

City of Bearden, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BEARDEN, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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House 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 Bearden, 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 Bearden, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated June 16, 2023. These procedures were not performed for the Water and Sewer Department. 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 and 2020:

Mayor: Ginger Bailey
Recorder/Treasurer: Shalonda Hempstead
District Court Clerk: Shalonda Hempstead
Police Chief: Nathan Greeley

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 **Recorder/ Treasurer**.

Mayor

An annual audit or agreed-upon procedures report has not been completed and submitted to Arkansas Legislative Audit for the City's Water and Sewer Department for 2021 and 2020, as required by Ark. Code Ann. §§ 14-234-119 - 120.

Recorder / Treasurer

During 2020, an employee received \$1,160 in excess of authorized salary.

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
June 16, 2023
LOM200921

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

Schedule 1

| | General Fund | Special Revenue Funds |
|---------------------------------|-------------------|-----------------------------|
| | <u>\$</u> | <u>\$</u> |
| Cash Balance, January 1, 2021 | 773,281 | 124,424 |
| Receipts: | | |
| State aid | 31,164 | 79,478 |
| Federal aid | | 91,431 |
| Property taxes | 46,223 | 13,764 |
| Franchise fees | 33,459 | |
| Sales taxes | 153,574 | 128,938 |
| Fines, forfeitures, and costs | 1,442 | 10 |
| Interest | 1,330 | 50 |
| Local permits and fees | 7,359 | |
| Sanitation fees | | 4,641 |
| Ambulance fees | 450 | |
| Donations | | 250 |
| Other | 5,195 | 5,219 |
| Transfers in | 60,000 | |
| Total Receipts | <u>340,196</u> | <u>323,781</u> |
| Disbursements: | | |
| General government | 120,988 | 23,157 |
| Law enforcement | 107,326 | 5,640 |
| Highways and streets | 11,411 | 88,507 |
| Public safety | 37,090 | 637 |
| Sanitation | | 122,043 |
| Recreation and culture | 4,453 | 94 |
| Transfers out | 60,000 | |
| Total Disbursements | <u>341,268</u> | <u>240,078</u> |
| Cash Balance, December 31, 2021 | <u>\$ 772,209</u> | <u>\$ 208,127</u> |

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

Schedule 2

| | Street | Local Police and Fire Retirement (LOPFI) | Court Automation | Sanitation | Community Project | Edward Bryne Memorial Justice Assistance Grant (MJA) | American Rescue Plan Act | Total |
|---------------------------------|-----------|---|---------------------|------------|----------------------|---|--------------------------------|------------|
| Cash Balance, January 1, 2021 | \$ 30,791 | \$ 48,687 | \$ 154 | \$ 44,683 | \$ 109 | | | \$ 124,424 |
| Receipts: | | | | | | | | |
| State aid | 75,811 | 3,667 | | | | | | 79,478 |
| Federal aid | | | | | | \$ 2,550 | \$ 88,881 | 91,431 |
| Property taxes | 13,764 | | | | | | | 13,764 |
| Sales taxes | | | | 128,938 | | | | 128,938 |
| Fines, forfeitures, and costs | | | 10 | | | | | 10 |
| Interest | | 50 | | | | | | 50 |
| Sanitation fees | | | | 4,641 | | | | 4,641 |
| Donations | | | | | 250 | | | 250 |
| Other | 618 | | | 4,557 | | 44 | | 5,219 |
| Total Receipts | 90,193 | 3,717 | 10 | 138,136 | 250 | 2,594 | 88,881 | 323,781 |
| Disbursements: | | | | | | | | |
| General government | | | | | | | 23,157 | 23,157 |
| Law enforcement | | | | | | 2,594 | 3,046 | 5,640 |
| Highways and streets | 88,507 | | | | | | | 88,507 |
| Public safety | | 637 | | | | | | 637 |
| Sanitation | | | | 115,951 | | | 6,092 | 122,043 |
| Recreation and culture | | | | | 94 | | | 94 |
| Total Disbursements | 88,507 | 637 | | 115,951 | 94 | 2,594 | 32,295 | 240,078 |
| Cash Balance, December 31, 2021 | \$ 32,477 | \$ 51,767 | \$ 164 | \$ 66,868 | \$ 265 | \$ 0 | \$ 56,586 | \$ 208,127 |

CITY OF BEARDEN, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

| | General Fund | Special Revenue Funds |
|---------------------------------|-------------------|-----------------------------|
| Cash Balance, January 1, 2020 | \$ 757,542 | \$ 91,239 |
| Receipts: | | |
| State aid | 29,523 | 76,541 |
| Federal aid | 38,271 | |
| Property taxes | 45,574 | 13,578 |
| Franchise fees | 34,535 | |
| Sales taxes | 141,552 | 126,215 |
| Fines, forfeitures, and costs | 1,118 | 335 |
| Interest | 1,900 | 46 |
| Local permits and fees | 9,172 | |
| Sanitation fees | | 5,424 |
| Ambulance fees | 475 | |
| Donations | | 230 |
| Insurance proceeds | | 8,841 |
| Contributions from water | | 3,817 |
| Other | 8,829 | 4,533 |
| Transfers in | | 30,000 |
| Total Receipts | <u>310,949</u> | <u>269,560</u> |
| Disbursements: | | |
| General government | 145,102 | |
| Law enforcement | 93,854 | 1,933 |
| Highways and streets | | 105,081 |
| Public safety | 14,385 | 749 |
| Sanitation | | 117,782 |
| Recreation and culture | | 10,830 |
| Debt service | 11,634 | |
| Transfers out | 30,000 | |
| Unclassified | 235 | |
| Total Disbursements | <u>295,210</u> | <u>236,375</u> |
| Cash Balance, December 31, 2020 | <u>\$ 773,281</u> | <u>\$ 124,424</u> |

CITY OF BEARDEN, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

| | Street | Local Police and Fire Retirement (LOPFI) | Court Automation | Sanitation | Community Project | Total |
|---------------------------------|------------------|---|---------------------|------------------|----------------------|-------------------|
| Cash Balance, January 1, 2020 | \$ 15,200 | \$ 45,773 | \$ 1,752 | \$ 26,646 | \$ 1,868 | \$ 91,239 |
| Receipts: | | | | | | |
| State aid | 72,924 | 3,617 | | | | 76,541 |
| Property taxes | 13,578 | | | | | 13,578 |
| Sales taxes | | | | 126,215 | | 126,215 |
| Fines, forfeitures, and costs | | | 335 | | | 335 |
| Interest | | 46 | | | | 46 |
| Sanitation fees | | | | 5,424 | | 5,424 |
| Donations | | | | | 230 | 230 |
| Insurance proceeds | | | | | 8,841 | 8,841 |
| Contributions from water | 3,817 | | | | | 3,817 |
| Other | 353 | | | 4,180 | | 4,533 |
| Transfers in | 30,000 | | | | | 30,000 |
| Total Receipts | <u>120,672</u> | <u>3,663</u> | <u>335</u> | <u>135,819</u> | <u>9,071</u> | <u>269,560</u> |
| Disbursements: | | | | | | |
| Law enforcement | | | 1,933 | | | 1,933 |
| Highways and streets | 105,081 | | | | | 105,081 |
| Public safety | | 749 | | | | 749 |
| Sanitation | | | | 117,782 | | 117,782 |
| Recreation and culture | | | | | 10,830 | 10,830 |
| Total Disbursements | <u>105,081</u> | <u>749</u> | <u>1,933</u> | <u>117,782</u> | <u>10,830</u> | <u>236,375</u> |
| Cash Balance, December 31, 2020 | <u>\$ 30,791</u> | <u>\$ 48,687</u> | <u>\$ 154</u> | <u>\$ 44,683</u> | <u>\$ 109</u> | <u>\$ 124,424</u> |

CITY OF BEARDEN, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)

Schedule 5

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, Fire Department, Street and Special, and Parks and Recreation.
3. Cash balances at year-end in the custodial funds are as follows:

| | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|--------------------------------|------------------------------|------------------------------|
| District Court Fund | \$ 2,069 | \$ 1,684 |
| Administration of Justice Fund | 453 | 453 |

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

| | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|-----------|------------------------------|------------------------------|
| Land | \$ 51,195 | \$ 51,195 |
| Buildings | 203,701 | 203,701 |
| Equipment | <u>544,660</u> | <u>564,660</u> |
| Totals | <u>\$ 799,556</u> | <u>\$ 819,556</u> |

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

| | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|---|------------------------------|------------------------------|
| Coronavirus Aid, Relief and Economic Security Act (CARES) | | \$ 38,271 |
| American Rescue Plan Act (ARPA) | <u>\$ 88,881</u> | |
| Totals | <u>\$ 88,881</u> | <u>\$ 38,271</u> |