

**City of Lake Village, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF LAKE VILLAGE, 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 Lake Village, 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 Lake Village, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated October 23, 2025. 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 findings contained in this section relate to the following officials who held office during 2023 and 2022:

Mayor: Eddy Bush (2023)  
Joe Dan Yee (2022)  
Chief Financial Officer: Byron Walker (appointed March 2023)  
Gina Garner (January 2022 through March 2023)  
City Clerk: Jean Wiley (2023)  
Dominique Toney (2022)  
District Court Clerk: Shelby Saldana (2023)  
Danieka Lane (2022)  
Police Chief: Bob Graham

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**, **Chief Financial Officer**, **City Clerk**, **Police Chief**, and **District Court Clerk**.

#### **Mayor**

The governing body did not adopt the budgets by ordinance for 2023 and 2022, as required by Ark. Code Ann. § 14-58-202. A similar finding was noted in the previous report.

General Fund and Street Fund expenditures exceeded budgeted appropriations by \$564,654 (31%) and \$475,637 (95%) for 2023, respectively, and General Fund expenditures exceeded budgeted appropriations by \$412,572 (25%) for 2022, in noncompliance with Ark. Code Ann. § 14-58-203.

The City has not obtained an audit or agreed-upon procedures report for the City's Water and Sewer Department since 2019, as required by Ark. Code Ann. § 14-234-119. A similar finding was noted in the previous report.

#### **Chief Financial Officer**

Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 – 14-59-119. The City was not in compliance with these codes during the fiscal years 2023 and 2022 as noted below:

- A detailed fixed asset listing was not provided, nor was a fixed assets policy adopted by the governing body.
- An examination of 25 disbursements for each fiscal year disclosed adequate supporting documentation was not maintained for 5 disbursements in 2023 totaling \$473,827 and 4 disbursements in 2022 totaling \$9,151.
- Bank reconciliations were not approved by a municipal official or employee, other than the person preparing the reconciliation.
- Cash receipts and disbursements journals were not properly maintained for all accounts.
- Annual financial statements were not published for 2023 and 2022.

A similar finding was noted in the previous report.

Budget detail was insufficient to determine if salaries paid were authorized, in noncompliance with Ark. Code Ann. § 14-58-202.

### **City Clerk**

City Council minutes, ordinances, and resolutions were not available for all meetings held after November 2, 2021, through end of fieldwork, in noncompliance with Ark. Code Ann § 14-59-114. A similar finding was noted in the previous report.

### **Police Chief**

Deficiencies in the accounting of police department bank accounts included:

- Bank reconciliations were not prepared for one bank account in the 2023 and 2022 years.
- Prenumbered receipts were not issued for all sources of income. Also noted were instances of failing to follow sound accounting practices of depositing intact and in a timely manner.
- Cash receipts and disbursements journals were not properly maintained for all accounts.
- Bank balances for custodial accounts held by the police department were not remitted to the court clerk and treasurer.

A similar finding was noted in the previous report.

### **District Court Clerk**

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

- Receipts were not deposited intact daily.
- Bank deposit slips did not contain the range of receipt numbers evidencing such collections.
- Virtual Justice receipts and disbursements were not reconciled monthly to the bank deposits and withdrawals as indicated on the bank statements.
- All bank balances were not identified with receipts issued for cases not yet adjudicated and payments on all unpaid individual time accounts. The unidentified amounts were \$57,857 and \$47,161 for 2023 and 2022, respectively.
- Due to inadequate documentation, bank deposits could not always be reconciled to receipts.
- Interest earned was not receipted or disbursed to the General Fund.
- The electronic check register did not indicate the correct date, payee, check number or amount for each check written.
- Bond refunds issued by check, did not indicate the court docket number for authorization.

A similar finding was noted in the previous 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



Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
October 23, 2025  
LOM105023

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2023	\$ 1,332,396	\$ 1,542,203	\$ 6,311
Receipts:			
State aid	36,779	199,183	
Federal aid	12,598		
Property taxes		18,126	
Franchise fees	156,896		
Sales taxes	1,410,566	6,259	
Fines, forfeitures, and costs	136,592	122,544	
Interest	3,003	1,387	
Local permits and fees	9,125		
Jail fees	32,440		
Rent	29,561	4,444	
Contribution from water department	271,311		
Other	46,679	103,437	39,000
Transfers in	458,831	683,418	
Unclassified	374	85,104	
Total Receipts	<u>2,604,755</u>	<u>1,223,902</u>	<u>39,000</u>
Disbursements:			
General government	1,406,896		
Law enforcement	76,130	124,613	
Highways and streets		976,067	13,354
Public safety		104,802	
Sanitation	144,692		
Recreation and culture	780	231,256	
Community development		7,874	
Airport		25,875	
Contributions to water department	18,000		
Transfers out	683,418	458,831	
Unclassified	33,898		
Total Disbursements	<u>2,363,814</u>	<u>1,929,318</u>	<u>13,354</u>
Cash Balance, December 31, 2023	<u>\$ 1,573,337</u>	<u>\$ 836,787</u>	<u>\$ 31,957</u>

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

Schedule 2

	<u>Street</u>	<u>Act 833</u>	<u>Airport</u>	<u>District Court Cost</u>	<u>Judge &amp; Clerk Retirement</u>	<u>Lake Village House</u>	<u>Economic Development</u>	<u>LOPFI</u>
Cash Balance, January 1, 2023	\$ 253,354	\$ 47,003	\$ 62,205	\$ 95,817	\$ 180,537	\$ 28,175	\$ 62,325	\$ 4,666
Receipts:								
State aid	174,196	24,987						
Property taxes	18,126							
Sales taxes			6,259					
Fines, forfeitures, and costs				122,544				
Interest	408			139	664		49	1
Rent			4,444					
Other	7,373		24,724	17,160	60			32,867
Transfers in	581,431							47,056
Unclassified				9,215	75,889			
Total Receipts	<u>781,534</u>	<u>24,987</u>	<u>35,427</u>	<u>149,058</u>	<u>76,613</u>		<u>49</u>	<u>79,924</u>
Disbursements:								
Law enforcement				124,613				
Highways and streets	976,067							
Public safety		24,879						79,923
Recreation and culture								
Community development							7,874	
Airport			25,875					
Transfers out								
Total Disbursements	<u>976,067</u>	<u>24,879</u>	<u>25,875</u>	<u>124,613</u>			<u>7,874</u>	<u>79,923</u>
Cash Balance, December 31, 2023	<u>\$ 58,821</u>	<u>\$ 47,111</u>	<u>\$ 71,757</u>	<u>\$ 120,262</u>	<u>\$ 257,150</u>	<u>\$ 28,175</u>	<u>\$ 54,500</u>	<u>\$ 4,667</u>

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

Schedule 2

	<u>Parks &amp; Recreation</u>	<u>Farmers Market</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 352,234	\$ 1,332	\$ 454,555	\$ 1,542,203
Receipts:				
State aid				199,183
Property taxes				18,126
Sales taxes				6,259
Fines, forfeitures, and costs				122,544
Interest	126			1,387
Rent				4,444
Other	21,253			103,437
Transfers in	54,931			683,418
Unclassified				85,104
Total Receipts	<u>76,310</u>			<u>1,223,902</u>
Disbursements:				
Law enforcement				124,613
Highways and streets				976,067
Public safety				104,802
Recreation and culture	231,256			231,256
Community development				7,874
Airport				25,875
Transfers out	4,276		454,555	458,831
Total Disbursements	<u>235,532</u>		<u>454,555</u>	<u>1,929,318</u>
Cash Balance, December 31, 2023	<u>\$ 193,012</u>	<u>\$ 1,332</u>	<u>\$ 0</u>	<u>\$ 836,787</u>

CITY OF LAKE VILLAGE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 3

	Brush Truck	Sidewalk Grant	Total
Cash Balance, January 1, 2023	\$ 5,721	\$ 590	\$ 6,311
Receipts:			
Other	39,000		39,000
Disbursements:			
Highways and streets	13,354		13,354
Cash Balance, December 31, 2023	\$ 31,367	\$ 590	\$ 31,957

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

Schedule 4

	General Fund	Special Revenue Funds	Capital Projects Funds
Cash Balance, January 1, 2022	\$ 957,251	\$ 1,287,989	\$ 19,011
Receipts:			
State aid	73,866	179,675	
Federal aid	3,000	298,036	
Property taxes		32,103	
Franchise fees	116,540		
Sales taxes	1,458,885	8,143	
Fines, forfeitures, and costs	156,999	159,078	
Interest	2,348	865	
Local permits and fees	1,965		
Jail fees	62,962		
Rent	26,044	300	
Contribution from water department	420,923		
Other	35,574	69,157	
Transfers in		466,705	28,200
Unclassified	49,431	2,177	
Total Receipts	<u>2,408,537</u>	<u>1,216,239</u>	<u>28,200</u>
Disbursements:			
General government	995,516		
Law enforcement	403,766	191,132	
Highways and streets		514,429	40,900
Public safety		50,032	
Sanitation	139,205		
Recreation and culture		141,227	
Community development		7,578	
Airport		54,063	
Transfers out	494,905		
Unclassified		3,564	
Total Disbursements	<u>2,033,392</u>	<u>962,025</u>	<u>40,900</u>
Cash Balance, December 31, 2022	<u>\$ 1,332,396</u>	<u>\$ 1,542,203</u>	<u>\$ 6,311</u>

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

Schedule 5

	<u>Street</u>	<u>Act 833</u>	<u>Airport</u>	<u>District Court Cost</u>	<u>Judge &amp; Clerk Retirement</u>	<u>Lake Village House</u>	<u>Economic Development</u>	<u>LOPFI</u>
Cash Balance, January 1, 2022	\$ 268,417	\$ 56,390	\$ 36,431	\$ 78,110	\$ 210,614	\$ 28,175	\$ 69,889	\$ 1,494
Receipts:								
State aid	178,285	1,390						
Federal aid			70,760					
Property taxes	32,103							
Sales taxes			8,143					
Fines, forfeitures, and costs				159,078				
Interest	400			138	149		14	
Rent			300					
Other		5	634	17,160	60			
Transfers in	292,142							42,422
Unclassified					2,177			
Total Receipts	<u>502,930</u>	<u>1,395</u>	<u>79,837</u>	<u>176,376</u>	<u>2,386</u>		<u>14</u>	<u>42,422</u>
Disbursements:								
Law enforcement				158,669	32,463			
Highways and streets	514,429							
Public safety		10,782						39,250
Recreation and culture								
Community development							7,578	
Airport			54,063					
Unclassified	3,564							
Total Disbursements	<u>517,993</u>	<u>10,782</u>	<u>54,063</u>	<u>158,669</u>	<u>32,463</u>		<u>7,578</u>	<u>39,250</u>
Cash Balance, December 31, 2022	<u>\$ 253,354</u>	<u>\$ 47,003</u>	<u>\$ 62,205</u>	<u>\$ 95,817</u>	<u>\$ 180,537</u>	<u>\$ 28,175</u>	<u>\$ 62,325</u>	<u>\$ 4,666</u>

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

Schedule 5

	Parks & Recreation	Farmers Market	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 309,858	\$ 1,332	\$ 227,279	\$ 1,287,989
Receipts:				
State aid				179,675
Federal aid			227,276	298,036
Property taxes				32,103
Sales taxes				8,143
Fines, forfeitures, and costs				159,078
Interest	164			865
Rent				300
Other	51,298			69,157
Transfers in	132,141			466,705
Unclassified				2,177
Total Receipts	183,603		227,276	1,216,239
Disbursements:				
Law enforcement				191,132
Highways and streets				514,429
Public safety				50,032
Recreation and culture	141,227			141,227
Community development				7,578
Airport				54,063
Unclassified				3,564
Total Disbursements	141,227			962,025
Cash Balance, December 31, 2022	\$ 352,234	\$ 1,332	\$ 454,555	\$ 1,542,203

CITY OF LAKE VILLAGE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 6

	Brush Truck	Sidewalk Grant	Total
Cash Balance, January 1, 2022	\$ 18,421	\$ 590	\$ 19,011
Receipts:			
Transfers in	28,200		28,200
Disbursements:			
Highways and streets	40,900		40,900
Cash Balance, December 31, 2022	\$ 5,721	\$ 590	\$ 6,311

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

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
 General, City Sales Tax, County Sales Tax, and City Sales Tax Service.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022
Police	\$ 4,330	\$ 3,641
District Court	110,116	114,731
Payroll	10,692	51,931

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 were not available.
5. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 227,276