

Town of Prattsville, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF PRATTSVILLE, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

| | <u>Schedule</u> |
|---|-----------------|
| 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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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Prattsville, 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 Prattsville, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 7, 2018. These procedures were not performed for the Water Department. 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:

Mayor: David Paxton
Recorder: Phillip Holiman
Treasurer: Linda Holiman

We evaluated the Town'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 **Recorder** and **Treasurer** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

An agreed upon procedures report was not obtained for the Town's Water Department, as required by Ark. Code Ann. § 14-234-119.

The governing body did not review the prior year's report and accompanying comments at the first regularly scheduled meeting following receipt of the report and document the corrective actions taken by the governing body as required by Ark. Code Ann. § 10-4-418.

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
Legislative Auditor

Little Rock, Arkansas
September 7, 2018
LOM313317

TOWN OF PRATTSVILLE, 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 | \$ 175,087 | \$ 413,417 |
| Receipts: | | |
| State aid | 4,837 | 35,292 |
| Franchise fees | 8,777 | |
| Contributions from Grant County | 5,250 | 5,250 |
| Sanitation fees | | 26,698 |
| Interest | 320 | 417 |
| Local permits and fees | | 13,091 |
| Rent | | 8,560 |
| Other | 200 | 2,376 |
| Total Receipts | <u>19,384</u> | <u>91,684</u> |
| Disbursements: | | |
| General government | 33,160 | |
| Highways and streets | | 16,640 |
| Public safety | | 42,392 |
| Sanitation | | 26,426 |
| Recreation and culture | | 8,972 |
| Total Disbursements | <u>33,160</u> | <u>94,430</u> |
| Cash Balance, December 31, 2017 | <u>\$ 161,311</u> | <u>\$ 410,671</u> |

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

Schedule 2

| | <u>Street</u> | <u>Fire</u> | <u>Waste Disposal</u> | <u>Community</u> | <u>Total</u> |
|---------------------------------|-------------------|-------------------|-----------------------|------------------|-------------------|
| Cash Balance, January 1, 2017 | \$ 286,725 | \$ 119,142 | \$ 3,129 | \$ 4,421 | \$ 413,417 |
| Receipts: | | | | | |
| State aid | 20,981 | 14,311 | | | 35,292 |
| Contributions from Grant County | | 5,250 | | | 5,250 |
| Sanitation fees | | | 26,698 | | 26,698 |
| Interest | 290 | 119 | 3 | 5 | 417 |
| Local permits and fees | | 13,091 | | | 13,091 |
| Rent | | | | 8,560 | 8,560 |
| Other | | 70 | | 2,306 | 2,376 |
| Total Receipts | <u>21,271</u> | <u>32,841</u> | <u>26,701</u> | <u>10,871</u> | <u>91,684</u> |
| Disbursements: | | | | | |
| Highways and streets | 16,640 | | | | 16,640 |
| Public safety | | 42,392 | | | 42,392 |
| Sanitation | | | 26,426 | | 26,426 |
| Recreation and culture | | | | 8,972 | 8,972 |
| Total Disbursements | <u>16,640</u> | <u>42,392</u> | <u>26,426</u> | <u>8,972</u> | <u>94,430</u> |
| Cash Balance, December 31, 2017 | <u>\$ 291,356</u> | <u>\$ 109,591</u> | <u>\$ 3,404</u> | <u>\$ 6,320</u> | <u>\$ 410,671</u> |

TOWN OF PRATTSVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.

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

| | <u>December 31,</u> <u>2017</u> |
|--------------|------------------------------------|
| Payroll Fund | <u>\$ 16,824</u> |

This balance represents payroll and payroll taxes that have not been transferred to the appropriate entities or individuals.

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

| | <u>December 31,</u> <u>2017</u> |
|-----------|------------------------------------|
| Land | \$ 10,800 |
| Buildings | 55,252 |
| Equipment | <u>314,061</u> |
| Total | <u>\$ 380,113</u> |