

TOWN OF BAUXITE ARKANSAS

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2023

Stephen P. Savage, CPA
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Monticello, AR 71657
501-766-3606

Independent Accountant's Report
On Applying Agreed-Upon Procedures

City Council of Bauxite, Arkansas

We have performed the procedures enumerated below which were agreed to by the City Council of the Town of Bauxite, Arkansas, solely to assist you with respect to compliance with Arkansas state statutes (as listed below) as of and for the year ended December 31, 2023. The town of Bauxite Arkansas's management is responsible for compliance with Arkansas state statutes. The sufficiency of these procedures is solely the responsibility of the City Council of the Town of Bauxite, Arkansas. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings for the General, Special Revenue (Street and Courts Automation) and Capital Projects Fund are as follows:

Cash and Investments

1. We determined that the ending book balance is within 10% or \$1000/\$500, whichever is greater, of the proof of cash ending balance.

Finding: We could not reconcile the following:

1. General Revenue Fund Account 44237
2. Street Fund Account 44261

Recommendation: We recommend the Town prepare bank reconciliations for all accounts each month and research any reconciling items.

Receipts

2. a. We determined that total receipts per journal are within 10% or \$1000/\$500, whichever is greater, of deposits per proof of cash.

Finding: We could not reconcile the following:

1. General Revenue Fund Account 44237
2. Street Fund Account 44261
3. Police Fund Account 44350

Recommendation: We recommend the Town prepare bank reconciliations for all accounts each month and research any reconciling items.

- b. We determined state turnback sales tax, fire protection funds, and pension funds paid by the State of Arkansas were deposited in the proper fund.

No Finding

- c. We added one month's receipts issued and determined they are within 10% or \$250/\$100, whichever is greater, of deposits per bank accounts for all funds except the Bond and Fine, Court, and Payroll Funds.

No Finding

- d. We added all receipts for the year and determined they are within 10% or \$1000/\$500, whichever is greater, of deposits per the proof of cash for the Bond and Fine and Court Funds.

Finding: We could not reconcile the Bond and Fine and Court Funds

Recommendation: We recommend the Town prepare bank reconciliations for all accounts each month and research any reconciling items.

- e. We determined that the entity contained an "affected highway" as defined in Ark. Code Ann. 12-8-402. We determined that revenues resulting from fines and costs for traffic offense citations, arrests made and moneys resulting from ancillary actions related to the enforcement of a traffic offense (including failure to appear and failure to pay if the traffic offense is a misdemeanor; violation of state law; or violation of a local ordinance for the municipality) by the municipality's law enforcement agency did not exceed 30% of the department expenditures, fiduciary fund expenditures, enterprise fund expenditures, and debt service expenditures).

No Finding

Disbursements

3. a. We determined total disbursements per the journal are within 10% or \$1000/\$500, whichever is greater, of disbursements per proof of cash.

Finding: We could not reconcile the following:

1. General Revenue Fund Account 44237
2. Street Fund Account 44261
3. 833 Fund Account 44393

Recommendation: We recommend the Town prepare bank reconciliations for all accounts each month and research any reconciling items.

- b. For the General and Street Funds, we determined that total disbursements did not exceed total appropriations by more than 20%.

No Finding

- c. For 10% of disbursements (maximum of 30 for all funds, with at least one disbursement per fund), we determined that disbursements were documented in accordance with any applicable code provisions. (Materiality level – 10% of the total dollars of selected disbursements or \$1000/\$500, whichever is greater.)

No Finding

- d. For one month we determined that court costs were remitted to the Department of Finance and Administration (DFA).

No Finding

Uniform Traffic Tickets

- 4. a. We randomly selected ten uniform traffic tickets and traced them to the court docket and receipt for payment or to an outstanding warrant, the continued cases list, or dismissal of the case by the Judge.

No Finding

- b. We determined that not more than 50% of speeding citations were issued for ten (10) miles per hour or less over the posted speed limit.

No Finding

State Law Compliance

- 5. We evaluated the extent to which the Town of Bauxite, Arkansas complied with the following state laws as of and for the year ended December 31, 2023.
 - a. Municipal Accounting Law (14-59-101 et seq.)
 - b. District/City Courts Accounting Law (16-10-201 to -210)
 - c. Improvement Contracts (22-9-202 to -204)
 - d. Budgets (14-58-201 to -203)
 - e. Investment of Public Funds (19-1-501 et. Seq.)
 - f. Deposit of Public Funds (19-8-101 to -107)
 - g. Review of Report by Governing Body (10-4-418)
 - h. Arkansas Speed Trap Law (12-8-401 to -403)
 - i. Purchases and Payments of Claims, etc. (14-58-301 et seq.)

We found no exceptions as a result of the above procedures.

GENERAL

6. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

On February 26, 2024 the City Council passed a resolution:

“RESOLUTION AUTHORIZING THE RECORDER/TREASURER TO UTILIZE FEBRUARY 2024 MONTH END ACCOUNT RECORDS AS THE STARTING POINT FOR ACCOUNTING SOFTWARE RECORDS RESET AS OF MARCH 1, 2024”

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We are not engaged to and did not express an opinion or conclusion, respectively, on compliance with Arkansas state statutes. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Council of the Town of Bauxite, Arkansas 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. Section 10-40417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.



Stephen P. Savage, CPA
June 24, 2024

TOWN OF BAUXITE, ARKANSAS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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The City Council of the
Town of Bauxite, Arkansas

Management is responsible for the accompanying schedule of cash receipts, disbursements and changes in cash basis fund balances, combining schedule of cash receipts, disbursements and changes in cash basis fund balances – special revenue funds, and selected information (the “Statements”) of Town of Bauxite, Arkansas (the “City”) as of December 31, 2023, in accordance with the cash basis of accounting and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statement.

Management has elected to omit substantially all the disclosures ordinarily included in the financial statements prepared under the cash basis of accounting. If the omitted disclosures were included with the Statements, they might influence the user’s conclusions about the City’s financial position, results of operations and cash flows. Accordingly, these Statements are not designed for those who are not informed about such matters.



Stephen P. Savage, CPA
June 24, 2024

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR YEAR ENDED DECEMBER 31, 2023**

	General Fund	Special Revenue Funds
Cash Balance January 1, 2023	\$ 38,304	\$ 43,992
Receipts		
State Aid	8,936	\$ 48,857
Property Taxes		
Franchise Fees	56,028	
Sales Taxes	355,417	93,187
Fines, forfeitures, and cost	119,384	
Interest	52	132
Local permits and fees	87,933	
Contributions from Water Department	7,775	0
Contributions from County	53,073	21,162
Sale of Equipment		
Other	62,694	113,361
Transfers in	1,200	226,207
	<u>752,492</u>	<u>502,906</u>
Disbursements		
General Government	\$ 368,690	
Law enforcement	281,871	259,367
Highways and streets		101,393
Public safety		
Recreation and culture		
Contributions to water department		
Debt service		
Transfers out		127,094
Total Cash Disbursements	<u>\$ 650,561</u>	<u>\$ 487,854</u>
Cash Balance December 31, 2023	<u>\$ 140,235</u>	<u>\$ 59,044</u>

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR YEAR ENDED DECEMBER 31, 2023**

	<u>Street</u>	<u>Fire Protection Act</u>	<u>Fire Department</u>	<u>Public Safety</u>	<u>Court Automation</u>	<u>Total</u>
Cash Balance January 1, 2023	\$ 15,971	\$ 5,163	\$ 7,566	\$ 3,406	\$ 11,887	\$ 43,992
Receipts						
State aid	48,857					48,857
Property taxes						
Sales taxes	62,938	24,779		5,469		93,187
Fines, forfeitures, and costs				106,275		
Interest	19		0	114		132
Contributions from county	21,162					21,162
Sale of equipment						
Other	4,500	1,000	1,586			7,086
Transfers in	117,765	32,663		75,779		226,207
Total Receipts	<u>255,241</u>	<u>58,442</u>	<u>1,586</u>	<u>187,637</u>		<u>502,906</u>
Disbursements						
Highways and streets	259367					259367
Public safety		63349		38044		101393
Recreation and culture						
Debt service						
Transfers out				127094		127094
Total Cash Disbursements	<u>259367</u>	<u>63349</u>		<u>165138</u>		<u>487854</u>
Cash Balance, December 31, 2023	<u>\$11,845</u>	<u>\$256</u>	<u>\$9,152</u>	<u>\$25,905</u>	<u>\$11,887</u>	<u>\$59,044</u>

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR YEAR ENDED DECEMBER 31, 2023**

- 1 Cash balances on the Financial Schedules include demand accounts.
- 2 The General Fund column on the Financial Schedules includes the following bank accounts:
General and Police Fund
- 3 Cash balances at year-end in the agency funds are as follows:

	<u>December 31, 2023</u>
District Court f \$	35665

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

- 4 The Municipality's fixed asset records are summarized below:

	<u>December 31, 2023</u>
Land	\$ 89000
Buildings	525000
Equipment	<u>897218</u>
 Total	 <u>\$ 1511218</u>

- 5 The outstanding balance at year-end for long-term liabilities is as follows:

	<u>December 31, 2023</u>	
Notes payable	\$ 104556	3 auto loans

- 6 On June 19, 2017, the Town of Bauxite passed a Resolution no. 2017-5, authorizing an agreement with the City of Bryant District Court to absorb the workload of the Bauxite District Court. The Town of Bauxite will pay \$1,200 a month to the City of Bryant as payment for this agreement. The Bryant District Court Clerk is listed in the report as Town of Bauxite District Court Clerk.