

**VAN ZANDT COUNTY APPRAISAL DISTRICT  
COLLECTIONS FUND**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**



## INDEPENDENT AUDITOR'S REPORT

**Board of Directors**  
**Van Zandt County Appraisal District**  
**Canton, Texas**

We have audited the statement of assets and liabilities arising from cash transactions of the Van Zandt County Appraisal District's Collection Fund (a tax collections agency fund of Van Zandt County Appraisal District) as of and for the year ended June 30, 2020 and the related statement of receipts, disbursements and changes in cash for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1-C; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly the assets and liabilities arising from cash transactions of the Van Zandt County Appraisal District's Collection Fund at June 30, 2020, and its receipts and disbursements during the year then ended on the basis of accounting described in Note 1-C.

### **Basis of Accounting**

We draw attention to Note 1-C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Arnold, Walker, Arnold & Co., P.C.*

Arnold, Walker, Arnold & Co., P.C.

October 7, 2020

## FINANCIAL STATEMENTS

**VAN ZANDT COUNTY APPRAISAL DISTRICT  
AGENCY FUND  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2020**

## ASSETS

Cash in bank:	
Collection clearing	853,828
VIT account	91,795
Mobile home escrow	<u>20,445</u>
 Total Assets	 <u><u>966,068</u></u>

## LIABILITIES

Due to Taxing Entities	835,699
Due to Others	109,924
Escrow	<u>20,445</u>
 Total Liabilities	 <u><u>966,068</u></u>

**VAN ZANDT COUNTY APPRAISAL DISTRICT  
AGENCY FUND  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balances</u> <u>October 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash in bank:				
Collection clearing	506,365	61,302,274	60,954,811	853,828
VIT account	92,015	221,163	221,383	91,795
Mobile home escrow	15,256	28,946	23,757	20,445
NSF account	4,767	70,150	74,917	-
Total Assets	<u>618,403</u>	<u>61,622,533</u>	<u>61,274,868</u>	<u>966,068</u>
<b>LIABILITIES</b>				
Due to taxing entities	504,258	61,286,252	60,954,811	835,699
Due to others	98,889	232,418	221,383	109,924
Escrow	15,256	28,946	23,757	20,445
Total Liabilities	<u>618,403</u>	<u>61,547,616</u>	<u>61,199,951</u>	<u>966,068</u>

The accompanying notes are an integral part of these financial statements.

**VAN ZANDT COUNTY APPRAISAL DISTRICT  
AGENCY FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**A. REPORTING ENTITY**

The Van Zandt County Appraisal District (the District) is a governmental unit under the applicable laws and regulations of the State of Texas. It is responsible for the appraising of property for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on property in Van Zandt County. The Van Zandt County Appraisal District Collection Fund (the Fund) originated in 1984 when the District began collecting taxes for the jurisdictions. During this fiscal period of year the Fund collected for approximately twenty entities within the county. The Fund is governed by a board of directors chosen by vote of the governing bodies of the taxing jurisdictions in the District. Board members serve two-year terms.

**B. BASIS OF PRESENTATION -- FUND ACCOUNTING**

Agency (Collection) Funds are custodial in nature (assets equal liabilities) and do not involve measurement of operations and provide the most appropriate mechanism for accounting for assets and liabilities. The District's Collection Fund is used to account for the collection of ad valorem taxes, penalty and interest, and attorney fees collected for each taxing jurisdiction that has contracted with the District for collection.

**C. BASIS OF ACCOUNTING**

The Fund is accounted for using the cash basis of accounting.

**NOTE 2--LIABILITIES**

Liabilities of the Fund are comprised of collections not yet remitted to the various entities or accounts. These include:

- A. Due to taxing entities
- B. Due to others- State Vehicle Inventory Tax (VIT) and other
- C. Escrows

**NOTE 3--SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 7, 2020. There were no subsequent events noted.