

**Town of Delaplaine, Arkansas**

**Financial and Compliance Report**

**December 31, 2017 and 2016**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF DELAPLAINE, ARKANSAS  
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FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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# Arkansas

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**Sen. Lance Eads**  
Senate Vice Chair



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House Chair  
**Rep. Mary Bentley**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Delaplaine, 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 Town of Delaplaine, Arkansas, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated September 27, 2018. These procedures were not performed for the Water and Sewer Funds. Management of the Town 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: Larry Myrick  
Recorder/Treasurer: Lynn Murray

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

Noncompliance with state law and accepted accounting practices were noted in the offices of **Mayor** and **Recorder/Treasurer**.

### Mayor

General Fund disbursements in 2016 exceeded budgeted appropriations by \$17,217 (68%), in noncompliance with Ark. Code Ann. § 14-58-203.

### Recorder/Treasurer

1. A fixed asset listing was not provided, in noncompliance with Ark. Code Ann. § 14-59-107.
2. Bank account reconciliations were not approved by someone other than the person preparing it, in noncompliance with Ark. Code Ann. § 14-59-108.
3. The cash receipt and disbursement journals were not provided for the General, Street, and Fire Equipment and Training Funds, in noncompliance with Ark. Code Ann. §§ 14-59-110, -111.
4. Some Internal Revenue Service (IRS) Forms (W-3, W-2, 941, and 1099) and Arkansas Form AR3 were not made available for inspection, as required by Ark. Code Ann. § 14-59-114. Additionally, the accuracy of the federal taxes remitted could not be determined. A similar finding was noted in the previous report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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  
September 27, 2018  
LOM304817

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2017	\$ 63,836	\$ 95,749
Receipts:		
State aid	1,840	14,990
Sales taxes	15,609	
Interest	94	101
Unclassified	7,717	1,053
Total Receipts	<u>25,260</u>	<u>16,144</u>
Disbursements:		
General government	26,308	
Highways and streets		7,493
Public safety		8,309
Debt service		5,003
Total Disbursements	<u>26,308</u>	<u>20,805</u>
Cash Balance, December 31, 2017	<u>\$ 62,788</u>	<u>\$ 91,088</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 65,869	\$ 29,880	\$ 95,749
Receipts:			
State aid	7,980	7,010	14,990
Interest	100	1	101
Unclassified	693	360	1,053
Total Receipts	<u>8,773</u>	<u>7,371</u>	<u>16,144</u>
Disbursements:			
Highways and streets	7,493		7,493
Public safety		8,309	8,309
Debt service		5,003	5,003
Total Disbursements	<u>7,493</u>	<u>13,312</u>	<u>20,805</u>
Cash Balance, December 31, 2017	<u>\$ 67,149</u>	<u>\$ 23,939</u>	<u>\$ 91,088</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2016	\$ 81,968	\$ 99,924
Receipts:		
State aid	1,853	7,663
Sales taxes	15,337	
Interest	120	109
Unclassified	7,275	657
Total Receipts	24,585	8,429
Disbursements:		
General government	42,717	
Highways and streets		5,532
Public safety		3,074
Debt service		3,998
Total Disbursements	42,717	12,604
Cash Balance, December 31, 2016	\$ 63,836	\$ 95,749

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

Schedule 4

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>Total</u>
Cash Balance, January 1, 2016	<u>\$ 63,044</u>	<u>\$ 36,880</u>	<u>\$ 99,924</u>
Receipts:			
State aid	7,663		7,663
Interest	97	12	109
Unclassified	<u>597</u>	<u>60</u>	<u>657</u>
Total Receipts	<u>8,357</u>	<u>72</u>	<u>8,429</u>
Disbursements:			
Highways and streets	5,532		5,532
Public safety		3,074	3,074
Debt service		<u>3,998</u>	<u>3,998</u>
Total Disbursements	<u>5,532</u>	<u>7,072</u>	<u>12,604</u>
Cash Balance, December 31, 2016	<u><u>\$ 65,869</u></u>	<u><u>\$ 29,880</u></u>	<u><u>\$ 95,749</u></u>

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

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts.
2. The Municipality's capital assets records were not available.
3. The outstanding balance at year-end for long-term liabilities is as follows:

	<u>December 31, 2016</u>
Notes payable	<u>\$ 5,003</u>