

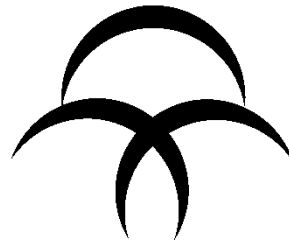
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VALTA Conference

Cost Analysis Valuation System

August 23, 2013





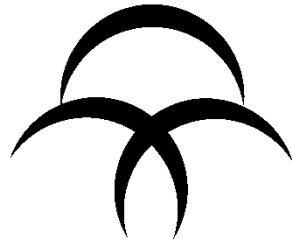
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Understanding of Client Needs



The Business Case

- Every year millions of dollars are lost through intentional or unintentional underreporting of Business Personal Property across the United States
 - In TMA's experience, up to 40% of businesses within a jurisdiction provide little or no supporting financial documentation when submitting the rendition
 - TMA's Cost Analysis Valuation System (CAVS) is an online tool that solves that problem
 - Here is how we do it...
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Qualifications and Experience



TMA Qualifications and Experience

- Tax Management Associates has served the interests of state and local government since 1979, working for over 500 clients in 18 states
 - TMA is composed of more than 120 employees in five main offices across the United States
 - TMA employs former PPS designees, government officials, accountants, CPAs, experienced management, investigators, clerical staff and support and a fully integrated call center
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TMA Qualifications and Experience

- TMA's full suite of services includes:
 - ❑ Business Personal Property Tax Auditing and Consulting
 - ❑ Discovery of Non-Listing Businesses
 - ❑ Valuation Estimation for Non-Listing Businesses
 - ❑ Public Utility Audits
 - ❑ Homestead Exemption Audits (with LexisNexis)
 - ❑ Custom Data Aggregation and Data Analysis
 - ❑ Customized Ad Valorem Consulting Services
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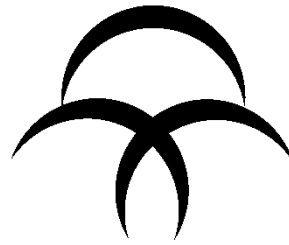


TMA Qualifications and Experience

- TMA started the concept of private auditing for local government when it founded its Business Personal Property Tax Audit Division in 1987
 - TMA has performed BPP Audit Services for over 500 clients in 18 states totaling over 163,000 audits
 - TMA audits have discovered almost \$40 billion in unreported taxable property and have created almost \$1 billion in tax
 - CAVS is utilized by 85 clients in 10 states
 - TMA is the largest and most experienced provider of BPP related services for state and local government in the United States
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TMA Experience – Intangible Benefits

- Knowledge and best practices from 18 states and specific experiences from over 500 jurisdictions
 - TMA is familiar with virtually every form of business
 - Superior management systems, client training programs and IT in every engagement
 - ❑ Web based information systems
 - ❑ VOIP technology for quality control
 - ❑ State of the art investigative tools
 - ❑ IAAO instructors on staff
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The CAVS Solution



The History of CAVS

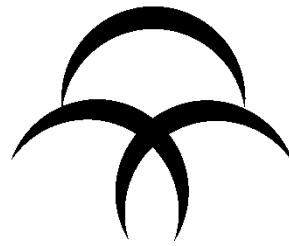
- The State of Tennessee, like many states, had an issue with non-reporting (up to 40% in some places)
 - Assessing officials were forced to randomly assign values – usually increasing values each year
 - Attorneys sued several jurisdictions claiming the practice was “arbitrary and capricious”
 - Attorneys for taxpayers were successful in their argument, even though taxpayers were refusing to list
 - CAVS was born as a solution to this problem
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The CAVS Platform

- CAVS is an online subscription service for valuing businesses (usually \$200,000 and below in value)
 - No software to buy – no installation or maintenance fees
 - Updated with new businesses and values annually
 - Customer services supported
 - Businesses created are saved in the system year after year
 - Education tool for assessing officials' staff
 - Valuations are created from real asset types
 - All calculations are performed within the system
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The CAVS Platform

- Businesses are searchable by name, NAICS, SIC and business type
 - User may add or delete asset classes
 - User may define depreciation
 - Records are printable in pdf format for delivery to taxpayers or internal use
 - Over 425 unique business types (both stand alone and home based)
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Demonstration



Closing

- Questions and answers
- Next Steps