

City of Tontitown, Arkansas

Financial and Compliance Report

December 31, 2018

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF TONTITOWN, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2018

Financial and Compliance Report

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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, 2018, and have issued our report thereon dated October 29, 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 commentary contained in this section relates to the following officials who held office during 2018:

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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
October 29, 2019
LOM218418

CITY OF TONTITOWN, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2018	\$ 1,839,272	\$ 588,444
Receipts:		
State aid	53,966	187,773
Federal aid	11,928	14,032
Property taxes	377,939	68,175
Franchise fees	450,989	
Sales taxes	1,441,473	
Fines, forfeitures, and costs	182,699	17,460
Interest	15,411	1,963
Local permits and fees	307,860	
Contribution from Water and Sewer Department	250,000	
Other	119,102	8,805
Transfers in	32,773	
Total Receipts	<u>3,244,140</u>	<u>298,208</u>
Disbursements:		
General government	1,724,095	
Law enforcement	784,959	
Highways and streets		192,210
Public safety	336,300	
Recreation and culture	58,337	
Contributions to Water and Sewer Department	373,779	
Debt Service	9,922	
Transfers out		32,773
Total Disbursements	<u>3,287,392</u>	<u>224,983</u>
Cash Balance, December 31, 2018	<u>\$ 1,796,020</u>	<u>\$ 661,669</u>

CITY OF TONTITOWN, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (UNAUDITED)

Schedule 2

	Street	Emergency Vehicle (Act 988)	Fire Equipment and Training (Act 833)	Undercover Operations	Total
Cash Balance, January 1, 2018	\$ 554,405	\$ 4,845	\$ 29,094	\$ 100	\$ 588,444
Receipts:					
State aid	172,298		15,475		187,773
Federal aid	14,032				14,032
Property taxes	68,175				68,175
Fines, forfeitures, and costs		17,460			17,460
Interest	1,922	9	32		1,963
Other	2,005	6,800			8,805
Total Receipts	<u>258,432</u>	<u>24,269</u>	<u>15,507</u>		<u>298,208</u>
Disbursements:					
Highways and streets	192,210				192,210
Transfers out		25,380	7,393		32,773
Total Disbursements	<u>192,210</u>	<u>25,380</u>	<u>7,393</u>		<u>224,983</u>
Cash Balance, December 31, 2018	<u>\$ 620,627</u>	<u>\$ 3,734</u>	<u>\$ 37,208</u>	<u>\$ 100</u>	<u>\$ 661,669</u>

CITY OF TONTITOWN, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (UNAUDITED)

Schedule 3

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, General Fund Building Money Market, and Payroll Clearing

3. The Municipality's fixed asset records are summarized below:

	December 31, 2018
Land	\$ 61,319
Buildings	1,616,472
Equipment	1,188,770
Total	\$ 2,866,561

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

	December 31, 2018
Leases payable	\$ 9,633

5. The 2017 financial statements and other information included activity and a cash balance for the Debt Service Fund. This fund was included in the 2018 Water and Sewer audit, so the fund is not included in this report.