

**City of Bay, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BAY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**Sen. David Wallace**  
Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
House Vice Chair

**Kevin William White, CPA, JD**  
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, 2023, and have issued our report thereon dated October 10, 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 commentary contained in this section relates to the following officials who held office during 2023:

Mayor: Paul Keith  
Clerk/Treasurer: Paula Martin  
Police Chief: Keith Milam

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
October 10, 2024  
LOM119823

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2023	\$ 57,720	\$ 258,408
Receipts:		
State aid	63,561	158,253
Federal aid	4,000	
Property taxes	29,742	17,808
Franchise fees	97,542	
Sales taxes	656,771	
Fines, forfeitures, and costs	23,653	
Interest	2,586	841
Local permits and fees	7,723	
Reimbursement from Bay School District	58,193	
Contribution from water and sewer department	20,012	
Other	93,040	
Transfers in	9,237	
Total Receipts	<u>1,066,060</u>	<u>176,902</u>
Disbursements:		
General government	508,209	
Law enforcement	293,009	166,898
Highways and streets		151,628
Public safety	51,519	
Sanitation	2,166	
Recreation and culture	11,172	
Social services	10,657	
Contribution to water and sewer department		5,386
Debt service	23,180	4,260
Transfers out		9,237
Total Disbursements	<u>899,912</u>	<u>337,409</u>
Cash Balance, December 31, 2023	<u>\$ 223,868</u>	<u>\$ 97,901</u>

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

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 86,124	\$ 172,284	\$ 258,408
Receipts:			
State aid	158,253		158,253
Property taxes	17,808		17,808
Interest	841		841
Total Receipts	<u>176,902</u>		<u>176,902</u>
Disbursements:			
Law enforcement		166,898	166,898
Highways and streets	151,628		151,628
Contribution to water and sewer department		5,386	5,386
Debt service	4,260		4,260
Transfers out	9,237		9,237
Total Disbursements	<u>165,125</u>	<u>172,284</u>	<u>337,409</u>
Cash Balance, December 31, 2023	<u>\$ 97,901</u>	<u>\$ 0</u>	<u>\$ 97,901</u>

CITY OF BAY, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (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 Fire Department

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

	December 31, 2023
Payroll	\$ 3,963

This balance represents 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 and buildings	\$ 1,024,121
Vehicles and equipment	1,414,022
Total	\$ 2,438,143

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

	December 31, 2023
Financed purchases	\$ 60,876