

**City of Bay, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas

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Senate Vice Chair



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**Rep. Richard Womack**  
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 Bay, 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 Bay, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 3, 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: Darrell Kirby  
Recorder/Treasurer: Sandi Ladd-Griffin  
Police Chief: Paul Keith

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 **Recorder/Treasurer**.

#### **Recorder/Treasurer**

The American Rescue Plan Act and Payroll bank accounts were not reconciled, in noncompliance with Ark. Code Ann. § 14-59-108.

The general ledger was not properly posted for the Payroll Fund, in noncompliance with Ark. Code Ann. §§ 14-59-110, -111.

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 black ink that reads "Roger A. Norman".

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

Little Rock, Arkansas  
April 3, 2023  
LOM119821

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 151,586	\$ 34,503
Receipts:		
State aid	54,254	149,960
Federal aid	2,550	188,639
Property taxes	25,840	17,545
Franchise fees	85,911	
Sales taxes	611,893	
Fines, forfeitures, and costs	44,644	
Interest	533	83
Local permits and fees	8,112	
Reimbursement from Bay School District	24,352	
Other	49,886	2,476
Total Receipts	<u>907,975</u>	<u>358,703</u>
Disbursements:		
General government	374,906	3,230
Law enforcement	447,115	8,074
Highways and streets	10,738	135,317
Public safety	63,096	
Sanitation	3,069	
Health	2,856	
Recreation and culture	9,045	
Social services	4,595	
Debt service	15,221	13,199
Contribution to water and sewer	22,305	3,229
Total Disbursements	<u>952,946</u>	<u>163,049</u>
Cash Balance, December 31, 2021	<u>\$ 106,615</u>	<u>\$ 230,157</u>

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

Schedule 2

	Street	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 34,503		\$ 34,503
Receipts:			
State aid	149,960		149,960
Federal aid		\$ 188,639	188,639
Property taxes	17,545		17,545
Interest	83		83
Other	2,476		2,476
Total Receipts	<u>170,064</u>	<u>188,639</u>	<u>358,703</u>
Disbursements:			
General government		3,230	3,230
Law enforcement		8,074	8,074
Highways and streets	132,088	3,229	135,317
Debt service	13,199		13,199
Contribution to water and sewer		3,229	3,229
Total Disbursements	<u>145,287</u>	<u>17,762</u>	<u>163,049</u>
Cash Balance, December 31, 2021	<u>\$ 59,280</u>	<u>\$ 170,877</u>	<u>\$ 230,157</u>

CITY OF BAY, 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 and Drug Control

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

	<u>December 31, 2021</u>
Payroll	\$ 8,806

This balance represents payroll taxes that have not been transferred to the appropriate entities.

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

	<u>December 31, 2021</u>
Land and Buildings	\$ 1,024,121
Vehicles and Equipment	<u>1,364,993</u>
Total	<u><u>\$ 2,389,114</u></u>

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

	<u>December 31, 2021</u>
Lease payable	\$ 15,635
Notes payable	<u>11,729</u>
Total	<u><u>\$ 27,364</u></u>

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

	<u>December 31, 2021</u>
American Rescue Plan Act (ARPA)	<u><u>\$ 188,639</u></u>