

City of Elaine, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ELAINE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Elaine, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Elaine, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated October 9, 2018. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2017:

Mayor: Michael Cravens
Recorder/Treasurer: Sandra Carlton
District Court Clerk: Sandra Carlton
Police Chief: Alvin Scaife

We evaluated the City's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

Our procedures indicated that the offices of **Mayor**, **Recorder/Treasurer**, and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **District Court Clerk**.

District Court Clerk

Balances remaining in the Court and Fine bank account were not identified with cases not yet adjudicated, in noncompliance with Ark. Code Ann. § 16-10-209. Also, no settlements were made to the City's General Fund during the year. A similar finding was issued in the prior two reports.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Roger A. Norman in cursive.

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
October 9, 2018
LOM205117

CITY OF ELAINE, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 1

| | General Fund | Special Revenue Funds | Firemen's Pension Trust Fund |
|--|-------------------|-----------------------------|------------------------------------|
| Cash and Investment Balance, January 1, 2017 | \$ 386,630 | \$ 135,194 | \$ 214,046 |
| Receipts: | | | |
| State aid | 10,087 | 79,655 | 3,388 |
| Property taxes | 5,661 | 2,039 | 1,411 |
| Franchise fees | 22,109 | | |
| Sales taxes | 141,482 | | |
| Interest and dividends | 410 | | 11,700 |
| Local permits and fees | 1,750 | | |
| Gain on sale of investments | | | 1,067 |
| Other | 1,016 | 16,456 | |
| Transfers in | | 15,258 | |
| Total Receipts | <u>182,515</u> | <u>113,408</u> | <u>17,566</u> |
| Disbursements: | | | |
| General government | 97,937 | | |
| Law enforcement | 46,326 | 32,772 | |
| Highways and streets | 24,729 | 40,665 | |
| Public safety | 5,380 | 31,331 | 29,437 |
| Recreation and culture | 1,307 | | |
| Transfers out | 15,258 | | |
| Total Disbursements | <u>190,937</u> | <u>104,768</u> | <u>29,437</u> |
| Cash and Investment Balance, December 31, 2017 | <u>\$ 378,208</u> | <u>\$ 143,834</u> | <u>\$ 202,175</u> |

CITY OF ELAINE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

| | Street | City Park | Drug Control | City Projects | Fire Equipment and Training (ACT 833) | Fire Department | Fire Department Auxiliary |
|---------------------------------|------------|-----------|--------------|---------------|---|--------------------|---------------------------------|
| Cash Balance, January 1, 2017 | \$ 94,477 | \$ 489 | \$ 114 | \$ 267 | \$ 37,081 | \$ 81 | \$ 1,715 |
| Receipts: | | | | | | | |
| State aid | 43,751 | | | | 17,973 | | |
| Property taxes | 2,039 | | | | | | |
| Other | 860 | | | | | | 755 |
| Transfers in | | | | | | | |
| Total Receipts | 46,650 | | | | 17,973 | | 755 |
| Disbursements: | | | | | | | |
| Law enforcement | | | | | | | |
| Highways and streets | 40,665 | | | | | | |
| Public safety | | | | | 31,281 | | 50 |
| Total Disbursements | 40,665 | | | | 31,281 | | 50 |
| Cash Balance, December 31, 2017 | \$ 100,462 | \$ 489 | \$ 114 | \$ 267 | \$ 23,773 | \$ 81 | \$ 2,420 |

CITY OF ELAINE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

| | Civic Center | Drainage Grant | 2016 Police Car Grant | 2017 Police Car Grant | Total |
|---------------------------------|-----------------|-------------------|-----------------------------|-----------------------------|-------------------|
| Cash Balance, January 1, 2017 | \$ 969 | \$ 1 | | | \$ 135,194 |
| Receipts: | | | | | |
| State aid | | | \$ 17,931 | | 79,655 |
| Property taxes | | | | | 2,039 |
| Other | | | 14,841 | | 16,456 |
| Transfers in | | | | \$ 15,258 | 15,258 |
| Total Receipts | | | <u>32,772</u> | <u>15,258</u> | <u>113,408</u> |
| Disbursements: | | | | | |
| Law enforcement | | | 32,772 | | 32,772 |
| Highways and streets | | | | | 40,665 |
| Public safety | | | | | 31,331 |
| Total Disbursements | | | <u>32,772</u> | | <u>104,768</u> |
| Cash Balance, December 31, 2017 | <u>\$ 969</u> | <u>\$ 1</u> | <u>\$ 0</u> | <u>\$ 15,258</u> | <u>\$ 143,834</u> |

CITY OF ELAINE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts, money market, certificates of deposit, and mutual funds.

2. The cash balance at year-end in the agency fund is as follows:

| | <u>December 31,</u> <u>2017</u> |
|---------------------|------------------------------------|
| District Court Fund | \$ 8,144 |

This balance represents fines, forfeitures, and costs that have not been transferred to the appropriate entities.

3. The Municipality's capital assets records are summarized below:

| | <u>December 31,</u> <u>2017</u> |
|-----------|------------------------------------|
| Land | \$ 23,378 |
| Buildings | 310,000 |
| Equipment | <u>512,956</u> |
| Total | <u>\$ 846,334</u> |