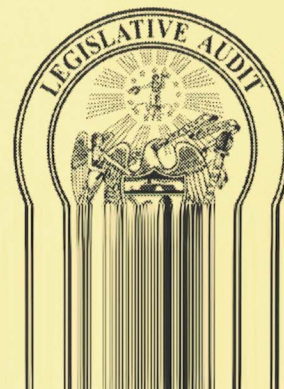


**City of Cedarville, Arkansas**

**Financial and Compliance Report**

**December 31, 2014**

LEGISLATIVE JOINT AUDITING COMMITTEE



# Arkansas

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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Cedarville, 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 City of Cedarville, Arkansas, as of and for the year ended December 31, 2014, and have issued our report thereon dated October 19, 2015. Management of the City 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 2014:

Mayor: Glenanna O'mara  
Recorder/Treasurer: Alicson Reding (resigned April 8, 2014)  
Brenda Breshears (appointed April 15, 2014)  
Police Chief: Blayne Irvin (resigned August 14, 2014)  
Jim Freeman (appointed August 19, 2014, resigned December 22, 2014)  
Larry Merrill (appointed December 24, 2014)

We evaluated the City'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 **Mayor, Recorder/Treasurer, and Police Chief**.

#### Mayor

The City made donations of \$3,600 to the Senior Citizen Lodge without a contract. This appears to conflict with the "public purpose" doctrine discussed in Op. Att'y Gen. no. 91-410 and Ark. Const. art. 12, § 5, which states in part, "No...city...shall...obtain or appropriate money for, or loan its credit to, any corporation, association, institution or individual." A similar finding was issued in the prior report.

#### Recorder/Treasurer

1. Proper authorization by the Mayor or City Council again was not always obtained for disbursements.
2. Fixed asset records again were not updated for additions and deletions. Additionally, the fixed asset register did not contain date of acquisition, serial or property item numbers, or actual cost of fixed asset items, as required by Ark. Code Ann. § 14-59-107.
3. The annual financial statement again was not published/posted by April 1 of the following year, as required by Ark. Code Ann. § 14-59-116. The statement was published on May 6, 2014.
4. Electronic payments again were utilized without the approval of Legislative Joint Auditing Committee, as required by Ark. Code Ann. § 14-59-105.
5. Receipts again were not issued for all items of revenue in the General Fund, as required by Ark. Code Ann. § 14-59-109.

#### Police Chief

Citation books completed during 2014 again were not always filed with the District Court Clerk, as required by Ark. Code Ann. § 16-10-205.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City 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 "Roger A. Norman".

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

Little Rock, Arkansas  
October 19, 2015  
LOM221414

CITY OF CEDARVILLE , ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Fund - Street
Cash Balance, January 1, 2014	\$ 77,568	\$ 59,284
Receipts:		
State aid	54,330	66,282
Property taxes		7,656
Franchise fees	5,661	
Sales taxes	143,425	
Fines, forfeitures, and costs	22,129	
Interest	104	70
Donations	5,982	
Grant income	16,500	
Other	16,592	
Total Receipts	<u>264,723</u>	<u>74,008</u>
Disbursements:		
General government	134,649	
Law enforcement	25,213	
Highways and streets	26,741	25,656
Public safety	41,234	
Recreation and culture	4,185	
Debt service	36,506	1,557
Total Disbursements	<u>268,528</u>	<u>27,213</u>
Cash Balance, December 31, 2014	<u>\$ 73,763</u>	<u>\$ 106,079</u>

CITY OF CEDARVILLE , ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)

Schedule 2

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Police, and Fire Department
3. The Municipality's capital assets records are summarized below:

	December 31, 2014
Land	\$ 50,000
Buildings	187,500
Equipment	<u>341,133</u>
Total	<u>\$ 578,633</u>

4. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2014
Leases payable	\$ 127,217
Notes payable	<u>37,745</u>
Total	<u>\$ 164,962</u>