

Town of Houston, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HOUSTON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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 Houston, 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 Houston, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 4, 2022. 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 commentary contained in this section relates to the following officials who held office during 2021:

Mayor: David Starkey
Recorder/Treasurer: Leisa Johnson
Police Chief: Mark Montgomery

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.

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 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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
April 4, 2022
LOM308521

TOWN OF HOUSTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 38,465	\$ 54,056
Receipts:		
State aid	2,727	21,456
Federal aid	18,128	4,000
Property taxes	6,751	1,352
Franchise fees	7,428	
Sales taxes	12,884	
Fines, forfeitures, and costs	1,468	
Interest	312	
Local permits and fees		295
Rent	4,049	
Contributions from water department	18,400	
Donations		175
Other	439	
Total Receipts	<u>72,586</u>	<u>27,278</u>
Disbursements:		
General government	44,629	
Law enforcement	7,766	98
Highways and streets	5,941	7,185
Public safety	380	9,725
American Rescue Plan Act funds remitted to water department	18,081	
Total Disbursements	<u>76,797</u>	<u>17,008</u>
Cash Balance, December 31, 2021	<u>\$ 34,254</u>	<u>\$ 64,326</u>

TOWN OF HOUSTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Volunteer Fire	Fire (Act 833)	Administration of Justice	Grants (Special Funds)	Total
Cash Balance, January 1, 2021	\$ 32,373	\$ 4,439	\$ 12,017	\$ 4,791	\$ 436	\$ 54,056
Receipts:						
State aid	13,658		7,798			21,456
Federal aid		4,000				4,000
Property taxes	1,352					1,352
Local permits and fees		295				295
Donations		175				175
Total Receipts	<u>15,010</u>	<u>4,470</u>	<u>7,798</u>			<u>27,278</u>
Disbursements:						
Law enforcement				98		98
Highways and streets	7,185					7,185
Public safety			9,725			9,725
Total Disbursements	<u>7,185</u>		<u>9,725</u>	<u>98</u>		<u>17,008</u>
Cash Balance, December 31, 2021	<u>\$ 40,198</u>	<u>\$ 8,909</u>	<u>\$ 10,090</u>	<u>\$ 4,693</u>	<u>\$ 436</u>	<u>\$ 64,326</u>

TOWN OF HOUSTON, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

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

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

	December 31, 2021
Land	\$ 27,301
Buildings	119,202
Equipment	<u>633,686</u>
Total	<u><u>\$ 780,189</u></u>

3. The Town received federal funding in the following amounts related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	<u><u>\$ 18,128</u></u>