

City of Judsonia, Arkansas

Agreed-Upon Procedures Report

December 31, 2008

LEGISLATIVE JOINT AUDITING COMMITTEE



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Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

Independent Accountant's Report on Applying Agreed-Upon Procedures

City of Judsonia, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

We have performed the procedures enumerated below which were agreed to by the management of the City and the Legislative Joint Auditing Committee as of and for the year ended December 31, 2008. Management is responsible for maintaining the financial records and complying with state law. The procedures enumerated below were not performed for the following: Water and Sewer System and Evergreen Cemetery Fund. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings for the General (General, Sanitation and City), Special Revenue (Street, Criminal Activity, Criminal Justice, Local Police and Fire Retirement and Court Automation) and Trust and Agency (Court, Administration of Justice and Firemen's Pension Trust) Funds are as follows:

Cash and Investments

1. Determine the ending book balance is within 10% or \$500, whichever is greater, of the proof of cash ending balance.

We found no exceptions as a result of the above procedure.

Receipts

2. a. Determine total receipts per journal are within 10% or \$500, whichever is greater, of deposits per proof of cash.
b. Determine state turnback, sales taxes, fire protection funds and pension funds paid by the State of Arkansas were deposited in the proper fund.
c. Add one month's receipts issued and determine they are within 10% or \$100, whichever is greater, of deposits per bank accounts for all funds except the Court Fund.
d. If more than 500 receipts were issued for the Court Fund, add two months receipts issued and determine the total is within 10% or \$100, whichever is greater, of the deposits per bank accounts.

We found no exceptions as a result of the above procedures.

Disbursements

3. a. Determine total disbursements per journal are within 10% or \$500, whichever is greater, of disbursements per proof of cash.
b. For the General and Street Funds, determine total disbursements did not exceed total appropriations by more than 20%.
c. For 10% of disbursements (maximum of 30 for all funds, with at least one disbursement per fund except the Court Fund), determine disbursements were documented and paid in accordance with any applicable code provisions. (Materiality level - 10% of the total dollars of selected disbursements or \$500, whichever is greater.)
d. For one month, determine court costs were remitted to the Department of Finance and Administration (DFA).

We found no exceptions as a result of the above procedures.

Uniform Traffic Tickets

4. Randomly select ten uniform traffic tickets and trace them to the court docket and receipt for payment or to an outstanding warrant, the continued cases list or dismissal of the case by the Judge.

We found no exceptions as a result of the above procedures.

State Law Compliance

5. Evaluate the extent to which the City complied with the following state laws as of and for the year ended December 31, 2008:
 - a. Municipal Accounting Law (§ 14-59-101 et seq.)
 - b. Improvement Contracts (§§ 22-9-202 to -204)
 - c. Budgets (§§ 14-58-201 to -203)
 - d. Investment of Public Funds (§ 19-1-501 et seq.)
 - e. Deposit of Public Funds (§§ 19-8-101 to -107)
 - f. Review of Report by Governing Body (§ 10-4-418)
 - g. City Courts Accounting Law (§§ 16-10-201 to -210)

The findings contained in this section relate to the following officials who held office during 2008:

Mayor: Rickey Veach
Recorder/Treasurer: LaJunta Whitener
City Court Clerk: Sophie House
Police Chief: Ray Coffman

We found the following exceptions as a result of the above procedures:

Recorder/Treasurer

A listing of fixed assets was established, but again did not include additions, deletions and a control total as required by Ark. Code Ann. § 14-59-107.

Prenumbered checks were not issued in the Court Automation Fund as required by Ark. Code. Ann. § 14-59-106.

City Court Clerk

Balances remaining in the bank account were again not identified with receipts issued for cases not yet adjudicated as required by Ark. Code Ann. § 16-10-209. This matter was corrected in January 2009.

Two bond refunds were paid from the General Fund rather than the Court Fund as required by Ark. Code Ann. § 16-10-209.

A control total for installment payments was not established and a monthly list of installment payment accounts for which a payment has not been received within the past thirty days was not furnished to the presiding judge as required by Ark. Code Ann. § 16-10-209.

Installment fees were waived by the City Court Clerk on selected accounts in noncompliance with Ark. Code Ann. § 16-10-209.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 Arkansas Code Annotated § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT



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Little Rock, Arkansas
June 30, 2009
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