

City of Booneville, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BOONEVILLE, ARKANSAS
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Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Booneville, 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 Booneville, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated January 14, 2025. These procedures were not performed for the Booneville Community Hospital and 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 findings contained in this section relate to the following officials who held office during 2023 and 2022:

Mayor: Edgar Baker (2023)
Jerry Wilkins (2022)
Clerk/Treasurer: Gayleene West
District Court Clerk: Mary Jones
Police Chief: Ben Villarreal

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 office of **Mayor**.

Mayor

The governing body did not document the review of the prior report at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

During our analysis of disbursements for 2023 and 2022, we noted the following areas of noncompliance with Ark. Code Ann. § 14-59-105:

- An invoice for a roofing project in 2023 totaling \$46,734 was paid without supporting documentation. In addition, the roofing contractor was paid \$16,609 more than the approved bid price.
- Invoices totaling \$10,836 and \$27,482 were paid in 2023 and 2022, respectively, without adequate supporting documentation.

During our analysis of disbursements from December 5, 2023 through May 16, 2024, related to the Marcell Phillips Splashpad project, we noted invoices totaling \$421,015 were paid without adequate supporting documentation, in noncompliance with Ark. Code Ann. § 14-59-105.

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

Kevin W. White, CPA, JD,
Legislative Auditor

Little Rock, Arkansas
January 14, 2025
LOM101323

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund - Hospital Bonds
Cash Balance, January 1, 2023	\$ 877,703	\$ 2,354,907	\$ 160,569
Receipts:			
State aid	63,295	365,137	
Federal aid		146,616	
Property taxes	123,355	81,034	
Franchise fees	162,564		
Sales taxes	570,520	1,841,410	132,306
Fines, forfeitures, and costs	50,700	10,220	
Interest	14,358	8,136	6,595
Local permits and fees	3,482	29,877	
Sanitation fees	268,841		
Royalties, rent, and leases	75,131		
Lot sales		3,200	
Contribution from water		2,500	
Airport rent and fuel sales		66,800	
Insurance proceeds		60,508	
Other	130,451	51,419	
Transfers in		542,191	
Unclassified	(4,120)		
Total Receipts	<u>1,458,577</u>	<u>3,209,048</u>	<u>138,901</u>
Disbursements:			
General government	507,917	66,222	
Law enforcement	89,668	797,078	
Highways and streets		477,929	
Public safety	9,476	108,101	
Sanitation	133,479	135,451	
Recreation and culture		256,311	
Social services		339,005	
Sales taxes remitted to community hospital		854,552	
Airport	1,787	223,288	
Cemetery		32,156	
Debt service	10,220	45,847	129,716
Transfers out	542,191		
Unclassified	(141)		
Total Disbursements	<u>1,294,597</u>	<u>3,335,940</u>	<u>129,716</u>
Cash Balance, December 31, 2023	<u>\$ 1,041,683</u>	<u>\$ 2,228,015</u>	<u>\$ 169,754</u>

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

Schedule 2

	Street	Sales Tax	Cemetery	Local Police and Fire Retirement (LOPFI)	Park	Airport	Hospital Operations
Cash Balance, January 1, 2023	\$ 150,512	\$ 1,292,638	\$ 80,202	\$ 4,788	\$ 48,665	\$ 218,016	
Receipts:							
State aid	350,703					14,434	
Federal aid							
Property taxes	60,526		4,074	16,434			
Sales taxes		948,309				38,549	\$ 854,552
Fines, forfeitures, and costs				579			
Interest	324	6,888	444	1	8	471	
Local permits and fees					29,877		
Lot sales			3,200				
Contribution from water		2,500					
Airport rent and fuel sales						66,800	
Insurance proceeds		60,508					
Other	23,381	25,175				2,863	
Transfers in		542,191					
Total Receipts	434,934	1,585,571	7,718	17,014	29,885	123,117	854,552
Disbursements:							
General government		59,854					
Law enforcement		255,913					
Highways and streets	470,059	7,870					
Public safety		97,928		10,173			
Sanitation		135,451					
Recreation and culture		229,876			26,435		
Social services		192,389					
Sales taxes remitted to community hospital							854,552
Airport		48,573				174,715	
Cemetery		32,156					
Debt service	7,500	38,347					
Total Disbursements	477,559	1,098,357		10,173	26,435	174,715	854,552
Cash Balance, December 31, 2023	\$ 107,887	\$ 1,779,852	\$ 87,920	\$ 11,629	\$ 52,115	\$ 166,418	\$ 0

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

Schedule 2

	American Rescue Plan Act (ARPA)	ACT 1262 District Court Automation	Economic Development Grant	Total
Cash Balance, January 1, 2023	\$ 541,165	\$ 18,921		\$ 2,354,907
Receipts:				
State aid				365,137
Federal aid			\$ 146,616	146,616
Property taxes				81,034
Sales taxes				1,841,410
Fines, forfeitures, and costs		9,641		10,220
Interest				8,136
Local permits and fees				29,877
Lot sales				3,200
Contribution from water				2,500
Airport rent and fuel sales				66,800
Insurance proceeds				60,508
Other				51,419
Transfers in				542,191
Total Receipts		<u>9,641</u>	<u>146,616</u>	<u>3,209,048</u>
Disbursements:				
General government		6,368		66,222
Law enforcement	541,165			797,078
Highways and streets				477,929
Public safety				108,101
Sanitation				135,451
Recreation and culture				256,311
Social services			146,616	339,005
Sales taxes remitted to community hospital				854,552
Airport				223,288
Cemetery				32,156
Debt service				45,847
Total Disbursements	<u>541,165</u>	<u>6,368</u>	<u>146,616</u>	<u>3,335,940</u>
Cash Balance, December 31, 2023	<u>\$ 0</u>	<u>\$ 22,194</u>	<u>\$ 0</u>	<u>\$ 2,228,015</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Debt Service Fund - Hospital Bonds	Pension Trust Fund - Firemen's Pension and Relief
Cash Balance, January 1, 2022	\$ 668,295	\$ 2,026,898	\$ 156,727	\$ 140,689
Receipts:				
State aid	99,884	328,856		3,554
Federal aid		544,022		
Property taxes	107,378	56,858		14,316
Franchise fees	151,970			
Sales taxes	542,925	1,770,943	131,681	
Fines, forfeitures, and costs	53,942	7,136		
Interest	9,123	8,060	1,209	672
Local permits and fees	3,388	26,883		
Sanitation fees	241,914			
Royalties, rent, and lease	121,590			
Lot sales		6,400		
Donations		5,000		
Contribution from water		2,500		
Airport rent and fuel sales		65,199		
Other	75,523	36,362		15,046
Total Receipts	1,407,637	2,858,219	132,890	33,588
Disbursements:				
General government	408,602	111,780		
Law enforcement	636,184	248,700		
Highways and streets		590,663		
Public safety	8,397	28,458		36,190
Sanitation	53,059	124,028		
Recreation and culture		111,664		
Social services		305,841		
Sales taxes remitted to community hospital		819,631		
Airport	30,669	104,901		
Cemetery		43,986		
Debt service	61,318	40,558	129,048	
Transfer of pension assets to Arkansas Local Police and Fire Retirement System				138,087
Total Disbursements	1,198,229	2,530,210	129,048	174,277
Cash Balance, December 31, 2022	\$ 877,703	\$ 2,354,907	\$ 160,569	\$ 0

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

Schedule 4

	Street	Sales Tax	Cemetery	Local Police and Fire Retirement (LOPFI)	Park	Airport	Hospital Operations
Cash Balance, January 1, 2022	\$ 205,329	\$ 1,355,657	\$ 79,373	\$ 5,163	\$ 26,315	\$ 182,778	
Receipts:							
State aid	328,856						
Federal aid							
Property taxes	53,714		3,144				
Sales taxes		894,105			20,000	37,207	\$ 819,631
Fines, forfeitures, and costs				579			
Interest	421	7,068	169	2		400	
Local permits and fees					26,883		
Lot sales			6,400				
Donations		5,000					
Contribution from water		2,500					
Airport rent and fuel sales						65,199	
Other	29,535	1,907			9	4,911	
Total Receipts	412,526	910,580	9,713	581	46,892	107,717	819,631
Disbursements:							
General government		100,939					
Law enforcement		248,700					
Highways and streets	452,343	138,320					
Public safety		27,502		956			
Sanitation		124,028					
Recreation and culture		87,122			24,542		
Social services		153,906					
Sales taxes remitted to community hospital							819,631
Airport		32,422				72,479	
Cemetery		35,102	8,884				
Debt service	15,000	25,558					
Total Disbursements	467,343	973,599	8,884	956	24,542	72,479	819,631
Cash Balance, December 31, 2022	\$ 150,512	\$ 1,292,638	\$ 80,202	\$ 4,788	\$ 48,665	\$ 218,016	\$ 0

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

Schedule 4

	American Rescue Plan Act (ARPA)	ACT 1262 District Court Automation	Economic Development Grant	Total
Cash Balance, January 1, 2022	\$ 149,078	\$ 23,205		\$ 2,026,898
Receipts:				
State aid				328,856
Federal aid	392,087		\$ 151,935	544,022
Property taxes				56,858
Sales taxes				1,770,943
Fines, forfeitures, and costs		6,557		7,136
Interest				8,060
Local permits and fees				26,883
Lot sales				6,400
Donations				5,000
Contribution from water				2,500
Airport rent and fuel sales				65,199
Other				36,362
Total Receipts	392,087	6,557	151,935	2,858,219
Disbursements:				
General government		10,841		111,780
Law enforcement				248,700
Highways and streets				590,663
Public safety				28,458
Sanitation				124,028
Recreation and culture				111,664
Social services			151,935	305,841
Sales taxes remitted to community hospital				819,631
Airport				104,901
Cemetery				43,986
Debt service				40,558
Total Disbursements		10,841	151,935	2,530,210
Cash Balance, December 31, 2022	\$ 541,165	\$ 18,921	\$ 0	\$ 2,354,907

CITY OF BOONEVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund and Firemen Recreational

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

	December 31, 2023	December 31, 2022
District Court	\$ 9,520	\$ 2,308
Administration of Justice	70	

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

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

	December 31, 2023	December 31, 2022
Land	\$ 620,770	\$ 620,770
Buildings	2,983,874	2,931,140
Equipment	1,615,412	1,468,362
Totals	<u>\$ 5,220,056</u>	<u>\$ 5,020,272</u>

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

	December 31, 2023	December 31, 2022
Financed purchases	\$ 127,194	\$ 149,024
Bonds payable	480,000	585,000
Totals	<u>\$ 607,194</u>	<u>\$ 734,024</u>

CITY OF BOONEVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

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

	December 31, 2023	December 31, 2022
Bonds payable dated May 1, 2007, with Bank of the Ozarks for hospital improvement; principal amount \$1,760,000. Series 2007A due in annual installments of \$35,000 - \$130,000 plus interest through May 1, 2027. Interest from 3.75% to 4.30%. Payments are to be made from the Debt Service Fund - Hospital Bond.	\$ 480,000	\$ 585,000
Financed purchase agreement with BancorpSouth Equipment Finance dated January 24, 2018, for the purchase of a sanitation truck for \$322,000. Monthly installments of \$5,110 for five years; with final payment of \$47,500; with interest rate of 3.35%. Payments are to be made from the General Fund.		57,281
Financed purchase agreement with Williams Tractor dated September 4, 2020, for the purchase of a New Holland Tractor Loader backhoe and a Hustler new super z diesel mower for \$52,500. Yearly installments of \$15,000 for three years; with final payment of \$7,500; with interest rate of 0.00%. Payments are to be made from the Street Fund.		7,500
Financed purchase agreement with First Western Bank dated May 10, 2021, for the purchase of three police vehicles for \$120,000. Monthly installments of \$2,130 for five years; with interest rate of 2.50%. Payments are to be made from the General Fund.	60,927	84,243
Financed purchase agreement with First Western Bank dated March 30, 2023, for the purchase of two police vehicles for \$76,200. Monthly installments of \$1,421 for five years; with interest rate of 4.50%. Payments are to be made from the Sales Tax Fund.	66,267	
Totals	\$ 607,194	\$ 734,024

CITY OF BOONEVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

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

<u>Years Ending December 31,</u>	<u>Financed Purchases</u>	<u>Bonds</u>	<u>Total</u>
2024	\$ 42,609	\$ 128,247	\$ 170,856
2025	42,609	128,438	171,047
2026	27,700	133,278	160,978
2027	17,051	132,795	149,846
2028	4,263		4,263
Total Obligations	134,232	522,758	656,990
Less Interest	7,038	42,758	49,796
Total Principal	<u>\$ 127,194</u>	<u>\$ 480,000</u>	<u>\$ 607,194</u>

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

<u>Years Ending December 31,</u>	<u>Financed Purchases</u>	<u>Bonds</u>	<u>Total</u>
2023	\$ 90,778	\$ 127,816	\$ 218,594
2024	25,558	128,247	153,805
2025	25,558	128,438	153,996
2026	10,650	133,278	143,928
2027		132,795	132,795
Total Obligations	152,544	650,574	803,118
Less Interest	3,520	65,574	69,094
Total Principal	<u>\$ 149,024</u>	<u>\$ 585,000</u>	<u>\$ 734,024</u>

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

<u>December 31, 2022</u>
American Rescue Plan Act (ARPA)
<u>\$ 392,087</u>