

audit report

The leading source of equity solutions for state and local government

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Tax Management Associates, Inc.





200,000

Our achievements and milestones continue to amaze me | by Chip Cooke

Everyone embraces reaching a positive milestone and we, here at Tax Management Associates, are no different. We celebrate birthdays, anniversaries, years of service and graduations. We are constantly striving toward new goals and marking our progress through the years. It is also worth stopping to recognize what we have accomplished over the past year.

In the last six months, TMA has achieved several major milestones. In September of last year, we attended the IAAO Annual Conference in Indianapolis and celebrated our thirty-fifth (35th) year of service as a company. In a day and age when eight out of ten companies fail, we

are extremely satisfied that we have found a business model that resonates with our clients. The feedback we get from clients is fairly consistent – TMA does a great job with personal service and attention to detail. As CEO, I can tell you that my job becomes much more manageable when surrounded by outstanding professionals – and I am definitely surrounded by the right mix of experts.

A second milestone we have reached recently comes in our core business line of Business Personal Property Auditing Services. TMA completed our 200,000th audit this month. What started as an experiment in a small North Carolina County has grown into

a national norm. TMA auditors have performed complex cost reconciliations in seventeen states for 537 local jurisdictions. Our footprint stretches from Connecticut to California and Michigan to Florida. To date, TMA has assisted local government in discovering over 45.8 billion dollars in additional taxable value. Our service offers a wonderful way to fund local services through proper application of an existing tax and revenue source.

So, what makes this service so popular? Personal property needs to be examined on an annual basis to ensure equity and uniformity in the tax base. Taxpayers should pay their fair share and not less or more. However, real estate makes



up a majority of each local tax base and usually manpower is spent making sure that real property is accurate and up to date. Knowing personal property is still an important part of the revenue puzzle, experts like TMA are brought in to assist in that effort.

Much of our growth and success in this area may also be attributed to the complexity of the tax. There are many issues to consider with personal property including real versus personal considerations, expense guidelines, fully installed cost and the like. It may take an individual many years to fully develop the skill-set to be a knowledgeable auditor in this area. TMA auditors and management

have spent the last thirty (30) years perfecting their craft. Our team has examined everything from Fortune 50 major manufacturing operations to small rural farms. That is the point of equity and uniformity – everyone gets a look and everyone gets a fair shake.

I would like to congratulate the entire Business Personal Property Audit Services team on crossing the 200,000th audit mark. You have much to be proud of, and on behalf of the 150 employees of TMA, we applaud your accomplishment.

There is one person who has greatly contributed to the success of not only TMA's audit program but the success of TMA's operations office, here in Charlotte. Betty Fleming developed many of our present-day audit processes. Prior to joining our team in 1999, she was a schoolteacher for 16 years. Before she enters retirement, we would like to recognize her for her service over the past 17 years. Betty has held many positions at TMA including Audit Support Technician, Accounts Receivable and Accounts Payable Coordinator, Audit Support Supervisor, Facilities Manager and Executive Assistant to the Chief Operations Officer. Betty has been a valuable asset to our company and will be greatly missed by our TMA family. We are so grateful for her contributions and want to wish her a happy and relaxing retirement!

Betty looks forward to spending her days with her husband of 43 years touring the country and visiting their children and grandchildren in Arkansas and North Dakota. Enjoy, Betty!

While one of our own is leaving the TMA family, another recently returned home. We are excited to welcome Nick

Swintz back from military leave. He is an auditor in our Indianapolis office and has been out on military leave for the past few months.

Nick joined the United States Marine Corps Reserves and is stationed at Grissom Air Force Base in Peru, Indiana. He is a Lance Corporal (E-3) and his MOS (military job) is 0651 Cyber Network Operator. Nick was ranked second overall in his class for GPA and fitness scores and received the Meritorious Mast award.

Nick expressed his gratitude to TMA and his co-workers for the support he received while away saying, "I always felt that the company was 100% behind me through the whole process and it's good to be back." Thank you for your service Nick and welcome back!

TMA is proud to be a member of the ESGR (Employer Support of the Guard and Reserve)

The ESGR is the lead Defense Department office promoting cooperation and understanding between civilian employers and their National Guard and Reserve employees. ESGR has served our country for more than 40 years, fostering a culture in which all employers support and value the employment and military service of members of the National Guard and Reserve in the United States. These citizen warriors could not defend and protect us at home and abroad without the continued promise of meaningful civilian employment for themselves and their families.

A big thank you to all of our staff, servicemen and women, and TMA clients. I am so proud of everything we have accomplished together and look forward to our future achievements.



ask the cio

Mark Cooke reveals everything to me in a matter of minutes | by Ryan Hunter

Mark Cooke, Chief Innovation Officer, is TMA's tech guru. He travels often assisting our clients with advancing their data analytics abilities. When he's in the office you may be able to catch him between meetings or heading to his martial arts class.

How would people communicate in a perfect world? *Honestly.*

Would you prefer to be smart, or happy and why? *Smart because it allows you to be happy.*

Is it better to beg for forgiveness, or ask for permission? *Ask for permission.*

If you could eat one meal for the rest of your life, what would it be? *Spicy peanut noodles.*

Do you know any good jokes? *Many. Ask me sometime and I will tell you a few.*

What is your favorite book? *Critique of Dialectical Reason by Jean-Paul Sartre. I read it sometime around 2000-2002, and I can honestly say that I think about its contents almost every day still.*

What is your greatest accomplishment? *Being a father. It's the best thing I ever did and they are the best part of my life.*

Do you untie your shoes when you take them off? *My shoes don't have laces. Well, I do have shoes with laces and, yes, I untie them before I take them off.*

Do you scream on rollercoasters? *No, I giggle involuntarily. I recently discovered this when my family and I went on Space Mountain, the rollercoaster at Magic Kingdom. I giggled so much the people behind me were laughing at me.*

How do you motivate others? *By communicating my faith in other people's abilities.*

Who is your favorite band or artist? *Can I tell you my top four? Guy Clark, Steve Earle, The Devil Makes Three and Devotchka.*

What was your first thought when you woke up this morning? *I simultaneously thought: What a crazy dream and *%^ I have to drive to the airport.*

What is the secret of success? *Honesty and integrity.*

Do you have any pets? *I do, we have a rescue dog named Roxie. I like big dogs, so I call her my "half a dog." She also has "needs" from her former lives so requires some special handling. Oh, and she likes to smile which throws some people off. But it's really a grin, and she is just happy to see you.*

Do you play a musical instrument? *Not well, but I would love to. I have a guitar but I need to take more lessons.*

What's your biggest pet peeve? *I hate when I'm caught talking to myself.*

If you don't know the words to a song do you improvise? *I hum, or make them up. The crazier the better.*

If you woke-up and had 2,000 unread emails and could only answer 300 of them how would you choose which ones to answer? *Random number. After all, under those circumstances would it matter? Now that I think about it, I would just copy and paste the same reply 300 times.*

What scares you most about technology? *Weaponization.*

What is the first rule to obey when you have children? *To remember that they are little people who are completely dependent upon you physically and emotionally. It is the biggest commitment you can make.*

What cheers you up? *My kids. I love being around them.*

What subject would you like to know more about? *Everything! I never tire of learning new things. In fact, I get dragged down rabbit holes all the time. I am and have always been a curious person. Because of that, I probably own more books than I could ever read in my lifetime.*

What do you enjoy most about your job? *Learning, I enjoy being pressed to learn every day. Content changes so fast in technology that it is always interesting to see what we can do today that we couldn't yesterday.*

What is the strangest thing you have ever eaten? *At one point I tried everything: alligator in Louisiana; rattlesnake out west; escargot in Charleston; dried squid in Sado Ga Shima, Japan. I have had the good fortune to be able to travel a little, so I like to try new foods when I am there.*

How would your best friend describe you? *A pain in the butt, but generally a decent guy.*

Who is your favorite author? *Henri Lefebvre. He is a 20th century philosopher and sociologist who wrote extensively on modern urban life. He was French, so many of his works are still just now appearing in English. They are still highly relevant, as we try to understand our contemporary society and culture.*

What have your kids taught you? *Patience.*

What do you do for fun? *Practice martial arts. I have for most of my adult life. I didn't start until I was 22 or 23, but since then it has been a constant habit. I have studied Aikido, Judo, Krav Maga, Brazilian Ju-Jitsu, and Muay Thai. I train whenever I have the chance.*

Name your favorite person you see at work? *Well that's easy Ryan, it's definitely you (laughs).*



fail to file

TMA deployed a new and improved version of CAVS last month | by Taylor Ennis

Do you have businesses on your tax roll that still fail to file their business personal property taxes? Do you simply increase their assessment by a percentage each year? When businesses fail to file, it results in lost revenue for your jurisdiction!

CAVS (Cost Analysis Valuation Services) assists assessing officials by creating transparent, accurate and defensible valuations for all business types. It is easy to compare assets listed in CAVS to what is provided by the taxpayer, in order to ensure that filed listings are accurate.

Tax Management Associates created CAVS as an online valuation guide. CAVS provides assessing officials with hundreds of businesses along with thousands of personal property assets used by a specific business type. This product allows tax officials to move away from arbitrary and capricious valuations in order to establish both fair and defensible values using cost data. Did you know that a typical veterinarian

clinic might have autoclaves, X-ray machines and even an anesthesia machine? You may not know every single asset used by every single business. CAVS can help. CAVS provides users with typical business assets and the cost new of each individual asset. CAVS clients have access to more than 400 business types.

CAVS valuations are also customizable. Users can change, add and delete assets for each valuation to accurately determine the business personal property tax. For example, when creating a valuation for a restaurant you may need to add a beer tap as an asset. Users simply insert the asset along with the cost new for the item. Users can even increase or decrease the asset cost to reflect the depreciation of the asset. Another way to customize a valuation is by adjusting the number of employees. If you know the business is smaller or larger than average, you can adjust the number of employees on a sliding scale, which in turn appropriately adjusts the asset values. Users can also scale the

estimate up or down by a percentage using the adjustment factor.

If a taxpayer fails to file their business personal property tax or the business is discovered by the tax office, often the taxpayer will receive a notice of value. This notice of value is a generated tax bill that may not be equivalent to their business. Many taxpayers may not understand how the tax office arrived at the specified value; therefore, failing to understand their tax bill.

When a CAVS user creates a valuation for a business, they can generate a PDF document. This PDF may be mailed directly to the taxpayer to notify them of their personal property taxes. The PDF specifically lists the assets and cost new for each asset the tax office believes to be owned and used by a business.

CAVS creates a dialogue between taxpayers and tax officials. Many tax officials use CAVS to send a business owner a list of business assets along



with the asset cost. This creates knowledgeable taxpayers that understand what assets they are being taxed on and leads to a complete and thorough filing.

CAVS can assist assessing officials with creating transparent, accurate and viable valuations for all business types. It is easy to compare assets listed in CAVS to what is provided by the taxpayer in order to ensure that filed listings are accurate.

We have some exciting CAVS news for 2016!

You may have noticed we released a fresh new look for the CAVS website and we hope you like it. We're also adding approximately 40 new business types to CAVS over the next quarter; some of these include a pain clinic, microbrewery, instrument rental, frozen yogurt shop, and an ice hut. Let TMA help with increasing equity and understanding among your tax base. We're currently offering a free trial of CAVS (<https://cavs.tma1.com>).

Contact us to get started today. We also provide hands-on-training for CAVS to personnel in your jurisdiction. Join our upcoming webinar to get acquainted with the user-friendly CAVS system. Check out our website at (<https://cavs.tma1.com>) to learn more.

Renee Abernathy will present CAVS in the upcoming webinars:

May 10th at 10:00am and 3:00pm EST and May 12th at 10:00am and 3:00pm EST. Sign-up for the day and time that works best for you. The webinars will highlight the full capabilities of our CAVS software and explain how it will assist your office this tax season.

What our clients are saying about CAVS:

“This is the third year of Benton County using the CAVS system. We feel that it gives our office the confidence to justify the values that we place on the forced assessments when talking to the business owners. The thing I like

the most is having a list of assets to show the owners what they should be assessing. It also helps to make sure you are getting accurate assessments from the people turning them in.” Phillip Wade, Business/Personal Property Manager, Benton County Assessor's Office.

cavs benefits

- Your solution for non-filers
- Access editable data for your customized use
- Store and print valuations to easily mail to taxpayers
- Web-based, no software to buy or maintain
- Accessible anywhere there is an internet connection
- Real-time updates
- Share valuations with others in the office



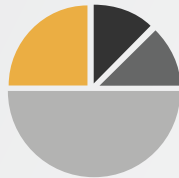
AUDIT

Our Auditing Services provide detailed comprehensive cost reconciliations on personal property returns filed with local jurisdictions. TMA auditors are trained to perform audits on small proprietorships to billion dollar manufacturing corporations.



HOMESTEAD

Using a list of exempt properties in your jurisdiction, TMA references LexisNexis® data to determine ownership and occupancy. TMA's trained staff contacts residents to verify their information and returns the findings to you.



OUTSOURCING

Whether faced with retirements, asset reallocation or budget deficits, we have an ideal staffing solution for you. From listing to billing, to discovery and audit, our staff successfully performs all facets of a project so your office staff can concentrate on other value added initiatives. With 35 years of experience in the property tax industry, TMA can provide experts to supplement your local tax office.



DISCOVERY

Our Discovery service utilizes our internal IT division to locate and record information on all businesses, new and old, within your jurisdiction. Our Discovery service ensures that all business owners are identified and listing, thereby increasing confidence in the tax process and alleviating the tax burden from long standing business owners.

