

City of Watson, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WATSON, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

Schedule

Schedule of Financial Information (Unaudited)

1

Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)

2

Other Information (Unaudited)

3

Arkansas

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Sen. Lance Eads
Senate Vice Chair



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House Chair
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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 Watson, 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 Watson, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated August 22, 2018. These procedures were not performed for the Water and Sewer Funds. 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: Harold Douthit
Recorder/Treasurer: Candice Moore

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
LOM219217

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 22,020	\$ 113,285
Receipts:		
State aid	3,346	14,515
Property taxes	3,932	747
Franchise fees	6,712	
Sales taxes	28,376	
Mosquito fees	2,526	
Interest	7	477
Local permits and fees	320	
Community room rental	895	
Other	1,404	
Total Receipts	<u>47,518</u>	<u>15,739</u>
Disbursements:		
General government	31,316	
Highways and streets	1,357	13,576
Water and sewer	5,699	
Health	59	
Total Disbursements	<u>38,431</u>	<u>13,576</u>
Cash Balance, December 31, 2017	<u>\$ 31,107</u>	<u>\$ 115,448</u>

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

Schedule 2

	<u>Street</u>	<u>Natural Gas</u>	<u>Total</u>
Cash Balance, January 1, 2017	<u>\$ 8,506</u>	<u>\$ 104,779</u>	<u>\$ 113,285</u>
Receipts:			
State aid	14,515		14,515
Property taxes	747		747
Interest	<u>5</u>	<u>472</u>	<u>477</u>
Total Receipts	<u>15,267</u>	<u>472</u>	<u>15,739</u>
Disbursements:			
Highways and streets	<u>13,576</u>		<u>13,576</u>
Cash Balance, December 31, 2017	<u><u>\$ 10,197</u></u>	<u><u>\$ 105,251</u></u>	<u><u>\$ 115,448</u></u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Mosquito Control, and Community Room
3. The Municipality's capital assets records are summarized below:

	<u>December 31, 2017</u>
Land	\$ 4,000
Buildings	11,921
Equipment	<u>77,710</u>
Total	<u><u>\$ 93,631</u></u>