

City of Bay, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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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 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, 2022, and have issued our report thereon dated April 19, 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: 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. A similar finding was noted in the previous report.

The general ledger was not properly posted for the Payroll Fund, in noncompliance with Ark. Code Ann. §§ 14-59-110, -111. A similar finding was noted in the previous 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 19, 2024
LOM119822

CITY OF BAY, 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	\$ 106,615	\$ 230,157
Receipts:		
State aid	81,862	176,968
Federal aid	3,000	188,637
Property taxes	27,859	19,423
Franchise fees	92,364	
Sales taxes	621,933	
Fines, forfeitures, and costs	30,513	
Interest	222	144
Local permits and fees	6,019	
Loan proceeds	25,000	
Reimbursement from Bay School District	52,226	
Other	39,145	5,218
Transfers in		500
Total Receipts	<u>980,143</u>	<u>390,890</u>
Disbursements:		
General government	409,510	1,621
Law enforcement	483,611	27,181
Highways and streets	11,132	147,949
Public safety	74,151	15,000
Sanitation	1,264	
Health	1,215	
Recreation and culture	6,713	
Social services	2,585	
Contribution to water and sewer department	23,178	167,428
Debt service	15,679	11,960
Transfers out	500	
Total Disbursements	<u>1,029,538</u>	<u>371,139</u>
Cash Balance, December 31, 2022	<u>\$ 57,220</u>	<u>\$ 249,908</u>

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

Schedule 2

	Street	American Rescue Plan Act	Grant	Total
Cash Balance, January 1, 2022	\$ 59,280	\$ 170,877		\$ 230,157
Receipts:				
State aid	161,968		\$ 15,000	176,968
Federal aid		188,637		188,637
Property taxes	19,423			19,423
Interest	144			144
Other	5,218			5,218
Transfers in			500	500
Total Receipts	<u>186,753</u>	<u>188,637</u>	<u>15,500</u>	<u>390,890</u>
Disbursements:				
General government		1,621		1,621
Law enforcement		27,181		27,181
Highways and streets	147,949			147,949
Public safety			15,000	15,000
Contribution to water and sewer department		167,428		167,428
Debt service	11,960			11,960
Total Disbursements	<u>159,909</u>	<u>196,230</u>	<u>15,000</u>	<u>371,139</u>
Cash Balance, December 31, 2022	<u>\$ 86,124</u>	<u>\$ 163,284</u>	<u>\$ 500</u>	<u>\$ 249,908</u>

CITY OF BAY, 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 and Drug Control

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

	December 31, 2022
Payroll	\$ 14,076

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, 2022
Land and buildings	\$ 1,024,121
Vehicles and equipment	1,391,993
Total	<u>\$ 2,416,114</u>

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

	December 31, 2022
Financed purchase	<u>\$ 24,994</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 188,637</u>