

Town of Portia, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF PORTIA, 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 Vice Chair



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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 Portia, 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 Portia, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated February 24, 2023. These procedures were not performed for the Water and Sewer Fund. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2021:

Mayor: Kelly Duckworth
Recorder/Treasurer: Pashia Ridge

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 office of the **Recorder/Treasurer**.

Recorder/Treasurer

The Town's bank accounts were under collateralized by \$148,697 (37% of total deposits) as of December 31, 2021, in noncompliance with Ark. Code Ann. § 19-8-107.

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
February 24, 2023
LOM313021

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

Schedule 1

	General Fund	Special Revenue Funds	Community Building Reserve Debt Service Fund
Cash Balance, January 1, 2021	\$ 198,531	\$ 104,926	\$ 5,301
Receipts:			
State aid	7,071	42,198	
Federal aid		42,954	
Property taxes	5,623	3,308	
Franchise fees	15,384	3,846	
Sales taxes	95,395		
Interest			1
Local permits and fees	15	5,349	
Sanitation fees	35,917		
Rental	1,200	2,300	
Donations		3,854	
Other	7,961	280	
Transfers in			444
Total Receipts	<u>168,566</u>	<u>104,089</u>	<u>445</u>
Disbursements:			
General government	91,847		
Highways and streets		30,143	
Public safety		12,648	
Sanitation	36,521		
Recreation and culture	4,547	50	
Debt service		4,428	
Transfers out		444	
Total Disbursements	<u>132,915</u>	<u>47,713</u>	
Cash Balance, December 31, 2021	<u>\$ 234,182</u>	<u>\$ 161,302</u>	<u>\$ 5,746</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Fire Department	Community Building	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 70,081	\$ 10,596	\$ 16,735	\$ 7,514		\$ 104,926
Receipts:						
State aid	35,760	6,438				42,198
Federal aid			1,000		\$ 41,954	42,954
Property taxes	3,308					3,308
Franchise fees				3,846		3,846
Local permits and fees			5,349			5,349
Rental				2,300		2,300
Donations			3,854			3,854
Other	80		200			280
Total Receipts	<u>39,148</u>	<u>6,438</u>	<u>10,403</u>	<u>6,146</u>	<u>41,954</u>	<u>104,089</u>
Disbursements:						
Highways and streets	30,143					30,143
Public safety		5,446	7,202			12,648
Recreation and culture				50		50
Debt service				4,428		4,428
Transfers out				444		444
Total Disbursements	<u>30,143</u>	<u>5,446</u>	<u>7,202</u>	<u>4,922</u>		<u>47,713</u>
Cash Balance, December 31, 2021	<u>\$ 79,086</u>	<u>\$ 11,588</u>	<u>\$ 19,936</u>	<u>\$ 8,738</u>	<u>\$ 41,954</u>	<u>\$ 161,302</u>

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

Schedule 3

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, Garbage, Picnic, and Firemen's Pension
3. The Municipality's capital assets records are summarized below:

	December 31, 2021
Land	\$ 59,505
Buildings	440,272
Equipment	<u>217,325</u>
Total	<u><u>\$ 717,102</u></u>

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

	December 31, 2021
Notes payable	<u><u>\$ 34,439</u></u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u><u>\$ 41,954</u></u>