

CITY OF VAN TEXAS
AUDIT REPORT ON REVENUES
REGULARS 1951-1952

1951-1952

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GEORGE E. ARMS
CERTIFIED PUBLIC ACCOUNTANT
TYLER, TEXAS

May 12, 1952

The City Council
Van, Texas

Gentlemen:

I have made an examination of the books and records of the City of Van, Texas for the fiscal year ended February 29, 1952. Without making a detailed audit of every transaction, I examined or tested the records and supporting data in accordance with accepted auditing procedure and to the extent I deemed appropriate. The following statements are included as a part of this report.

- Exhibit 1 - Balance Sheet as of February 29, 1952.
- 2 - Statement of Income for year ended February 29, 1952.
- 3 - Statement of Receipts and Disbursements for year ended February 29, 1952.

BALANCE SHEET

Cash on hand - while count was not made at statement date, by working back from date of examination the amount was verified. The following is a detail of cash on hand and its source:

Tax collectors change fund - withheld from tax receipts	\$17.00
Water and sewer change fund - withheld from receipts	20.00
Petty cashed - originally established by check	<u>24.05</u>
	<u>\$61.05</u>

Since audit last year, petty cash replenishments have been for amount of tickets paid out which makes accounting for the fund easier.

Cash in bank was verified by reconciliation of fund balances per the city records with balances shown by the bank.

Delinquent taxes are as follows:

Year	Balance Delinquent <u>3-1-51</u>	Collections Current <u>Year</u>	Errors in Assess- ment <u>ment</u>	Balance Delinquent <u>2-29-52</u>
1948	\$ 50.00	\$.20	\$33.50	\$ 16.30
1949	43.00	41.10		1.90
1950	<u>253.77</u>	212.52		41.25
	346.77			
Added 1951	<u>165.15</u>	75.02		<u>90.13</u>
	<u>\$511.92</u>	<u>\$328.84</u>	<u>\$33.50</u>	<u>\$149.58</u>

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The amount headed as errors in assessment, while not strictly of that category, came about as a result of townsite property being bought in by Van Independent School District and thus becoming uncollectible. The ratio of delinquency to assessment is very low. Delinquent balance was reconciled to approved tax rolls.

The following is a detail of fixed assets, other than water line additions, acquired during the year:

Water treating plant	
Electric motor and starter - replacing smaller equipment	\$453.04
Lawn mower	100.00
	<u>553.04</u>
City Hall building	
Floor tile	69.62
Screen door	9.95
	<u>79.57</u>
Autos and trucks	
1951 GMC pickup for water department	1,340.00
Office furniture and equipment	
Blinds	48.60
Material for counter	37.18
Electric fan	39.95
	<u>125.73</u>

Bonds payable were verified by correspondence in file and by cancelled bonds on hand. Schedule of interest and bond retirement was shown in audit report for year ending February 28, 1951.

Municipal accounting is on a cash received and disbursements basis and amounts receivable and payable are not set up except for the amount of delinquent taxes.

STATEMENTS OF INCOME AND RECEIPTS AND DISBURSEMENTS

The following is a condensed, comparative statement of income for the past two years:

Income	Year Ending	
	2-28-51	2-28-52
Taxes - appropriated to maintenance fund	\$ 6,378.45	\$22,923.54
appropriated to Interest and Sinking fund	47,580.00	44,538.75
Water department income	8,120.99	10,097.30
Other income		386.10
Total income	<u>62,079.44</u>	<u>77,945.69</u>

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Deductions

Operating expense	13,127.75	22,086.56
Interest other than on bonds	399.60	702.17
Interest on bonds	15,056.25	13,335.00
Handling charges on interest and bonds	72.99	54.05
Total deductions	<u>28,656.59</u>	<u>36,177.78</u>
Net income	33,422.85	41,767.91
Appropriation to bond retirement	32,450.75	31,149.70
Net income available	<u>\$ 972.10</u>	<u>\$10,618.21</u>

Statement of income is rather awkward to reconcile to figures in statement of receipts and disbursements. For example, tax cash on hand March 1, 1951 was deposited during the year and does not show on the former statement but does on the latter. Statement of income is included in the report as it gives a more easily read result of operation.

GENERAL

Records have improved and are adequate and well handled. Council minutes do not reflect in detail all the ordinances passed.

I would recommend the use of purchase orders in the City's buying.

I received most courteous cooperation from the city officials during the course of the audit.

I hereby certify, that in my opinion, the accompanying statements correctly reflect the results of the operation of the City of Van, Texas, for the year ended February 29, 1952, and the financial position of the City at that date.

Yours very truly,

George E Arms

CITY OF VAN, TEXASBALANCE SHEET AS OF FEBRUARY 29, 1952Assets

Cash in bank	\$ 43,591.63	
Cash on hand - change funds	37.00	
Petty cash	24.05	
Delinquent taxes	<u>149.58</u>	\$ 43,802.26
Land and rights of way	24,215.93	
Lake construction	44,732.65	
Water treating plant	75,583.04	
Overhead water tank	19,900.00	
Water lines	169,893.72	
Sewer system	88,460.00	
Engineers fees	27,966.71	
Road and bridge building	1,572.73	
Permits and certificates	85.65	
Other lake equipment	504.50	
City park	149.83	
City hall building	7,081.22	
Fire department equipment	10,065.85	
Truck	1,340.00	
Office furniture and equipment	<u>1,803.14</u>	473,354.97
Service deposits		<u>10.00</u>
Total assets		<u>\$517,167.23</u>

Liabilities and Net Worth

Bonds payable	\$374,000.00	
Unclaimed checks	8.50	
Water meter deposits	<u>1,355.00</u>	\$375,363.50
Surplus		<u>141,803.73</u>
Total liabilities and net worth		<u>\$517,167.23</u>

Note: though not shown above the Maintenance Fund is indebted to the Interest and Sinking in the amount of \$16,484.85 at February 29, 1952.

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STATEMENT OF INCOME FOR YEAR ENDING FEBRUARY 29, 1952

Income

Taxes - current	\$66,492.03*	
delinquent	328.84	
penalty, interest and cost	92.64	
Cash in utilities	548.78	\$67,462.29
Water and sewer service	9,552.31	
Water and sewer penalty	51.24	
Tapping fees	225.00	
Hunting and fishing permits	268.75	10,097.30
Building permits		4.00
Donations		300.00
Miscellaneous		82.10
		<u>77,945.69</u>

Expenses

Salaries	8,038.44	
Water treating supplies	1,585.26	
Water and sewer supplies and repairs	5,585.91	
Water and sewer department miscellaneous	144.05	
Lake repairs	2,500.00	
Auto and truck expense	216.95	
Lights and telephone	1,539.29	
Police expense	280.00	
Fire department expense	444.73	
Office expense	384.00	
Insurance and bonds	555.70	
Legal notices and election expenses	63.89	
Miscellaneous expense	748.34	
Interest other than bonds	702.17	
Interest on bonds	13,335.00	
Handling charge on interest and bonds	54.05	36,177.78
Net income		<u>\$41,767.91</u>

* of this amount, \$44,538.75 was appropriated to interest on and amortization of bonds. Of this appropriation, \$13,389.05 is represented above in interest and handling charges so that the balance, \$31,149.70, reduces the above figure of net income available to other purposes to \$10,618.21.

CITY OF VAN, TEXAS

STATEMENT OF RECEIPTS AND DISBURSEMENTS

YEAR ENDING FEBRUARY 29, 1952

	<u>Total</u>	<u>Funds</u>			
		<u>General</u>	<u>Water and Sewer</u>	<u>Interest & Sinking</u>	<u>Tax Collector</u>
Cash in bank 3-1-51	\$ 36,110.19	\$ 487.48	\$ 58.79	\$35,563.92	
Receipts					
Taxes - current	66,492.03				\$66,492.03
delinquent penalty, interest & utilities	360.74				360.74
Water and sewer ser. penalty	101.29				101.29
Water and sewer utilities	548.78	\$ 548.78			
Water meter deposits	9,552.31		\$ 9,552.31		
Tapping fees	51.24		51.24		
Hunting and fishing permits	237.25		237.25		
Building permits	225.00		225.00		
Donations	268.75		268.75		
Miscellaneous	4.00	4.00			
Transfer of funds	300.00	300.00			
	82.10	82.10			
	70,837.47	18,298.72	8,000.00	\$44,538.75	
Total receipts	<u>149,060.96</u>	<u>19,233.60</u>	<u>18,334.55</u>	<u>44,538.75</u>	<u>66,954.06</u>
Disbursements					
Fixed assets					
Water plant eq.	583.04		583.04		
Water lines	5,090.45	32.50	5,057.95		
City park	149.83	149.83			
City Hall bldg.	79.57	79.57			
Truck	1,340.00	1,340.00			
Office equipment	233.73	233.73			
	7,476.62				
Operating expense	36,178.28	10,440.06	12,349.07	13,389.05	
Meter deposit refunds	87.25		87.25		
Bonds retired	27,000.00			27,000.00	
Transfer of funds	70,837.47	4,000.00			66,837.47
Total disbursements	<u>141,579.52</u>	<u>16,275.69</u>	<u>18,077.31</u>	<u>40,389.05</u>	<u>66,837.47</u>
Cash in bank 2-28-52	\$ 43,591.63	\$ 3,445.39	\$ 316.03	\$39,713.62	\$ 116.59