# City of Subiaco, Arkansas

## Financial and Compliance Report

**December 31, 2017 and 2016**

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF SUBIACO, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Financial and Compliance Report


| | Schedule |
|---|---|
| 2017 | |
| Schedule of Financial Information (Unaudited) | 1 |
| 2016 | |
| Schedule of Financial Information (Unaudited) | 2 |
| 2017 and 2016 | |
| Other Information (Unaudited) | 3 |

Arkansas

**Sen. Jason Rapert**
Senate Chair
**Sen. Eddie Cheatham**
Senate Vice Chair

**Rep. Richard Womack**
House Chair
**Rep. DeAnn Vaught**
House Vice Chair

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

# LEGISLATIVE JOINT AUDITING COMMITTEE
## ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Subiaco, 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 Subiaco, Arkansas, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated November 9, 2018. These procedures were not performed for the Water Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings in this section relate to the following officials who held office during 2017 and 2016:

Mayor: Bobby Sewell
Recorder/Treasurer: Jill Sewell

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 above offices were not in substantial compliance with Arkansas fiscal and financial laws.

**Mayor**

The City did not obtain an annual audit or an annual agreed-upon procedures and compilation report for the Water Department, as required by Ark. Code Ann. § 14-234-119.

**Recorder/Treasurer**

Bank account reconciliations were not approved by someone other than the person preparing the reconciliations, as required by Ark Code Ann § 14-59-108.

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

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

Little Rock, Arkansas
November 9, 2018
LOM223617

Schedule 1

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

| | General Fund | Special Revenue Fund (Street) |
|---|---|---|
| Cash Balance, January 1, 2017 | $ 1,238,438 | $ 78,195 |
| Receipts: | | |
| State aid | 9,072 | 39,349 |
| Property taxes | 17,457 | 15,404 |
| Franchise fees | 203,608 | |
| Sales taxes | 55,516 | |
| Interest | 4,732 | 13 |
| Other | 63 | |
| Total Receipts | 290,448 | 54,766 |
| Disbursements: | | |
| General government | 76,664 | |
| Highways and streets | | 65,531 |
| Recreation and culture | 2,365 | |
| Total Disbursements | 79,029 | 65,531 |
| Cash Balance, December 31, 2017 | $ 1,449,857 | $ 67,430 |

CITY OF SUBIACO, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Schedule 2

| | General Fund | Special Revenue Fund (Street) |
|---|---|---|
| Cash Balance, January 1, 2016 | $ 1,110,104 | $ 37,353 |
| Receipts: | | |
| State aid | 22,753 | 37,785 |
| Property taxes | 16,238 | 14,329 |
| Franchise fees | 98,476 | |
| Sales taxes | 54,221 | |
| Interest | 4,775 | 13 |
| Other | 1,161 | |
| Total Receipts | 197,624 | 52,127 |
| Disbursements: | | |
| General government | 53,956 | |
| Highways and streets | | 11,285 |
| Recreation and culture | 15,334 | |
| Total Disbursements | 69,290 | 11,285 |
| Cash Balance, December 31, 2016 | $ 1,238,438 | $ 78,195 |

CITY OF SUBIACO, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(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 and Money Market

3. Cash balances at year-end in the agency funds are as follows:

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Payroll Fund | $ 6,672 | $ 19,082 |

These balances represent transfers from other funds in excess of payroll disbursements.

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

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Land | $ 89,305 | $ 89,305 |
| Buildings | 35,731 | 35,731 |
| Improvements | 434,497 | 434,497 |
| Equipment | 123,364 | 123,364 |
| Total | $ 682,897 | $ 682,897 |