

City of Manila, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MANILA, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Manila, 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 Manila, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated December 28, 2023. 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 2022:

Mayor: Wayne Wagner (deceased June 30, 2022)
William Poteet (appointed July 7, 2022)
Treasurer: Cathy Huddleston
Clerk: Susie Parker
District Court Clerk: Carla Brewer
Police Chief: Chris Hill (resigned June 1, 2022)
Jackie Hill (appointed July 26, 2022)

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 cursive script, reading "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
December 28, 2023
LOM105622

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund (Sales and Use Tax Bonds, Series 2019)	Capital Projects Fund (Series 2019 Capital Improvements)	Pension Trust Fund (Firemen's Pension)
Cash and Investment Balance, January 1, 2022	\$ 1,358,355	\$ 1,322,738	\$ 331,487	\$ 1,055,694	\$ 337,321
Receipts:					
State aid	76,459	339,899			4,200
Federal aid		763,192			
Property taxes	157,754	42,916			13,390
Franchise fees	215,953				
Sales taxes	931,314	117,844	471,375		
Fines, forfeitures, and costs	23,572	1,611			
Interest	2,222	1,326	4,124	6,771	16,093
Local permits and fees	9,860				
Sanitation fees		295,732			
Recreation fees		82,360			
Rentals	19,000	253,975			
Airport fuel sales		28,680			
Reimbursement of expenses	23,000				
Refund of overpayments to vendors				1,774	
Other	39,854	13,203			1,380
Transfers in	10,051				
Total Receipts	1,509,039	1,940,738	475,499	8,545	35,063
Disbursements:					
General government	674,428			38,813	
Law enforcement	507,487	9,434			
Highways and streets		222,844		56,260	
Public safety	83,855	28,253		236,964	42,027
Sanitation		298,588			
Recreation and culture	4,466	259,851		221,231	
Social services	2,834				
Airport		585,874			
Contribution to water department				98,211	
Contribution to sewer department				138,498	
Debt service	25,228	26,580	435,494		
Transfers out		10,051			
Total Disbursements	1,298,298	1,441,475	435,494	789,977	42,027
Cash and Investment Balance, December 31, 2022	\$ 1,569,096	\$ 1,822,001	\$ 371,492	\$ 274,262	\$ 330,357

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

Schedule 2

	Street	Sanitation	Parks and Recreation	Local Police and Fire Retirement	Court Automation	Drug Control
Cash Balance, January 1, 2022	\$ 110,355	\$ 114,258	\$ 148,393	\$ 5,551	\$ 6,558	\$ 2,156
Receipts:						
State aid	318,646		1,500			
Federal aid						
Property taxes	42,916					
Sales taxes			117,844			
Fines, forfeitures, and costs				209	1,402	
Interest	162	133	209	6	2	
Sanitation fees		295,732				
Recreation fees			82,360			
Rentals			55,206			
Airport fuel sales						
Other	200	5,266	6,499			
Total Receipts	361,924	301,131	263,618	215	1,404	
Disbursements:						
Law enforcement					7,278	2,156
Highways and streets	222,844					
Public safety						
Sanitation		298,588				
Recreation and culture			259,851			
Airport						
Debt service	26,580					
Transfers out						
Total Disbursements	249,424	298,588	259,851		7,278	2,156
Cash Balance, December 31, 2022	\$ 222,855	\$ 116,801	\$ 152,160	\$ 5,766	\$ 684	\$ 0

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

Schedule 2

	Municipal Airport	Special Account	Fire Protection (Act 833)	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 566,435	\$ 10,042	\$ 11,235	\$ 347,755	\$ 1,322,738
Receipts:					
State aid			19,753		339,899
Federal aid	415,441			347,751	763,192
Property taxes					42,916
Sales taxes					117,844
Fines, forfeitures, and costs					1,611
Interest	805	9			1,326
Sanitation fees					295,732
Recreation fees					82,360
Rentals	198,769				253,975
Airport fuel sales	28,680				28,680
Other	1,238				13,203
Total Receipts	644,933	9	19,753	347,751	1,940,738
Disbursements:					
Law enforcement					9,434
Highways and streets					222,844
Public safety			28,253		28,253
Sanitation					298,588
Recreation and culture					259,851
Airport	585,874				585,874
Debt service					26,580
Transfers out		10,051			10,051
Total Disbursements	585,874	10,051	28,253		1,441,475
Cash Balance, December 31, 2022	\$ 625,494	\$ 0	\$ 2,735	\$ 695,506	\$ 1,822,001

CITY OF MANILA, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

1. Cash and investment balances on the Financial Schedules include demand and savings accounts, certificates of deposit, and mutual funds. Investments are recorded at cost.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund and Jail Fee
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022
District Court	\$ 16,675
General Disbursements	32,922

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

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

	December 31, 2022
Land	\$ 2,100,000
Buildings	4,177,851
Improvements	4,037,471
Construction in progress	620,641
Equipment	1,709,258
Total	<u>\$ 12,645,221</u>

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

	December 31, 2022
Bonds payable	\$ 4,160,000
Financed Purchase	247,573
Compensated absences	8,640
Total	<u>\$ 256,213</u>

CITY OF MANILA, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

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

	December 31, 2022
	<u> </u>
Sales and Use Tax Refunding and Improvement Bonds, Series 2019 issued to finance and refinance the cost of capital improvements, dated November 13, 2019, in the amount of \$4,810,000 due in semi-annual installments of varying amounts through October 1, 2048; interest at 2.5 - 3.0%. Payments are to be made from the Sales and Use Tax Bonds, Series 2019 Debt Service Fund.	\$ 4,160,000
Financed purchase with Cross County Bank dated May 20, 2021, in the amount of \$260,000, with an interest rate of 4.95% for the purchase of a building. Monthly installments due of \$1,719 for 10 years and a balloon payment of \$163,619 due at maturity on May 20, 2031. Payments are to be made from the General Fund.	247,573
Compensated absences	<u>8,640</u>
Total	<u><u>\$ 4,416,213</u></u>

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

Years Ending December 31,	Bonds	Financed Purchase	Total
2023	\$ 234,394	\$ 20,631	\$ 255,025
2024	230,944	20,631	251,575
2025	232,494	20,631	253,125
2026	228,894	20,631	249,525
2027	225,294	20,631	245,925
2028 through 2032	1,147,412	232,387	1,379,799
2033 through 2037	1,155,450		1,155,450
2038 through 2042	1,182,500		1,182,500
2043 through 2047	1,149,750		1,149,750
2048	112,750		112,750
Total Obligations	<u>5,899,882</u>	<u>335,542</u>	<u>6,235,424</u>
Less Interest	<u>1,739,882</u>	<u>87,969</u>	<u>1,827,851</u>
Total Principal	<u><u>\$ 4,160,000</u></u>	<u><u>\$ 247,573</u></u>	<u><u>\$ 4,407,573</u></u>

CITY OF MANILA, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

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

	<u>December 31, 2022</u>
American Rescue Plan Act (ARPA)	<u><u>\$ 347,751</u></u>