

Town of Rondo, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF RONDO, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Arkansas



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Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
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, 2023, and have issued our report thereon dated February 4, 2025. 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 2023:

Mayor: Barbara White (appointed January 21, 2023)
Recorder/Treasurer: Robin Bowen (appointed January 21, 2023)

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 offices of **Mayor** and **Recorder/Treasurer**.

Mayor and Recorder/Treasurer

Adequate supporting documentation was not provided for tested disbursements of \$4,132, in noncompliance with Ark. Code Ann. § 14-59-105.

- \$1,485 in fuel purchases that, according to the Mayor and Recorder/Treasurer, were partially placed in their personal vehicles without a documented business purpose.
- \$1,323 in payments to various other vendors.
- \$871, \$405, and \$48 in undocumented reimbursements to the Recorder/Treasurer, another City employee, and the Mayor, respectively.

Without supporting documentation, a business purpose for these expenditures could not be determined.

Mayor

The governing body did not review the prior report at the next scheduled council meeting after receiving the report, and meeting minutes did not adequately document the review of recommendations and actions to be taken, as required by Ark. Code Ann. § 10-4-418.

Recorder/Treasurer

The Town paid unallowable Street Fund expenditures of \$3,543 from the Street Fund for sanitation and salary expenses in noncompliance with Ark. Code Ann. § 27-70-207. In addition, \$918 of restricted property taxes was not remitted to the Street Fund in noncompliance with Ark. Code Ann. § 14-59-104, leaving a balance owed to the Street Fund of \$4,461 on December 31, 2023.

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 black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
February 4, 2025
LOM314023

TOWN OF RONDO, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 18,672	\$ 136,377
Receipts:		
State aid	2,478	28,418
Property taxes	2,639	
Franchise fees	1,560	
Sales taxes	19,936	
Sanitation fees	5,409	7,114
Insurance proceeds	5,333	
Other	7,847	1,617
Transfers in		17,146
Total Receipts	<u>45,202</u>	<u>54,295</u>
Disbursements:		
General government	37,908	325
Highways and streets		8,118
Public safety	4,776	22,118
Sanitation		10,332
Transfers out	17,146	
Total Disbursements	<u>59,830</u>	<u>40,893</u>
Cash Balance, December 31, 2023	<u>\$ 4,044</u>	<u>\$ 149,779</u>

TOWN OF RONDO, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>City Park Grant</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 55,182	\$ 45,899	\$ 904	\$ 34,392	\$ 136,377
Receipts:					
State aid	13,750	14,668			28,418
Sanitation fees	7,114				7,114
Other	1,617				1,617
Transfers in	17,146				17,146
Total Receipts	<u>39,627</u>	<u>14,668</u>			<u>54,295</u>
Disbursements:					
General government	325				325
Highways and streets	8,118				8,118
Public safety		22,118			22,118
Sanitation	10,332				10,332
Total Disbursements	<u>18,775</u>	<u>22,118</u>			<u>40,893</u>
Cash Balance, December 31, 2023	<u>\$ 76,034</u>	<u>\$ 38,449</u>	<u>\$ 904</u>	<u>\$ 34,392</u>	<u>\$ 149,779</u>

TOWN OF RONDO, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

- 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, 2023
Land	\$ 28,203
Buildings	47,645
Equipment	49,356
Total	<u>\$ 125,204</u>