

City of Atkins, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ATKINS, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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Senate Vice Chair



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House 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

City of Atkins, 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 Atkins, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated September 13, 2023. These procedures were not performed for the Water and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2022:

Mayor: Rowdy Sweet
Recorder/Treasurer: Angela Singleton
District Court Clerk: Crystal Watson
Police Chief: Stephen Pack

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
September 13, 2023
LOM100422

CITY OF ATKINS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Sales and Use Tax Bonds Series 2019 Debt Service Fund	Sales and Use Tax Bonds, Series 2019 Construction Fund	Permanent Fund Cemetery Perpetual Care
Cash and Investments Balances, January 1, 2022	\$ 1,456,574	\$ 720,409	\$ 351,263	\$ 5,343,755	\$ 39,984
Receipts:					
State aid	42,652	519,921			
Federal aid	36,472	314,602			
Property taxes		38,446			
Franchise fees	185,616				
Sales taxes	858,328	16,200	719,859		
Fines, forfeitures, and costs	49,249	8,233			
Interest	2,568	10,562	5,458	34,556	60
Local permits and fees	73,471				
Lot Sales		2,400			
Donations		3,050			
Net increase/(decrease) in fair value of investments		(27,880)			
Other	17,001	4,074			
Total Receipts	<u>1,265,357</u>	<u>889,608</u>	<u>725,317</u>	<u>34,556</u>	<u>60</u>
Disbursements:					
General government	248,814				
Law enforcement	138,842	485,564			
Highways and streets		276,880			
Public safety	145,306	18,586			
Recreation and culture	74,563	19,123		285,470	
Cemetery		6,472			
Water and sewer				2,014,501	
Debt service			745,353		
Total Disbursements	<u>607,525</u>	<u>806,625</u>	<u>745,353</u>	<u>2,299,971</u>	
Cash and Investments Balances, December 31, 2022	<u>\$ 2,114,406</u>	<u>\$ 803,392</u>	<u>\$ 331,227</u>	<u>\$ 3,078,340</u>	<u>\$ 40,044</u>

CITY OF ATKINS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 2

	Street	District Court Automation	Criminal Justice	Fire Equipment and Training (Act 833)	Cemetery Operation and Maintenance	American Rescue Plan Act	Parks and Recreation Grant Fund	Total
Cash and Investments Balances, January 1, 2022	\$ 222,114	\$ 12,953	\$ 1,220	\$ 9,660	\$ 159,856	\$ 314,606		\$ 720,409
Receipts:								
State aid	246,836			23,085			\$ 250,000	519,921
Federal aid						314,602		314,602
Property taxes	38,446							38,446
Sales taxes	16,200							16,200
Fines, forfeitures, and costs		6,135	2,098					8,233
Interest	437	26	1	26	9,193	569	310	10,562
Lot Sales					2,400			2,400
Donations					3,050			3,050
Net increase/(decrease) in fair value of investments					(27,880)			(27,880)
Other	4,074							4,074
Total Receipts	<u>305,993</u>	<u>6,161</u>	<u>2,099</u>	<u>23,111</u>	<u>(13,237)</u>	<u>315,171</u>	<u>250,310</u>	<u>889,608</u>
Disbursements:								
Law enforcement		4,048	1,974			479,542		485,564
Highways and streets	276,880							276,880
Public safety				18,586				18,586
Recreation and culture							19,123	19,123
Cemetery					6,472			6,472
Total Disbursements	<u>276,880</u>	<u>4,048</u>	<u>1,974</u>	<u>18,586</u>	<u>6,472</u>	<u>479,542</u>	<u>19,123</u>	<u>806,625</u>
Cash and Investments Balances, December 31, 2022	<u>\$ 251,227</u>	<u>\$ 15,066</u>	<u>\$ 1,345</u>	<u>\$ 14,185</u>	<u>\$ 140,147</u>	<u>\$ 150,235</u>	<u>\$ 231,187</u>	<u>\$ 803,392</u>

CITY OF ATKINS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

1. Cash and investments balances on the Financial Schedules include demand and savings accounts, certificates of deposit, and mutual funds.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Rural Fire, Matthews Civic Center, LOPFI, Permit Fee, Sales Tax, and Fire Truck

3. Cash balances at year-end in the custodial funds are as follows:

		December 31, 2022
District Court	\$	3,020
Payroll		7,202
Administration of Justice		2

These balances represent fines, forfeitures, and costs and payroll taxes that have not been transferred to the appropriate entities.

4. The Municipality's capital assets records are summarized below:

		December 31, 2022
Land	\$	629,752
Buildings and Improvements		2,283,869
Equipment		1,370,737
Total	\$	4,284,358

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

December 31,
2022

Refunding and Improvement Sales and Use Tax Bonds Series 2019, issued December 18, 2019, in the amount of \$8,160,000. Annual installments of \$180,000 to \$405,000; interest rates from 2.7% to 3.125%. Payments are to be made from the Sales and Use Tax Bonds, Series 2019 Debt Service Fund.

\$ 6,865,000

CITY OF ATKINS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

6. The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Bonds
2023	\$ 583,998
2024	385,665
2025	384,815
2026	383,815
2027	382,665
2028 through 2032	1,930,075
2033 through 2037	1,917,956
2038 through 2042	1,931,075
2043 through 2047	1,765,645
Total Obligations	9,665,709
Less Interest	2,800,709
Total Principal	<u>\$ 6,865,000</u>

Pledged Revenues

The City pledged future 1.5% sales and use taxes to provide funding for all or a portion of the costs of extensions, betterments, and improvements to the City's water and sewer systems in addition to park facilities and improvements and parking, furnishings, equipment, drainage, lighting and utility improvements to the City's park facilities, funding a debt reserve and paying expenses of issuing the Bonds. Total principal and interest remaining on the bonds, at December 31, 2022 were \$6,865,000 and \$2,800,709, respectively, payable through December 1, 2047. For 2022, principal and interest paid were \$525,000 and \$214,658, respectively.

The Debt Service Fund received \$719,859 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds are required to be used for mandatory bond redemption.

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 314,602</u>