

Town of Pyatt, Arkansas

Financial and Compliance Report

December 31, 2017, 2016, and 2015

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF PYATT, ARKANSAS
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Arkansas

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Senate Chair
Sen. Lance Eads
Senate Vice Chair



Rep. Richard Womack
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 Pyatt, 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 Pyatt, Arkansas, as of and for the years ended December 31, 2017, 2016, and 2015, and have issued our report thereon dated November 29, 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, 2016, and 2015:

Mayor: Ken Hancock
Recorder/Treasurer: Kim Sullivan (Combined Recorder/Treasurer Offices in June 2016)
Recorder: Ashley Giles (Resigned June 2016)
Treasurer: Kim Sullivan (Combined Recorder/Treasurer Offices in June 2016)

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.

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

MAYOR

- 1) General Fund disbursements exceeded budgeted disbursements by \$9,774 (35%), \$15,960 (57%), and \$16,618 (59%), respectively, for the years 2017, 2016, and 2015, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous five reports dating back to 2003.
- 2) The budgets for 2017, 2016, and 2015 were not adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202. A similar finding was noted in the prior report.

RECORDER/TREASURER

- 1) Detailed fixed asset records were not properly maintained. Specifically, the listing was not totaled by category and did not include the cost of each asset, as required by Ark. Code Ann. § 14-59-107. A similar finding was noted for the previous five reports dating back to 2003.
- 2) Bank account reconciliations were not approved by someone other than the person preparing the reconciliations, as required by Ark. Code Ann. § 14-59-108. A similar finding was noted in the prior report.
- 3) Disbursements were not always made by prenumbered checks, in accordance with Ark. Code Ann. § 14-59-105.
- 4) Internal Revenue Service (IRS) Form W-2 and W-3 were not provided for 2016. Additionally, IRS Forms 941 were not provided for 2017, 2016, or 2015. A similar finding was noted in the prior 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



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

Little Rock, Arkansas
November 29, 2018
LOM313417

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

Schedule 1

	General Fund	Street Fund
	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 6,169	\$ 7,744
Receipts:		
State aid	3,505	15,203
Property taxes	5,414	1,627
Franchise fees	5,501	
Sales taxes	27,503	
Interest	3	13
Other	356	
Total Receipts	<u>42,282</u>	<u>16,843</u>
Disbursements:		
General government	37,852	
Highways and streets		7,099
Recreation and culture	320	
Total Disbursements	<u>38,172</u>	<u>7,099</u>
Cash Balance, December 31, 2017	<u>\$ 10,279</u>	<u>\$ 17,488</u>

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

Schedule 2

	General Fund	Street Fund
	<u> </u>	<u> </u>
Cash Balance, January 1, 2016	\$ 7,972	\$ 4,643
Receipts:		
State aid	3,530	14,599
Property taxes	4,616	1,265
Franchise fees	6,898	
Sales taxes	26,329	
Interest	8	6
Total Receipts	<u>41,381</u>	<u>15,870</u>
Disbursements:		
General government	43,152	
Highways and streets		12,769
Recreation and culture	32	
Total Disbursements	<u>43,184</u>	<u>12,769</u>
Cash Balance, December 31, 2016	<u>\$ 6,169</u>	<u>\$ 7,744</u>

TOWN OF PYATT, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2015
 (UNAUDITED)

Schedule 3

	General Fund	Street Fund
	<u> </u>	<u> </u>
Cash Balance, January 1, 2015	\$ 9,555	\$ 5,584
Receipts:		
State aid	3,496	14,592
Property taxes	6,181	2,246
Franchise fees	7,329	
Sales taxes	24,983	
Interest	10	5
Other	1,996	
Total Receipts	<u>43,995</u>	<u>16,843</u>
Disbursements:		
General government	45,531	
Highways and streets		17,784
Recreation and culture	47	
Total Disbursements	<u>45,578</u>	<u>17,784</u>
Cash Balance, December 31, 2015	<u>\$ 7,972</u>	<u>\$ 4,643</u>

TOWN OF PYATT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, AND 2015
(UNAUDITED)

Schedule 4

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 Park
3. The Municipality's capital assets records did not contain costs for land, buildings, or equipment.