

Town of Roe, Arkansas

Financial and Compliance Report

December 31, 2021, 2020, and 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF ROE, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Roe, 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 Roe, Arkansas, as of and for the years ended December 31, 2021, 2020, and 2019, and have issued our report thereon dated December 13, 2022. These procedures were not performed for the Water and Sewer Department. 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 2021, 2020, and 2019:

Mayor: Nick Self (appointed June 16, 2022)
Mayor: Travis Hackelton (resigned December 31, 2021)
Recorder/Treasurer: Hannah Nowlin (appointed March 10, 2022)
Recorder/Treasurer: Sarah Moore (resigned March 10, 2022)

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.

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

Mayor

According to the June 14, 2017, Town Council minutes, restricted Street Fund monies totaling \$20,000 were loaned to the Water and Sewer Department, in noncompliance with Ark. Code Ann. §§ 26-79-104, 27-70-207. Repayment of the balance began in February of 2019. The balance due the Street Fund from the Water and Sewer Department was \$18,250 as of December 31, 2021. A similar finding was issued in the prior report.

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

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

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

Little Rock, Arkansas
December 13, 2022
LOM313921

TOWN OF ROE, 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	\$ 18,281	\$ 81,278
Receipts:		
State aid	1,721	8,473
Federal aid		9,945
Property taxes	1,678	1,481
Franchise fees	3,609	
Sales taxes	9,595	
Interest	55	218
Other		600
Total Receipts	<u>16,658</u>	<u>20,717</u>
Disbursements:		
General government	7,947	
Highways and streets	2,730	3,829
Total Disbursements	<u>10,677</u>	<u>3,829</u>
Cash Balance, December 31, 2021	<u>\$ 24,262</u>	<u>\$ 98,166</u>

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

Schedule 2

	Street	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 81,278		\$ 81,278
Receipts:			
State aid	8,473		8,473
Federal aid		\$ 9,945	9,945
Property taxes	1,481		1,481
Interest	218		218
Other	600		600
Total Receipts	10,772	9,945	20,717
Disbursements:			
Highways and streets	3,829		3,829
Cash Balance, December 31, 2021	\$ 88,221	\$ 9,945	\$ 98,166

TOWN OF ROE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Fund (Street)
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 11,685	\$ 73,193
	<u> </u>	<u> </u>
Receipts:		
State aid	1,691	8,606
Property taxes	1,571	1,386
Franchise fees	3,764	
Sales taxes	10,280	
Interest	32	212
Other		600
Total Receipts	<u>17,338</u>	<u>10,804</u>
	<u> </u>	<u> </u>
Disbursements:		
General government	8,012	
Highways and streets	2,730	2,719
Total Disbursements	<u>10,742</u>	<u>2,719</u>
	<u> </u>	<u> </u>
Cash Balance, December 31, 2020	<u>\$ 18,281</u>	<u>\$ 81,278</u>

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

Schedule 4

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2019	\$ 10,527	\$ 66,464
Receipts:		
State aid	1,802	8,174
Property taxes	1,518	1,309
Franchise fees	3,555	
Sales taxes	9,045	
Interest	21	193
Other	12	550
Total Receipts	<u>15,953</u>	<u>10,226</u>
Disbursements:		
General government	7,975	
Highways and streets	2,320	3,497
Unclassified	4,500	
Total Disbursements	<u>14,795</u>	<u>3,497</u>
Cash Balance, December 31, 2019	<u>\$ 11,685</u>	<u>\$ 73,193</u>

TOWN OF ROE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Checking and Sales Tax
3. The Municipality's capital assets records are summarized below:

	December 31, 2021	December 31, 2020	December 31, 2019
Land	\$ 160,000	\$ 160,000	\$ 160,000
Buildings	45,000	45,000	45,000
Total	<u>\$ 205,000</u>	<u>\$ 205,000</u>	<u>\$ 205,000</u>

4. The Town received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 9,945</u>