

Town of Rondo, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF RONDO, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2020

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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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 Rondo, 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 Rondo, Arkansas, as of and for the year ended December 31, 2020, and have issued our report thereon dated March 21, 2022. These procedures were not performed for the Sewer Fund. 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 2020:

Mayor: Erma Watson Williams (deceased April 10, 2021)
Amy Oxner (appointed April 20, 2021)
Recorder/Treasurer: Michelle Holden

We evaluated the Town's compliance with certain state laws concerning general 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

Unallowable disbursements were paid from revenues restricted for street purposes of \$1,533, in noncompliance with Ark. Code Ann. § 27-70-207. Also, restricted funds of \$20,848 noted in previous years were not transferred resulting in a total of \$22,381 due from the General Fund to the Street Fund, in noncompliance with Ark. Code Ann. § 14-59-104. A similar finding was issued in the previous seven reports dating back to 2008.

Adequate supporting documentation was not provided for tested disbursements of \$9,067 (85%), in noncompliance with Ark. Code Ann. § 14-59-105.

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
March 21, 2022
LOM314020

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 25,061	\$ 71,719
Receipts:		
State aid	2,938	14,947
Property taxes	6,548	
Sales taxes	16,017	
Sanitation fees	9,192	
Other	2,182	
Transfers in		13,500
Total Receipts	<u>36,877</u>	<u>28,447</u>
Disbursements:		
General government	24,051	
Highways and streets		9,136
Public safety	1,282	1,975
Sanitation	13,793	
Recreation and culture		774
Transfers out	13,500	
Total Disbursements	<u>52,626</u>	<u>11,885</u>
Cash Balance, December 31, 2020	<u>\$ 9,312</u>	<u>\$ 88,281</u>

TOWN OF RONDO, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training (Act 833)	City Park Grant	Total
Cash Balance, January 1, 2020	\$ 33,534	\$ 36,507	\$ 1,678	\$ 71,719
Receipts:				
State aid	14,947			14,947
Transfers in		13,500		13,500
Total Receipts	<u>14,947</u>	<u>13,500</u>		<u>28,447</u>
Disbursements:				
Highways and streets	9,136			9,136
Public safety		1,975		1,975
Recreation and culture			774	774
Total Disbursements	<u>9,136</u>	<u>1,975</u>	<u>774</u>	<u>11,885</u>
Cash Balance, December 31, 2020	<u>\$ 39,345</u>	<u>\$ 48,032</u>	<u>\$ 904</u>	<u>\$ 88,281</u>

TOWN OF RONDO, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

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, Fire Department Fundraising, and Special Emergency Infrastructure)
3. The Municipality's capital assets records are summarized below:

	December 31, 2020
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Land	\$ 28,203
Buildings	47,645
Equipment	<hr/> 22,652
Total	<hr/> <hr/> \$ 98,500