

City of Lake City, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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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 Lake City, 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 City, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated April 23, 2024. These procedures were not performed for the Water and Sewer and Mosquito 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 2023:

Mayor: Cameron Tate
Clerk/Treasurer: Lisa Sitz
Police Chief: Winred Saffell

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
April 23, 2024
LOM110623

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

Schedule 1

| | General Fund | Special Revenue Funds |
|--|---------------------|-----------------------------|
| Cash Balance, January 1, 2023 | \$ 1,302,599 | \$ 955,119 |
| Receipts: | | |
| State aid | 52,314 | 255,523 |
| Property taxes | 37,965 | 45,136 |
| Franchise fees | 123,642 | |
| Sales taxes | 731,376 | 105,853 |
| Fines, forfeitures, and costs | 151,096 | |
| Interest | 33,524 | 13,351 |
| Local permits and fees | 20,408 | |
| Sanitation fees | 167,830 | |
| Recreation fees | 45,739 | |
| Reimbursement from Riverside School District | 18,291 | |
| Rental income | 89,800 | |
| Other | 37,506 | |
| Total Receipts | <u>1,509,491</u> | <u>419,863</u> |
| Disbursements: | | |
| General government | 579,056 | |
| Law enforcement | 417,183 | |
| Highways and streets | | 326,748 |
| Public safety | 14,076 | 43,953 |
| Sanitation | 139,276 | |
| Recreation and culture | 54,352 | |
| Cemetery | 425 | |
| Contributions to water and sewer department | 105,853 | |
| Debt service | 26,014 | |
| Total Disbursements | <u>1,336,235</u> | <u>370,701</u> |
| Cash Balance, December 31, 2023 | <u>\$ 1,475,855</u> | <u>\$ 1,004,281</u> |

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

Schedule 2

| | Street | Fire District | Fire Equipment and Training | Street Improvement | American Rescue Plan Act | Total |
|---------------------------------|------------|---------------|--------------------------------|-----------------------|-----------------------------|--------------|
| Cash Balance, January 1, 2023 | \$ 291,600 | \$ 102,805 | \$ 23,016 | \$ 261,839 | \$ 275,859 | \$ 955,119 |
| Receipts: | | | | | | |
| State aid | 196,213 | 29,655 | 29,655 | | | 255,523 |
| Property taxes | 24,913 | 20,223 | | | | 45,136 |
| Sales taxes | | | | 105,853 | | 105,853 |
| Interest | 5,749 | 1,383 | 142 | 948 | 5,129 | 13,351 |
| Total Receipts | 226,875 | 51,261 | 29,797 | 106,801 | 5,129 | 419,863 |
| Disbursements: | | | | | | |
| Highways and streets | 185,961 | | | 140,787 | | 326,748 |
| Public safety | | 19,236 | 24,717 | | | 43,953 |
| Total Disbursements | 185,961 | 19,236 | 24,717 | 140,787 | | 370,701 |
| Cash Balance, December 31, 2023 | \$ 332,514 | \$ 134,830 | \$ 28,096 | \$ 227,853 | \$ 280,988 | \$ 1,004,281 |

CITY OF LAKE CITY, 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.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Parks and Recreation, Cemetery and Sanitation

3. The cash balance at year-end in the custodial fund is as follows:

| | December 31, 2023 |
|---------|----------------------|
| Payroll | \$ 34,812 |

This balance represent 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 | \$ 235,659 |
| Buildings | 1,724,032 |
| Equipment | 1,902,249 |
| Total | <u>\$ 3,861,940</u> |

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

| | December 31, 2023 |
|--------------------|----------------------|
| Financed purchases | <u>\$ 23,500</u> |