

City of Central City, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Central City, 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 Central City, Arkansas, as of and for the year ended December 31, 2017 and have issued our report thereon dated August 30, 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: Harold Wallace
Recorder/Treasurer: Judith Lynne Miller
District Court Clerk: Teresa Harris
Police Chief: Dale Teague

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**, **District Court Clerk**, 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 **Recorder/Treasurer**.

Recorder/Treasurer

The General Fund owed the Street Fund \$27,635 at December 31, 2017, for state aid for highway funds not transferred in previous years, in noncompliance with Ark. Code Ann. § 14-59-104.

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 30, 2018
LOM221317

CITY OF CENTRAL CITY, 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	\$ 18,744	\$ 179,257
Receipts:		
State aid	7,962	34,533
Property taxes	28,159	8,317
Franchise fees	13,939	4,335
Sales taxes	97,129	
Fines, forfeitures, and costs	23,770	
Interest	20	48
Sale of equipment	7,000	
Other	4,326	425
Transfers in		3,000
Total Receipts	<u>182,305</u>	<u>50,658</u>
Disbursements:		
General government	79,599	
Law enforcement	47,833	
Highways and streets	208	178,937
Public safety	4,032	8,468
Debt service	15,343	
Transfers out	3,000	
Total Disbursements	<u>150,015</u>	<u>187,405</u>
Cash Balance, December 31, 2017	<u>\$ 51,034</u>	<u>\$ 42,510</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Department (Act 833)</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 164,152	\$ 15,105	\$ 179,257
Receipts:			
State aid	34,533		34,533
Property taxes	8,317		8,317
Franchise fees	4,335		4,335
Interest	48		48
Other	425		425
Transfers in	3,000		3,000
Total Receipts	<u>50,658</u>		<u>50,658</u>
Disbursements:			
Highways and streets	178,937		178,937
Public safety		8,468	8,468
Total Disbursements	<u>178,937</u>	<u>8,468</u>	<u>187,405</u>
Cash Balance, December 31, 2017	<u>\$ 35,873</u>	<u>\$ 6,637</u>	<u>\$ 42,510</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General and Fire Department
3. The cash balance at year-end in the agency fund is as follows:

	December 31, 2017
District Court Fund	\$ 1,766

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

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

	December 31, 2017
Land	\$ 105,000
Buildings	1,105,000
Equipment	543,000
Total	\$ 1,753,000

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2017
Notes payable	\$ 57,709