

City of Parkin, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PARKIN, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Parkin, 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 Parkin, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated May 4, 2023. These procedures were not performed for the Water and Sewer Fund. 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 2021:

Mayor: Diane Patterson
Recorder/Treasurer: Prenita White
District Court Clerk: Doris Jones
Police Chief: Buck Morris (resigned February 8, 2021)
Russell Hinsley (appointed June 14, 2021)

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 the **Mayor**.

MAYOR

1. An agreed-upon procedure and compilation report has not been completed or scheduled for the 2021 water and sewer systems, in noncompliance of Ark. Code Ann. § 14-234-119.
2. General Fund expenditures exceeded budgeted appropriations by \$103,954 (20%), in noncompliance with Ark. Code Ann. § 14-58-203.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
May 4, 2023
LOM107421

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund (Fire Department Project)
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 83,326	\$ 168,307	\$ 31,875
Receipts:			
State aid	17,074	106,004	
Federal aid	2,550	102,555	
Property taxes	19,788	7,264	
Franchise fees	45,399		
Sales taxes	195,641		
Fines, forfeitures, and costs	106,833	22,645	
Interest	12		
Local permits and fees	5,752		
Donations	4,945		
Contributions from water and sewer department	34,213		
Insurance proceeds	65,116		
Rental income	1,275		
Sanitation fees	82,157		
Private grant		8,516	
Mosquito control fees	15,100		
Total Receipts	<u>595,855</u>	<u>246,984</u>	
Disbursements:			
General government	344,253	21,651	
Law enforcement	171,549	44,053	
Highways and streets		132,820	
Public safety	12,599	28,509	16,829
Sanitation	71,874	4,330	
Health	6,432		
Recreation and culture		108	
Social services		8,516	
Debt service	8,835		
Contributions to water and sewer department	1,500	27,360	
Total Disbursements	<u>617,042</u>	<u>267,347</u>	<u>16,829</u>
Cash Balance, December 31, 2021	<u>\$ 62,139</u>	<u>\$ 147,944</u>	<u>\$ 15,046</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>No Liability Insurance</u>	<u>Jail</u>	<u>Court Automation</u>	<u>Youth Program Grant</u>	<u>Fun Park Grant</u>
Cash Balance, January 1, 2021	\$ 35,410	\$ 27,639	\$ 4,140	\$ 97,648	\$ 3,247	\$ 129	\$ 94
Receipts:							
State aid	84,840	21,164					
Federal aid							
Property taxes	7,264						
Fines, forfeitures, and costs			4,700	17,440	505		
Private grant							
Total Receipts	<u>92,104</u>	<u>21,164</u>	<u>4,700</u>	<u>17,440</u>	<u>505</u>		
Disbursements:							
General government							
Law enforcement			7,895	2,999	2,416		
Highways and streets	119,829						
Public safety		28,509					
Sanitation							
Recreation and culture						108	
Social services							
Contributions to water and sewer department							
Total Disbursements	<u>119,829</u>	<u>28,509</u>	<u>7,895</u>	<u>2,999</u>	<u>2,416</u>	<u>108</u>	
Cash Balance, December 31, 2021	<u>\$ 7,685</u>	<u>\$ 20,294</u>	<u>\$ 945</u>	<u>\$ 112,089</u>	<u>\$ 1,336</u>	<u>\$ 21</u>	<u>\$ 94</u>

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

Schedule 2

	<u>American Rescue Plan Act</u>	<u>Food Assistance Grant</u>	<u>Total</u>
Cash Balance, January 1, 2021			<u>\$ 168,307</u>
Receipts:			
State aid			106,004
Federal aid	\$ 102,555		102,555
Property taxes			7,264
Fines, forfeitures, and costs			22,645
Private grant		\$ 8,516	8,516
Total Receipts	<u>102,555</u>	<u>8,516</u>	<u>246,984</u>
Disbursements:			
General government	21,651		21,651
Law enforcement	30,743		44,053
Highways and streets	12,991		132,820
Public safety			28,509
Sanitation	4,330		4,330
Recreation and culture			108
Social services		8,516	8,516
Contributions to water and sewer department	27,360		27,360
Total Disbursements	<u>97,075</u>	<u>8,516</u>	<u>267,347</u>
Cash Balance, December 31, 2021	<u>\$ 5,480</u>	<u>\$ 0</u>	<u>\$ 147,944</u>

CITY OF PARKIN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

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, Sanitation, Police Equipment, and Mosquito Control
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2021
District Court	\$ 29,105
Payroll	24,196

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

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

	December 31, 2021
Land	\$ 203,239
Buildings	564,117
Equipment	1,159,643
Total	\$ 1,926,999

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

	December 31, 2021
Notes payable	\$ 2,285

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

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 102,555