

**City of Newark, Arkansas**

**Financial and Compliance Report**

**December 31, 2017 and 2016**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF NEWARK, ARKANSAS  
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FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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# Arkansas

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Newark, 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 Newark, Arkansas, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated August 22, 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 and 2016:

Mayor: Jim Cunningham  
Recorder/Treasurer: Joanne Langston

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

Our procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
August 22, 2018  
LOM213917

CITY OF NEWARK, 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 Balance, January 1, 2017	\$ 88,672	\$ 39,532	\$ 105,988
Receipts:			
State aid	18,651	106,454	2,464
Property taxes	47,109	25,897	4,673
Franchise fees	58,367		
Sales taxes	181,570	183,690	
Fines, forfeitures, and costs	5,562	240	
Interest	108	47	88
Garbage Fees	76,442		
Mosquito control fees	12,690		
Contribution from Independence County	10,000	23,643	
Contribution from water & sewer	24,800		
Other	66,379	11,540	
Transfers in		48,000	
Total Receipts	<u>501,678</u>	<u>399,511</u>	<u>7,225</u>
Disbursements:			
General government	134,437		
Law enforcement	116,510		
Highways and streets		125,877	
Public safety	1,508	47,858	13,844
Sanitation	61,259		
Recreation and culture	32,028		
Health	7,028		
Social Services	24,514	7,324	
Debt service		187,508	
Transfers out	48,000		
Contribution to Local Police and Fire Retirement System			99,369
Total Disbursements	<u>425,284</u>	<u>368,567</u>	<u>113,213</u>
Cash Balance, December 31, 2017	<u>\$ 165,066</u>	<u>\$ 70,476</u>	<u>\$ 0</u>

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

Schedule 2

	Street	Police Equipment	Fire Equipment and Training	Fire Department Sales Tax	Fire Department Special	Senior Citizens	Total
Cash Balance, January 1, 2017	\$ 4,164	\$ 856	\$ 14,937	\$ 6,545	\$ 9,369	\$ 3,661	\$ 39,532
Receipts:							
State aid	80,899		15,555			10,000	106,454
Property taxes	25,897						25,897
Sales taxes				183,690			183,690
Fines, forfeitures, and costs		240					240
Interest	12	1	15	2	6	11	47
Contribution from Independence County					22,643	1,000	23,643
Other					2,531	9,009	11,540
Transfers in	35,000				13,000		48,000
Total Receipts	<u>141,808</u>	<u>241</u>	<u>15,570</u>	<u>183,692</u>	<u>38,180</u>	<u>20,020</u>	<u>399,511</u>
Disbursements:							
Highways and streets	125,877						125,877
Public safety			7,294		40,564		47,858
Social services						7,324	7,324
Debt service				187,508			187,508
Total Disbursements	<u>125,877</u>		<u>7,294</u>	<u>187,508</u>	<u>40,564</u>	<u>7,324</u>	<u>368,567</u>
Cash Balance, December 31, 2017	<u>\$ 20,095</u>	<u>\$ 1,097</u>	<u>\$ 23,213</u>	<u>\$ 2,729</u>	<u>\$ 6,985</u>	<u>\$ 16,357</u>	<u>\$ 70,476</u>

CITY OF NEWARK, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Firemen's Pension Trust Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2016	\$ 73,066	\$ 34,981	\$ 111,719
Receipts:			
State aid	18,782	104,612	2,592
Property taxes	50,534	27,727	5,561
Franchise fees	49,329		
Sales taxes	177,207	198,341	
Fines, forfeitures, and costs	6,261	485	
Interest	81	29	108
Garbage fees	81,410		
Mosquito control fees	13,024		
Contribution from Independence County	8,820	31,318	
Contribution from water & sewer	22,918		
Other	16,392	2,756	
Transfers in		66,000	
Total Receipts	<u>444,758</u>	<u>431,268</u>	<u>8,261</u>
Disbursements:			
General government	96,808		
Law enforcement	123,545		
Highways and streets		151,086	
Public safety	1,473	57,478	13,992
Sanitation	50,671		
Recreation and culture	31,754		
Health	10,098		
Social Services	17,734	6,228	
Debt service	31,069	211,925	
Transfers out	66,000		
Total Disbursements	<u>429,152</u>	<u>426,717</u>	<u>13,992</u>
Cash Balance, December 31, 2016	<u>\$ 88,672</u>	<u>\$ 39,532</u>	<u>\$ 105,988</u>

CITY OF NEWARK, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2016  
 (UNAUDITED)

Schedule 4

	Street	Police Equipment	Fire Equipment and Training	Fire Department Sales Tax	Fire Department Special	Senior Citizens	Total
Cash Balance, January 1, 2016	\$ 5,601	\$ 370	\$ 11,874	\$ 15,098	\$ 653	\$ 1,385	\$ 34,981
Receipts:							
State aid	77,685		14,427		5,000	7,500	104,612
Property taxes	27,727						27,727
Sales taxes				198,341			198,341
Fines, forfeitures, and costs		485					485
Interest	6	1	10	4	4	4	29
Contribution from Independence County					30,318	1,000	31,318
Other	176				2,580		2,756
Transfers in	50,000				16,000		66,000
Total Receipts	<u>155,594</u>	<u>486</u>	<u>14,437</u>	<u>198,345</u>	<u>53,902</u>	<u>8,504</u>	<u>431,268</u>
Disbursements:							
Highways and streets	151,086						151,086
Public safety			11,374	918	45,186		57,478
Social services						6,228	6,228
Debt service	5,945			205,980			211,925
Total Disbursements	<u>157,031</u>		<u>11,374</u>	<u>206,898</u>	<u>45,186</u>	<u>6,228</u>	<u>426,717</u>
Cash Balance, December 31, 2016	<u>\$ 4,164</u>	<u>\$ 856</u>	<u>\$ 14,937</u>	<u>\$ 6,545</u>	<u>\$ 9,369</u>	<u>\$ 3,661</u>	<u>\$ 39,532</u>

CITY OF NEWARK, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016  
 (UNAUDITED)

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
 General, Equipment, Special Street Maintenance, Blue Springs Cemetery, and Local Police and Fire Retirement.
3. Cash balances at year-end in the agency fund are as follows:

	December 31, 2017	December 31, 2016
Payroll Fund	\$ 727	\$ 723

These balances represent payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2017	December 31, 2016
Land and Buildings	\$ 1,835,190	\$ 1,834,440
Improvements	52,440	52,440
Equipment	548,055	654,917
Totals	\$ 2,435,685	\$ 2,541,797

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2017	December 31, 2016
Notes payable	\$ 131,000	\$ 310,000