

City of Clarendon, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CLARENDON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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Arkansas

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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 year ended December 31, 2023, and have issued our report thereon dated September 25, 2024. 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Diane Cunningham
City Clerk: Angie Baker
Treasurer: Elizabeth Davenport
District Court Clerk: Angelina Stewart
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 office of **District Court Clerk**.

District Court Clerk

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

- Bank balances of \$23,788 were not identified with receipt numbers for cases not yet adjudicated. A similar finding was noted in the previous report.
- Bank reconciliations were not reconciled properly.

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 White", written over a light blue horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 25, 2024
LOM101923

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 273,744	\$ 716,423
Receipts:		
State aid	23,202	595,385
Federal aid		469,185
Property taxes	57,520	26,890
Franchise fees	103,896	
Sales taxes	483,419	265,855
Fines, forfeitures, and costs	21,548	21,534
Interest	419	2,307
Local permits and fees	5,397	2,739
Rent	53,775	
Sanitation fees	87,867	
Airport sales and rent		11,701
Contribution from water department	817	
Other	30,834	4,890
Transfers in	14,797	588,766
Total Receipts	<u>883,491</u>	<u>1,989,252</u>
Disbursements:		
General government	219,976	
Law enforcement	375,775	42,645
Highways and streets	75,024	219,135
Public safety	43,421	229,615
Sanitation	130,320	
Health	11,616	
Recreation and culture	40,514	8,652
Airport		809,246
Debt service	18,853	1,714
Transfers out	77,897	525,666
Total Disbursements	<u>993,396</u>	<u>1,836,673</u>
Cash Balance, December 31, 2023	<u>\$ 163,839</u>	<u>\$ 869,002</u>

CITY OF CLARENDON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (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
Cash Balance, January 1, 2023	\$ 153,874	\$ 50,088	\$ 102,467	\$ 1,136	\$ 134,432	\$ 244,722	\$ 6,635
Receipts:							
State aid	128,728	343,821			22,841		
Federal aid							
Property taxes	17,237			9,653			
Sales taxes	41,867				14,653	209,335	
Fines, forfeitures, and costs			10,014	4,496			
Interest	738	279	197		399	676	18
Local permits and fees						2,739	
Airport sales and rent		11,701					
Other	4,890						
Transfers in	37,000	426,874		24,822		75	
Total Receipts	<u>230,460</u>	<u>782,675</u>	<u>10,211</u>	<u>38,971</u>	<u>37,893</u>	<u>212,825</u>	<u>18</u>
Disbursements:							
Law enforcement			1,257	36,378		4,701	
Highways and streets	219,135						
Public safety				2,994	18,621	208,000	
Recreation and culture						75	1,070
Airport		809,246					
Debt service	1,714						
Transfers out						8,616	
Total Disbursements	<u>220,849</u>	<u>809,246</u>	<u>1,257</u>	<u>39,372</u>	<u>18,621</u>	<u>221,392</u>	<u>1,070</u>
Cash Balance, December 31, 2023	<u>\$ 163,485</u>	<u>\$ 23,517</u>	<u>\$ 111,421</u>	<u>\$ 735</u>	<u>\$ 153,704</u>	<u>\$ 236,155</u>	<u>\$ 5,583</u>

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

Schedule 2

	Federal Aviation Administration (FAA) Grant	Police Vehicle	District Judge and Clerk Retirement	Court Technology	Special	American Rescue Plan Act	Total
Cash Balance, January 1, 2023		\$ 6,916	\$ 3,180	\$ 6,792		\$ 6,181	\$ 716,423
Receipts:							
State aid	\$ 99,995						595,385
Federal aid	469,185						469,185
Property taxes							26,890
Sales taxes							265,855
Fines, forfeitures, and costs		4,995	957	1,072			21,534
Interest							2,307
Local permits and fees							2,739
Airport sales and rent							11,701
Other							4,890
Transfers in					\$ 99,995		588,766
Total Receipts	<u>569,180</u>	<u>4,995</u>	<u>957</u>	<u>1,072</u>	<u>99,995</u>		<u>1,989,252</u>
Disbursements:							
Law enforcement				309			42,645
Highways and streets							219,135
Public safety							229,615
Recreation and culture					7,507		8,652
Airport							809,246
Debt service							1,714
Transfers out	510,869					6,181	525,666
Total Disbursements	<u>510,869</u>			<u>309</u>	<u>7,507</u>	<u>6,181</u>	<u>1,836,673</u>
Cash Balance, December 31, 2023	<u>\$ 58,311</u>	<u>\$ 11,911</u>	<u>\$ 4,137</u>	<u>\$ 7,555</u>	<u>\$ 92,488</u>	<u>\$ 0</u>	<u>\$ 869,002</u>

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

Schedule 3

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, 2023
District Court	\$ 55,367
Payroll	5,070

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	\$ 254,416
Buildings and improvements	4,667,039
Equipment	1,799,722
Total	\$ 6,721,178

5. The outstanding balance at year-end for long-term liabilities are as follows:

	December 31, 2023
Financed purchases	\$ 74,414