

Town of Rondo, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF RONDO, 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

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, 2021, and have issued our report thereon dated April 11, 2023. 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 2021:

Mayor: Emma Watson (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 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 offices of the **Mayor** and **Recorder/Treasurer**.

Mayor and Recorder/Treasurer

Although Schedule 1 of this report shows a balance of \$19,015, it was brought to our attention that as of December 31, 2021, the General Fund owed a significant amount to the Street Fund. As shown in Note 5 on Schedule 3, when these outstanding amounts were considered, the General Fund had a deficit balance of \$3,366.

Recorder/Treasurer

Restricted Street funds from 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 eight reports dating back to 2008.

A fixed asset listing was not provided for 2021, as required by Ark. Code Ann. § 14-59-107.

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
April 11, 2023
LOM314021

TOWN OF RONDO, 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	\$ 9,312	\$ 88,281
Receipts:		
State aid	3,119	15,618
Federal aid		17,196
Property taxes	5,496	
Franchise fees	3,002	
Sales taxes	17,003	
Other	400	
Total Receipts	<u>29,020</u>	<u>32,814</u>
Disbursements:		
General government	17,037	
Highways and streets		10,988
Public safety	2,280	1,047
Total Disbursements	<u>19,317</u>	<u>12,035</u>
Cash Balance, December 31, 2021	<u>\$ 19,015</u>	<u>\$ 109,060</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	City Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 39,345	\$ 48,032	\$ 904		\$ 88,281
Receipts:					
State aid	15,618				15,618
Federal aid				\$ 17,196	17,196
Total Receipts	<u>15,618</u>			<u>17,196</u>	<u>32,814</u>
Disbursements:					
Highways and streets	10,988				10,988
Public safety		1,047			1,047
Total Disbursements	<u>10,988</u>	<u>1,047</u>			<u>12,035</u>
Cash Balance, December 31, 2021	<u>\$ 43,975</u>	<u>\$ 46,985</u>	<u>\$ 904</u>	<u>\$ 17,196</u>	<u>\$ 109,060</u>

TOWN OF RONDO, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 were not available.
4. The Town received federal funding of the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 17,196

5. Deficit Fund Balance

The schedules included on our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it was brought to our attention that the City of Rondo had significant balances due to other funds at December 31, 2021. The information below begins with the cash balances for the General and Street Funds. The computation includes changes to the cash balances for outstanding amounts owed at year end.

Balances as of December 31, 2021	General Fund	Street Fund
Cash balances per accountant's report	\$ 19,015	\$ 43,975
Due to Street Fund	(22,381)	
Due from General Fund		22,381
Restated balances as of December 31, 2021	\$ (3,366)	\$ 66,356