

City of Atkins, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ATKINS, 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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Senate Vice Chair

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House Vice Chair

Kevin William White, CPA, JD
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, 2023, and have issued our report thereon dated August 14, 2024. 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 2023:

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 14, 2024
LOM100423

CITY OF ATKINS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(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 Balance, January 1, 2023	\$ 2,114,406	\$ 803,392	\$ 331,227	\$ 3,078,340	\$ 40,044
Receipts:					
State aid	43,469	266,566			
Property taxes		40,529			
Franchise fees	193,669				
Sales taxes	894,249	16,200	773,824		
Fines, forfeitures, and costs	54,421	9,149			
Interest	13,169	14,251	22,896	98,291	486
Local permits and fees	73,701				
Lot sales		1,600			
Donations		2,900			
Sale of equipment	80,000				
Net increase/(decrease) in fair value of investments		6,120			
Other	13,833	7,072			
Transfers in	151,167		60		
Total Receipts	<u>1,517,678</u>	<u>364,387</u>	<u>796,780</u>	<u>98,291</u>	<u>486</u>
Disbursements:					
General government	301,547				
Law enforcement	607,130	5,182			
Highways and streets	173,074	232,163			
Public safety	557,098	24,733			
Recreation and culture	78,693	231,547		37,382	
Cemetery		7,200			
Water and sewer				1,861,584	
Debt service			789,401		
Transfers out		151,167		60	
Total Disbursements	<u>1,717,542</u>	<u>651,992</u>	<u>789,401</u>	<u>1,899,026</u>	
Cash and Investments Balance, December 31, 2023	<u>\$ 1,914,542</u>	<u>\$ 515,787</u>	<u>\$ 338,606</u>	<u>\$ 1,277,605</u>	<u>\$ 40,530</u>

CITY OF ATKINS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (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 Balance, January 1, 2023	\$ 251,227	\$ 15,066	\$ 1,345	\$ 14,185	\$ 140,147	\$ 150,235	\$ 231,187	\$ 803,392
Receipts:								
State aid	241,175			25,391				266,566
Property taxes	40,529							40,529
Sales taxes	16,200							16,200
Fines, forfeitures, and costs		7,053	2,096					9,149
Interest	1,465	85	6	65	11,625	586	419	14,251
Lot sales					1,600			1,600
Donations					2,900			2,900
Net increase/(decrease) in fair value of investments					6,120			6,120
Other	6,785						287	7,072
Total Receipts	<u>306,154</u>	<u>7,138</u>	<u>2,102</u>	<u>25,456</u>	<u>22,245</u>	<u>586</u>	<u>706</u>	<u>364,387</u>
Disbursements:								
Law enforcement		3,040	2,142					5,182
Highways and streets	232,163							232,163
Public safety				24,733				24,733
Recreation and culture							231,547	231,547
Cemetery					7,200			7,200
Transfers out						150,821	346	151,167
Total Disbursements	<u>232,163</u>	<u>3,040</u>	<u>2,142</u>	<u>24,733</u>	<u>7,200</u>	<u>150,821</u>	<u>231,893</u>	<u>651,992</u>
Cash and Investments Balance, December 31, 2023	<u>\$ 325,218</u>	<u>\$ 19,164</u>	<u>\$ 1,305</u>	<u>\$ 14,908</u>	<u>\$ 155,192</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 515,787</u>

CITY OF ATKINS, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (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, 2023
District Court	\$ 1,288
Payroll	7,053
Administration of Justice	5

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, 2023
Land	\$ 629,752
Buildings and Improvements	2,488,969
Equipment	1,981,228
Total	\$ 5,099,949

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

	December 31, 2023
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.	\$ 6,280,000

CITY OF ATKINS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

6. The City is obligated for the following amounts at December 31, 2023:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2024	\$ 597,295
2025	373,475
2026	372,475
2027	371,325
2028	370,025
2029 through 2033	1,875,831
2034 through 2038	1,866,819
2039 through 2043	1,872,069
2044 through 2046	918,743
Total Obligations	<u>8,618,057</u>
Less Interest	<u>2,338,057</u>
Total Principal	<u><u>\$ 6,280,000</u></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, 2023, were \$6,280,000 and \$2,338,057, respectively, payable through December 1, 2046. For 2023, principal and interest paid were \$585,000 and \$198,998, respectively.

The Debt Service Fund received \$773,824 in sales taxes in 2023. Any sales taxes collected in excess of debt service payments on these bonds are required to be used for mandatory bond redemption.