

**City of Clarendon, Arkansas**

**Financial and Compliance Report**

**December 31, 2022 and 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF CLARENDON, ARKANSAS  
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# Arkansas

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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 Clarendon, 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 Clarendon, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated September 22, 2023. These procedures were not performed for the Water and Sewer System. 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 2022 and 2021:

Mayor: James Stinson III (resigned January 3, 2022)  
Diane Cunningham (appointed January 3, 2022)  
City Clerk: Angie Baker  
Treasurer: Elizabeth Davenport (resigned January 6, 2022)  
Susan Caplener (appointed February 10, resigned May 9, 2022)  
Elizabeth Davenport (appointed May 9, 2022)  
District Court Clerk: Beth Lowman  
Police Chief: Nolan Woodell

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** and **District Court Clerk**.

#### **Mayor**

The minutes of the governing body did not document the review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann. § 10-4-418.

#### **District Court Clerk**

In November, 2022 it was discovered that a current data backup had not been maintained, and data for 2022 and 2021 had been lost. As a result, summons written for speed limit violations in 2022 and 2021 were unavailable for review, and compliance with Ark. Code Ann. § 12-8-403 could not be determined.

The District Court was in noncompliance with Ark. Code Ann. § 16-10-209 and proper accounting procedures as follows:

- Cash receipts and disbursements journals were not maintained.
- Bank balances of \$21,285 and \$1,540 on December 31, 2022, and December 31, 2021, respectively, were not identified with receipts issued for cases not yet adjudicated.
- Records of individual installment payment accounts were not maintained.

Additionally, court dockets were not maintained, in noncompliance with Ark. Code Ann. § 16-10-206.

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 22, 2023  
LOM101922

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2022	\$ 236,646	\$ 679,387
Receipts:		
State aid	22,765	233,692
Federal aid		178,236
Property taxes	35,926	16,050
Franchise fees	99,439	
Sales taxes	631,183	
Fines, forfeitures, and costs	36,463	17,364
Interest	563	1,687
Local permits and fees	8,774	
Rent	42,865	
Ambulance fees		3,430
Sanitation fees	206,247	
Airport sales and rent		17,103
Contribution from water department	10,422	
Other	55,298	3,359
Transfers in	86,790	474,748
Total Receipts	<u>1,236,735</u>	<u>945,669</u>
Disbursements:		
General government	214,055	
Law enforcement	201,894	166,010
Highways and streets	26,206	322,727
Public safety	31,705	179,727
Sanitation	216,061	
Health	11,824	
Recreation and culture	34,878	1,144
Airport		53,725
Wastewater	36,750	41,362
Debt service	5,166	3,498
Transfers out	421,098	140,440
Total Disbursements	<u>1,199,637</u>	<u>908,633</u>
Cash Balance, December 31, 2022	<u>\$ 273,744</u>	<u>\$ 716,423</u>

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

Schedule 2

	Street	Airport	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Ambulance Sales Tax	Visions For Clarendon	Federal Aviation Administration (FAA) Grant
Cash Balance, January 1, 2022	\$ 157,936	\$ 32,930	\$ 96,196	\$ 2,682	\$ 115,277	\$ 190,751	\$ 7,601	\$ 16,400
Receipts:								
State aid	131,749				20,767			14,100
Federal aid								37,250
Property taxes	10,289			5,761				
Fines, forfeitures, and costs			7,336	5,211				
Interest	373	130	186		361	615	22	
Ambulance fees						3,430		
Airport sales and rent		17,103						
Other	3,203						156	
Transfers in	68,682	53,650		13,009		225,926		
Total Receipts	<u>214,296</u>	<u>70,883</u>	<u>7,522</u>	<u>23,981</u>	<u>21,128</u>	<u>229,971</u>	<u>178</u>	<u>51,350</u>
Disbursements:								
Law enforcement			1,251	23,773				
Highways and streets	209,246							
Public safety				1,754	1,973	176,000		
Recreation and culture							1,144	
Airport		53,725						
Wastewater								
Debt service	3,498							
Transfers out	5,614							67,750
Total Disbursements	<u>218,358</u>	<u>53,725</u>	<u>1,251</u>	<u>25,527</u>	<u>1,973</u>	<u>176,000</u>	<u>1,144</u>	<u>67,750</u>
Cash Balance, December 31, 2022	<u>\$ 153,874</u>	<u>\$ 50,088</u>	<u>\$ 102,467</u>	<u>\$ 1,136</u>	<u>\$ 134,432</u>	<u>\$ 244,722</u>	<u>\$ 6,635</u>	<u>\$ 0</u>

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

Schedule 2

	Police Vehicle	District Judge and Clerk Retirement	Court Technology	Special	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 5,316	\$ 2,213	\$ 4,542		\$ 47,543	\$ 679,387
Receipts:						
State aid				\$ 67,076		233,692
Federal aid					140,986	178,236
Property taxes						16,050
Fines, forfeitures, and costs	1,600	967	2,250			17,364
Interest						1,687
Ambulance fees						3,430
Airport sales and rent						17,103
Other						3,359
Transfers in				113,481		474,748
Total Receipts	<u>1,600</u>	<u>967</u>	<u>2,250</u>	<u>180,557</u>	<u>140,986</u>	<u>945,669</u>
Disbursements:						
Law enforcement					140,986	166,010
Highways and streets				113,481		322,727
Public safety						179,727
Recreation and culture						1,144
Airport						53,725
Wastewater					41,362	41,362
Debt service						3,498
Transfers out				67,076		140,440
Total Disbursements				<u>180,557</u>	<u>182,348</u>	<u>908,633</u>
Cash Balance, December 31, 2022	<u>\$ 6,916</u>	<u>\$ 3,180</u>	<u>\$ 6,792</u>	<u>\$ 0</u>	<u>\$ 6,181</u>	<u>\$ 716,423</u>

CITY OF CLARENDON, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Pension Trust Firemen's Pension</u>
Cash and Investment Balances, January 1, 2021	\$ 190,264	\$ 678,405	\$ 284,031
Receipts:			
State aid	26,668	153,446	1,891
Federal aid		186,687	
Property taxes	48,057	22,022	
Franchise fees	94,322		
Sales taxes	571,659		
Fines, forfeitures, and costs	42,912	23,581	
Interest	511	2,396	5,945
Local permits and fees	11,477		
Rent	49,736		
Ambulance fees		2,436	
Sanitation fees	110,593		
Airport sales and rent		12,600	
Contribution from water department	21,326		
Net increase/(decrease) in fair value of investments			36,524
Other	79,408	5,910	
Transfers in	5,137	284,511	
Total Receipts	<u>1,061,806</u>	<u>693,589</u>	<u>44,360</u>
Disbursements:			
General government	218,434		
Law enforcement	323,251	47,349	
Highways and streets	26,106	252,221	
Public safety	33,122	197,191	30,189
Sanitation	131,121		
Health	10,354		
Recreation and culture	30,825	2,993	
Airport		29,375	
Wastewater		93,444	
Debt service		22,597	
Transfers out	242,211	47,437	
Transfer to State Local Police and Fire			298,202
Total Disbursements	<u>1,015,424</u>	<u>692,607</u>	<u>328,391</u>
Cash and Investment Balances, December 31, 2021	<u>\$ 236,646</u>	<u>\$ 679,387</u>	<u>\$ 0</u>



CITY OF CLARENDON, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE  
 FUNDS FOR THE ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 4

	Street	Airport	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Ambulance Sales Tax	Visions For Clarendon	Federal Aviation Administration (FAA) Grant
Cash Balance, January 1, 2021	\$ 236,189	\$ 20,319	\$ 90,154	\$ 6,205	\$ 100,104	\$ 202,116	\$ 10,566	
Receipts:								
State aid	134,391				19,055			
Federal aid								\$ 45,700
Property taxes	14,117			7,905				
Fines, forfeitures, and costs			8,054	6,745				
Interest	1,245	86	177		312	546	28	
Ambulance fees						2,436		
Airport sales and rent		12,600						
Other	3,538			72				
Transfers in	46,111	29,300		5,447		190,653		
Total Receipts	<u>199,402</u>	<u>41,986</u>	<u>8,231</u>	<u>20,169</u>	<u>19,367</u>	<u>193,635</u>	<u>28</u>	<u>45,700</u>
Disbursements:								
Law enforcement			2,189	22,695				
Highways and streets	252,221							
Public safety				997	4,194	192,000		
Recreation and culture							2,993	
Airport		29,375						
Wastewater								
Debt service	22,597							
Transfers out	2,837					13,000		29,300
Total Disbursements	<u>277,655</u>	<u>29,375</u>	<u>2,189</u>	<u>23,692</u>	<u>4,194</u>	<u>205,000</u>	<u>2,993</u>	<u>29,300</u>
Cash Balance, December 31, 2021	<u>\$ 157,936</u>	<u>\$ 32,930</u>	<u>\$ 96,196</u>	<u>\$ 2,682</u>	<u>\$ 115,277</u>	<u>\$ 190,751</u>	<u>\$ 7,601</u>	<u>\$ 16,400</u>

CITY OF CLARENDON, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE  
 FUNDS FOR THE ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 4

	Police Vehicle	District Judge and Clerk Retirement	Court Technology	Special	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 9,979	\$ 1,133	\$ 1,640			\$ 678,405
Receipts:						
State aid						153,446
Federal aid					\$ 140,987	186,687
Property taxes						22,022
Fines, forfeitures, and costs	4,800	1,080	2,902			23,581
Interest	2					2,396
Ambulance fees						2,436
Airport sales and rent						12,600
Other				\$ 2,300		5,910
Transfers in	13,000					284,511
Total Receipts	<u>17,802</u>	<u>1,080</u>	<u>2,902</u>	<u>2,300</u>	<u>140,987</u>	<u>693,589</u>
Disbursements:						
Law enforcement	22,465					47,349
Highways and streets						252,221
Public safety						197,191
Recreation and culture						2,993
Airport						29,375
Wastewater					93,444	93,444
Debt service						22,597
Transfers out				2,300		47,437
Total Disbursements	<u>22,465</u>			<u>2,300</u>	<u>93,444</u>	<u>692,607</u>
Cash Balance, December 31, 2021	<u>\$ 5,316</u>	<u>\$ 2,213</u>	<u>\$ 4,542</u>	<u>\$ 0</u>	<u>\$ 47,543</u>	<u>\$ 679,387</u>

CITY OF CLARENDON, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(UNAUDITED)

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit. Investment balances include government securities and mutual funds.

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Parks and Recreation, and 2011 Sales Tax

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

	December 31, 2022	December 31, 2021
District Court	24,472	20,330
Payroll	4,490	3,131

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	December 31, 2021
Land	\$ 254,416	\$ 271,488
Buildings	4,640,043	4,780,363
Equipment	1,790,152	1,765,157
Totals	\$ 6,684,611	\$ 6,817,008

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

	December 31, 2022	December 31, 2021
Financed purchases	\$ 92,450	\$ 5,210

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 140,986	\$ 140,987

7. During the 2021 fiscal year the City of Clarendon transferred the Fireman's Pension Fund balance of \$298,202 to the state pension plan.