

City of Black Rock, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BLACK ROCK, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Black Rock, 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 Black Rock, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated August 16, 2018. 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 finding/commentary contained in this section relates to the following officials who held office during 2017:

Mayor: Bonnie Ragsdale
Recorder/Treasurer: Taressia Stinnett
Police Chief: Daniel Hill (resigned August 3, 2017)

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 **Recorder/Treasurer** office was in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of Mayor.

Mayor

General Fund expenditures exceeded budgeted amounts by \$75,029 (40%), in noncompliance with Ark. Code Ann. § 14-58-203.

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
August 16, 2018
LOM201217

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2017	182,143	131,322
Receipts:		
State aid	10,499	56,879
Federal aid		100
Property taxes	6,666	4,761
Franchise fees	15,896	4,994
Sales taxes	171,109	
Fines, forfeitures, and costs	42,892	7,568
Interest	473	69
Local permits and fees	700	11,951
Rental income	3,975	5,501
Donations		4,355
Other	2,756	13,876
Contributions from water and sewer department	2,845	
Transfers in		25,000
Total Receipts	<u>257,811</u>	<u>135,054</u>
Disbursements:		
General government	148,202	
Law enforcement	50,937	37,363
Highways and streets		82,895
Public safety		41,159
Recreation and culture		17,928
Transfers out	25,000	
Contributions to water and sewer department	35,475	
Unclassified	3,664	
Total Disbursements	<u>263,278</u>	<u>179,345</u>
Cash Balance, December 31, 2017	<u>\$ 176,676</u>	<u>\$ 87,031</u>

CITY OF BLACK ROCK, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Jail</u>	<u>Fire Department</u>	<u>School</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 21,764	\$ 59,060	\$ 43,204	\$ 7,294	\$ 131,322
Receipts:					
State aid	45,540		11,339		56,879
Federal aid			100		100
Property taxes	4,761				4,761
Franchise fees	4,994				4,994
Fines, forfeitures, and costs		7,568			7,568
Interest			64	5	69
Local permits and fees			11,951		11,951
Rental income				5,501	5,501
Donations				4,355	4,355
Other	5,197		5,832	2,847	13,876
Transfers in	25,000				25,000
Total Receipts	<u>85,492</u>	<u>7,568</u>	<u>29,286</u>	<u>12,708</u>	<u>135,054</u>
Disbursements:					
Law enforcement		37,363			37,363
Highways and streets	82,895				82,895
Public safety			41,159		41,159
Recreation and culture				17,928	17,928
Total Disbursements	<u>82,895</u>	<u>37,363</u>	<u>41,159</u>	<u>17,928</u>	<u>179,345</u>
Cash Balance, December 31, 2017	<u>\$ 24,361</u>	<u>\$ 29,265</u>	<u>\$ 31,331</u>	<u>\$ 2,074</u>	<u>\$ 87,031</u>

CITY OF BLACK ROCK, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
(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:

	<u>December 31, 2017</u>
Land	\$ 90,482
Buildings	220,901
Equipment	<u>626,921</u>
Total	<u>\$ 938,304</u>