

City of Black Rock, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BLACK ROCK, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 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, 2021, and have issued our report thereon dated March 10, 2023. 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 2021:

Mayor: Bonnie Ragsdale
Recorder/Treasurer: Sarah Gokey (resigned January 10, 2021)
Darlene Schmidt (appointed January 11, 2021)
Police Chief: Mark VanBrook

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 **Recorder/Treasurer**.

Recorder/Treasurer

The City's accounts were under collateralized by \$82,117 (25% of total deposits) at December 31, 2021, in noncompliance with Ark. Code Ann. § 19-8-107.

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

A handwritten signature in cursive script, reading "Roger A. Norman".

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

Little Rock, Arkansas
March 10, 2023
LOM201221

CITY OF BLACK ROCK, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 156,179	\$ 110,135
Receipts:		
State aid	10,560	66,736
Federal aid		62,362
Property taxes	6,642	4,744
Franchise fees	3,232	20,873
Sales taxes	178,489	
Fines, forfeitures, and costs	51,630	15,113
Interest	258	49
Local permits and fees		11,415
Donations and fundraisers	1,619	11,638
Rental income		9,463
Concessions		916
Other	12,267	970
Total Receipts	<u>264,697</u>	<u>204,279</u>
Disbursements:		
General government	170,944	
Law enforcement	84,736	17,594
Highways and streets		77,863
Public safety		18,488
Recreation and culture		14,661
Wastewater		2,850
Total Disbursements	<u>255,680</u>	<u>131,456</u>
Cash Balance, December 31, 2021	<u>\$ 165,196</u>	<u>\$ 182,958</u>

CITY OF BLACK ROCK, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Jail	Fire Department	School	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 24,945	\$ 43,828	\$ 37,210	\$ 4,152		\$ 110,135
Receipts:						
State aid	53,122		13,614			66,736
Federal aid					\$ 62,362	62,362
Property taxes	4,744					4,744
Franchise fees	20,873					20,873
Fines, forfeitures, and costs		15,113				15,113
Interest			48	1		49
Local permits and fees			11,415			11,415
Donations and fundraisers			4,286	7,352		11,638
Rental income				9,463		9,463
Concessions				916		916
Other			100	870		970
Total Receipts	78,739	15,113	29,463	18,602	62,362	204,279
Disbursements:						
Law enforcement		15,039			2,555	17,594
Highways and streets	77,863					77,863
Public safety			18,488			18,488
Recreation and culture				14,661		14,661
Wastewater					2,850	2,850
Total Disbursements	77,863	15,039	18,488	14,661	5,405	131,456
Cash Balance, December 31, 2021	\$ 25,821	\$ 43,902	\$ 48,185	\$ 8,093	\$ 56,957	\$ 182,958

CITY OF BLACK ROCK, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(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:

	December 31, 2021
	<hr/>
Land	\$ 76,425
Buildings	166,666
Equipment	<hr/> 606,073
Total	<hr/> <hr/> \$ 849,164

3. The City received federal funding of the following amount related to COVID-19 relief:

	December 31, 2021
	<hr/>
American Rescue Plan Act (ARPA)	<hr/> \$ 62,362