

Town of Rose Bud, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF ROSE BUD, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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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

Town of Rose Bud, 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 Rose Bud, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 13, 2018. Management of the Town 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 2017:

Mayor: Tammy Bomar
Recorder/Treasurer: Sammy Davis
District Court Clerk: Robin Hill (December 1, 2017)
Ann Mullens (November 1, 2017 - November 30, 2017)
Margaret Espinosa (January 1, 2017 - October 31, 2017)
Police Chief: Stephen Shaumleffel

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.

Our procedures indicated that the office of **Police Chief** was in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the offices of **Mayor**, **Recorder/Treasurer**, and **District Court Clerk**.

Mayor

Street Fund disbursements exceeded appropriations by \$21,919 (37%), in noncompliance with Ark. Code Ann. § 14-58-203.

Recorder/Treasurer

Adequate supporting documentation was not maintained for all disbursements, as required by Ark. Code Ann. § 14-59-105.

District Court Clerk

We noted the following noncompliance with Ark. Code Ann. § 16-10-209:

- A bank reconciliation was not prepared for the Credit Card bank account. In addition, the Court Fund bank account did not include deposits in transit.
- Cash receipts and disbursements journals were not reconciled monthly to total bank deposits and total bank disbursements, respectively.
- The remaining bank balance was not identified with receipt numbers for cases not yet adjudicated and the payments made on all unpaid individual time accounts.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
September 13, 2018
LOM314117

TOWN OF ROSE BUD, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund - Sewer
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 216,808	\$ 11,266	\$ 179,745
Receipts:			
State aid	7,644	33,157	
Federal aid	3,500	27,004	
Property taxes	11,780	3,563	
Sales taxes	201,753		134,592
Fines, forfeitures, and costs	149,664	2,086	
Interest	591	7	210
Local permits and fees	1,661		42,104
Other	21,649		395
Transfers in		21,000	
Total Receipts	<u>398,242</u>	<u>86,817</u>	<u>177,301</u>
Disbursements:			
General government	87,123		
Law enforcement	179,496	700	
Highways and streets		81,157	
Sanitation			148,168
Recreation and culture	62,538		
Debt service	11,388		
Transfers out	21,000		
Total Disbursements	<u>361,545</u>	<u>81,857</u>	<u>148,168</u>
Cash Balance, December 31, 2017	<u>\$ 253,505</u>	<u>\$ 16,226</u>	<u>\$ 208,878</u>

TOWN OF ROSE BUD, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Court Automation</u>	<u>Total</u>
Cash Balance, January 1, 2017	<u>\$ 8,040</u>	<u>\$ 3,226</u>	<u>\$ 11,266</u>
Receipts:			
State aid	33,157		33,157
Federal aid	27,004		27,004
Property taxes	3,563		3,563
Fines, forfeitures, and costs		2,086	2,086
Interest	7		7
Transfers in	<u>21,000</u>		<u>21,000</u>
Total Receipts	<u>84,731</u>	<u>2,086</u>	<u>86,817</u>
Disbursements:			
Law enforcement		700	700
Highways and streets	<u>81,157</u>		<u>81,157</u>
Total Disbursements	<u>81,157</u>	<u>700</u>	<u>81,857</u>
Cash Balance, December 31, 2017	<u>\$ 11,614</u>	<u>\$ 4,612</u>	<u>\$ 16,226</u>

TOWN OF ROSE BUD, 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. Cash balances at year-end in the agency funds are as follows:

	<u>December 31, 2017</u>
District Court Fund	\$ 25,642
District Court Credit Card Fund	311

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	<u>December 31, 2017</u>
Land	\$ 210,000
Buildings	798,978
Equipment	<u>192,126</u>
Total	<u><u>\$ 1,201,104</u></u>