

Arkansas



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Tontitown, 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 Tontitown, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated March 8, 2019. 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: Paul Colvin, Jr.
Recorder/Treasurer: Rhonda Ardemagni
Police Chief: Joey McCormick

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 **Recorder/Treasurer** and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law was noted in the office of **Mayor**.

Mayor

The City Council minutes did not document the review of the findings and recommendations of the prior report and the action taken by the City Council, as required by Ark. Code Ann. § 10-4-418. A similar finding was issued in the prior report.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
March 8, 2019
LOM218417

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

	General Fund	Special Revenue Funds	Debt Service Fund (Sales and Use Tax Bonds Series 2017)
Cash Balance, January 1, 2017	\$ 1,537,779	\$ 588,802	\$ 0
Receipts:			
State aid	39,016	197,921	
Property taxes	351,939	63,412	
Franchise fees	383,505		
Sales taxes	1,276,345		
Fines, forfeitures, and costs	157,582	8,885	167
Interest and dividends	8,132	2,047	
Local permits and fees	260,033		
Sale of capital assets	269,483		
Other	12,545	1,120	
Bond proceeds			7,800,000
Transfers in	25,000	215,000	
Total Receipts	<u>2,783,580</u>	<u>488,385</u>	<u>7,800,167</u>
Disbursements:			
General government	977,916		
Law enforcement	694,292		
Highways and streets		463,743	
Public safety	203,158		
Recreation and culture	64,238		
Debt service	9,922		
Transfers out	215,000	25,000	
Contribution to Water and Sewer Department	317,561		7,352,933
Net bond issue costs			205,211
Total Disbursements	<u>2,482,087</u>	<u>488,743</u>	<u>7,558,144</u>
Cash Balance, December 31, 2017	\$ 1,839,272	\$ 588,444	\$ 242,023

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

	Street	Emergency Vehicle (Act 988)	Fire Equipment and Training (Act 833)	Undercover Operations	Total
Cash Balance, January 1, 2017	\$ 557,411	\$ 20,945	\$ 10,346	\$ 100	\$ 588,802
Receipts:					
State aid	179,190		18,731		197,921
Property taxes	63,412				63,412
Fines, forfeitures, and costs		8,885			8,885
Interest	2,015	15	17		2,047
Other	1,120				1,120
Transfers in	215,000				215,000
Total Receipts	460,737	8,900	18,748		488,385
Disbursements:					
Highways and streets	463,743				463,743
Transfers out		25,000			25,000
Total Disbursements	463,743	25,000			488,743
Cash Balance, December 31, 2017	\$ 554,405	\$ 4,845	\$ 29,094	\$ 100	\$ 588,444

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

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General Fund, Money Market, General Fund Building Money Market, and Payroll Cleaning

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

	December 31, 2017
Land	\$ 61,319
Buildings	347,534
Equipment	1,054,974
Total	<u>\$ 1,463,827</u>

4. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2017
Leases payable	\$ 18,892
Bonds payable	7,800,000
Construction contracts	789,344
Total	<u>\$ 8,608,236</u>

CITY OF TONTITOWN, ARKANSAS
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