

City of Tuckerman, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF TUCKERMAN, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

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 Tuckerman, 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 Tuckerman, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated January 3, 2024. 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 2022:

Mayor: Rick Womack
City Clerk/Treasurer: Vickie Adams
Police Chief: Justin Collom (resigned December 12, 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.

Noncompliance with state law and accepted accounting practices was noted in the offices of **Mayor** and **City Clerk/Treasurer**.

Mayor and City Clerk/Treasurer

Review of credit card charges for the period January 1, 2022, through December 31, 2022, revealed the following improper disbursements totaling \$9,925:

- \$5,879 in undocumented or inadequately documented purposes, the validity of which could not be determined.
 - \$2,222 for lodging.
 - \$974 for registration fees for various training courses.
 - \$392 for utilities.
 - \$254 for meals.
 - \$2,037 for miscellaneous purchases:
 - ⇒ \$981 for purchases from Amazon, Sam's Club, Tractor Supply, and Family Dollar.
 - ⇒ \$759 for apparent training and conference expenses.
 - ⇒ \$297 for other items.
- \$2,464 for meals and lodging without a documented business purpose.
- \$713 for food without a documented business purpose.
- \$513 for fuel purchased for personal vehicles.
- \$151 for miscellaneous purchases without a documented business purpose.
- \$124 for late fees.
- \$81 for personal expenses that were reimbursed to the City by the Clerk Treasurer.

Mayor

The 2022 General and Street Fund expenditures exceeded budgeted appropriations by \$227,837 (37%) and \$37,779 (36%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous three reports dating back to 2018.

City Clerk/Treasurer

A complete financial report including receipts, disbursements, balances on hand, and liabilities was not presented to council members, in noncompliance with Ark. Code Ann. § 14-43-506.

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



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

Little Rock, Arkansas
January 3, 2024
LOM108822

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 55,094	\$ 170,144
Receipts:		
State aid	127,378	148,186
Federal aid	3,000	255,829
Property taxes	76,453	15,291
Franchise fees	55,263	
Sales taxes	429,655	
Fines, forfeitures, and costs	18,917	
Interest	110	8
Local permits and fees	10,790	
Sanitation fees	113,621	
Other	78,432	2,383
Total Receipts	<u>913,619</u>	<u>421,697</u>
Disbursements:		
General government	210,944	
Law enforcement	100,804	294,946
Highways and streets	36,663	142,310
Public safety	133,613	11,767
Sanitation	146,266	
Recreation and culture	39,182	
Social services	69,043	81,591
Contribution to water and sewer department	81,886	
Debt service	40,897	29,307
Total Disbursements	<u>859,298</u>	<u>559,921</u>
Cash Balance, December 31, 2022	<u>\$ 109,415</u>	<u>\$ 31,920</u>

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

Schedule 2

	Street	Fire Equipment and Training	Fire Truck	Arkansas Economic Development Grant	USDA Police Car Grant	USDA Street Vehicle Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 14,111	\$ 31,880	\$ 203	\$ (23)	\$ 15,845	\$ 3,265	\$ 104,863	\$ 170,144
Receipts:								
State aid	147,377	809						148,186
Federal aid				66,591			189,238	255,829
Property taxes	15,291							15,291
Interest		8						8
Other	2,360			23				2,383
Total Receipts	<u>165,028</u>	<u>817</u>		<u>66,614</u>			<u>189,238</u>	<u>421,697</u>
Disbursements:								
Law enforcement					15,845		279,101	294,946
Highways and streets	139,045					3,265		142,310
Public safety		11,767						11,767
Social services				66,591			15,000	81,591
Debt service	14,996	14,311						29,307
Total Disbursements	<u>154,041</u>	<u>26,078</u>		<u>66,591</u>	<u>15,845</u>	<u>3,265</u>	<u>294,101</u>	<u>559,921</u>
Cash Balance, December 31, 2022	<u>\$ 25,098</u>	<u>\$ 6,619</u>	<u>\$ 203</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,920</u>

CITY OF TUCKERMAN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, Reserve, Police Drug Control, City Park, Activity, Gracelawn Cemetery, and Gracelawn Cemetery Perpetual Care
3. The Municipality's capital assets records are summarized below:

	December 31, 2022
Land	\$ 87,718
Buildings	1,183,506
Equipment	1,381,617
Total	<u>\$ 2,652,841</u>

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

	December 31, 2022
Financed purchases	<u>\$ 178,582</u>

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

	December 31, 2022
American Rescue Plan Act (passed though from Jackson County)	\$ 15,000
American Rescue Plan Act (ARPA)	174,238
Total	<u>\$ 189,238</u>