



**Freestone Central
Appraisal District**
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Quarterly Report of Public Funds Investments For **Quarter Ending** **March 31, 2018**

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 for the quarter ended March 31, 2018.

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. Both accounts are interest bearing account, with interest rates varying daily according to the market.

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:

| | |
|---------------------------------------|-------------------|
| FDIC Coverage | 250,000.00 |
| Community National Pledged Securities | 516,615.00 |
| Total Fund Coverage | 766,615.00 |
| Less Highest Fund Balance | 690,045.63 |
| Minimum Over (Under) Pledge | 76,569.37 |

The district's highest fund balance was \$690,045.63 during this period and was sufficiently secured by FDIC and the district's depository.

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 | 688,123.81 | 1,921.82 | 690,045.63 |
| Deposits | 319,714.18 | 187,043.99 | 506,758.17 |
| Total Interest Earned | 106.66 | 0.00 | 106.66 |
| Expenses | -354,617.14 | -187,059.62 | -510,676.76 |
| Ending Balance | 653,327.51 | 1,906.19 | 655,233.70 |

4.0 Investment Strategy

In its investment policy, the district has determined that all of 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, Bud Black, 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 March 31, 2018.

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.



Bud Black, RPA/CTA
Public Funds Investment Officer