deposits	426,571	171,173	597,744
Total Interest Earned	320	-	320
Total Expenses	(337,603)	(171,132)	(508,735)
Ending Book Balance	<b>714,744</b>	<b>1,728</b>	<b>716,472</b>

## 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 June 30, 2023.

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