

City of Sparkman, Arkansas

Financial and Compliance Report

December 31, 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF SPARKMAN, ARKANSAS
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Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Sparkman, 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 Sparkman, Arkansas, as of and for the year ended December 31, 2019, and have issued our report thereon dated December 9, 2020. 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 findings contained in this section relate to the following officials who held office during 2019:

Mayor: Rickey Craig
Recorder/Treasurer: Rita Fite
District Court Clerk: Rita Fite
Police Chief: Mitch Johnson

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.

Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

The minutes of the governing body did not document the review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann § 10-4-418.

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
December 9, 2020
LOM217219

CITY OF SPARKMAN, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2019	\$ 108,407	\$ 70,315
Receipts:		
State aid	6,751	38,152
Property taxes	7,162	3,586
Franchise fees	16,453	
Sales taxes	47,464	
Fines, forfeitures, and costs	131,490	1,162
Interest	304	
Local permits and fees		6,467
Donations	823	675
Reimbursements from water and sewer	21,147	520
Other	1,745	
Transfers in		16,240
Total Receipts	<u>233,339</u>	<u>66,802</u>
Disbursements:		
General government	110,156	
Law enforcement	76,520	11,704
Highways and streets		39,188
Public safety		21,791
Recreation and culture	8,836	2,908
Transfers out	15,389	851
Total Disbursements	<u>210,901</u>	<u>76,442</u>
Cash Balance, December 31, 2019	<u>\$ 130,845</u>	<u>\$ 60,675</u>

CITY OF SPARKMAN, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (UNAUDITED)

Schedule 2

	Street	Fire Protection Premium Tax (Act 833)	Fire and Rescue	Library	Parks and Recreation	Court Automation	Local Police and Fire Retirement (LOPFI)	Prisoner Care	Total
Cash Balance, January 1, 2019	\$ 17,922	\$ 28,539	\$ 11,770	\$ 1,208	\$ 2,544	\$ 350	\$ 0	\$ 7,982	\$ 70,315
Receipts:									
State aid	30,615	7,537							38,152
Property taxes	2,725		861						3,586
Fines, forfeitures, and costs						1,162			1,162
Local permits and fees			6,467						6,467
Donations					675				675
Reimbursements from water and sewer	510		10						520
Transfers in			1,610			1,971	12,659		16,240
Total Receipts	<u>33,850</u>	<u>7,537</u>	<u>8,948</u>		<u>675</u>	<u>3,133</u>	<u>12,659</u>		<u>66,802</u>
Disbursements:									
Law enforcement						3,285	8,419		11,704
Highways and streets	39,188								39,188
Public safety		12,548	5,003				4,240		21,791
Recreation and culture					2,908				2,908
Transfers out			851						851
Total Disbursements	<u>39,188</u>	<u>12,548</u>	<u>5,854</u>		<u>2,908</u>	<u>3,285</u>	<u>12,659</u>		<u>76,442</u>
Cash Balance, December 31, 2019	<u>\$ 12,584</u>	<u>\$ 23,528</u>	<u>\$ 14,864</u>	<u>\$ 1,208</u>	<u>\$ 311</u>	<u>\$ 198</u>	<u>\$ 0</u>	<u>\$ 7,982</u>	<u>\$ 60,675</u>

CITY OF SPARKMAN, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, Police, and Police Special Equipment
3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2019
Police Bond and Fine	\$ 25,619

This balance represents fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2019
Land	\$ 32,250
Buildings	260,594
Equipment	217,793
Total	\$ 510,637