

City of Bearden, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BEARDEN, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial and Compliance Report	<u>Schedule</u>
2023	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2022	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2023 and 2022	
Other Information (Unaudited)	5

Arkansas



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Kevin William White, CPA, JD
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, 2023 and 2022, and have issued our report thereon dated January 13, 2025. These procedures were not performed for the Water and Sewer Funds. 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 2023 and 2022:

Mayor: Ginger Bailey
Recorder/Treasurer: Shalonda Hempstead
District Court Clerk: Tammi Vaughan (Appointed July 2022)
Shalonda Hempstead (January 2022-June 2022)
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 office of **Mayor**.

Mayor

An annual audit or agreed-upon procedures report has not been completed for the City's Water and Sewer Department for 2022, 2021, and 2020, as required by Ark. Code Ann. § 14-234-119. A similar finding was issued in the prior 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
January 13, 2025
LOM200923

CITY OF BEARDEN, 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	\$ 762,563	\$ 121,232
Receipts:		
State aid	29,616	66,821
Federal aid		6,000
Property taxes	47,922	17,995
Franchise fees	36,467	
Sales taxes	146,172	130,382
Fines, forfeitures, and costs	1,773	237
Interest	2,662	67
Local permits and fees	8,155	
Sanitation fees		8,944
Other	14,273	26,228
Transfers in		27,502
Total Receipts	<u>287,040</u>	<u>284,176</u>
Disbursements:		
General government	117,989	
Law enforcement	42,037	50
Highways and streets		100,003
Public safety	17,529	15,849
Sanitation		146,122
Transfers out	27,502	
Total Disbursements	<u>205,057</u>	<u>262,024</u>
Cash Balance, December 31, 2023	<u>\$ 844,546</u>	<u>\$ 143,384</u>

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

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Court Automation	Sanitation	Community Project	American Rescue Plan Act	Fire Department COVID	Total
Cash Balance, January 1, 2023	\$ 1,460	\$ 54,754	\$ 172	\$ 31,577	\$ 365	\$ 30,775	\$ 2,129	\$ 121,232
Receipts:								
State aid	66,821							66,821
Federal aid							6,000	6,000
Property taxes	14,270	3,725						17,995
Sales taxes				130,382				130,382
Fines, forfeitures, and costs			237					237
Interest		67						67
Sanitation fees				8,944				8,944
Other	26,228							26,228
Transfers in	27,502							27,502
Total Receipts	<u>134,821</u>	<u>3,792</u>	<u>237</u>	<u>139,326</u>			<u>6,000</u>	<u>284,176</u>
Disbursements:								
Law enforcement			50					50
Highways and streets	100,003							100,003
Public safety		4,744				8,000	3,105	15,849
Sanitation				146,122				146,122
Total Disbursements	<u>100,003</u>	<u>4,744</u>	<u>50</u>	<u>146,122</u>		<u>8,000</u>	<u>3,105</u>	<u>262,024</u>
Cash Balance, December 31, 2023	<u>\$ 36,278</u>	<u>\$ 53,802</u>	<u>\$ 359</u>	<u>\$ 24,781</u>	<u>\$ 365</u>	<u>\$ 22,775</u>	<u>\$ 5,024</u>	<u>\$ 143,384</u>

CITY OF BEARDEN, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 772,209	\$ 208,127
Receipts:		
State aid	29,013	66,997
Federal aid		118,880
Property taxes	44,900	16,978
Franchise fees	35,036	
Sales taxes	159,044	127,346
Fines, forfeitures, and costs	1,275	8
Interest	1,101	53
Local permits and fees	12,010	
Sanitation fees		9,163
Other	259	727
Total Receipts	<u>282,638</u>	<u>340,152</u>
Disbursements:		
General government	108,509	8,737
Law enforcement	97,591	
Highways and streets	62,564	112,048
Public safety	22,623	28,508
Sanitation		171,800
Recreation and culture	997	
Wastewater		105,954
Total Disbursements	<u>292,284</u>	<u>427,047</u>
Cash Balance, December 31, 2022	<u>\$ 762,563</u>	<u>\$ 121,232</u>

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

Schedule 4

	Street	Local Police and Fire Retirement (LOPFI)	Court Automation	Sanitation	Community Project	American Rescue Plan Act	Fire Department COVID	Total
Cash Balance, January 1, 2022	\$ 32,477	\$ 51,767	\$ 164	\$ 66,868	\$ 265	\$ 56,586		\$ 208,127
Receipts:								
State aid	66,997							66,997
Federal aid						88,880	\$ 30,000	118,880
Property taxes	13,407	3,571						16,978
Sales taxes				127,346				127,346
Fines, forfeitures, and costs			8					8
Interest		53						53
Sanitation fees				9,163				9,163
Other	627				100			727
Total Receipts	<u>81,031</u>	<u>3,624</u>	<u>8</u>	<u>136,509</u>	<u>100</u>	<u>88,880</u>	<u>30,000</u>	<u>340,152</u>
Disbursements:								
General government						8,737		8,737
Highways and streets	112,048							112,048
Public safety		637					27,871	28,508
Sanitation				171,800				171,800
Wastewater						105,954		105,954
Total Disbursements	<u>112,048</u>	<u>637</u>		<u>171,800</u>		<u>114,691</u>	<u>27,871</u>	<u>427,047</u>
Cash Balance, December 31, 2022	<u>\$ 1,460</u>	<u>\$ 54,754</u>	<u>\$ 172</u>	<u>\$ 31,577</u>	<u>\$ 365</u>	<u>\$ 30,775</u>	<u>\$ 2,129</u>	<u>\$ 121,232</u>

CITY OF BEARDEN, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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:

	December 31, 2023	December 31, 2022
District Court	\$ 4,380	\$ 2,810
Payroll	1,997	
Administration of Justice	416	411

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

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

	December 31, 2023	December 31, 2022
Land	\$ 51,195	\$ 51,195
Buildings	357,391	357,391
Equipment	554,127	554,127
Totals	\$ 962,713	\$ 962,713

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

	December 31, 2023	December 31, 2022
American Rescue Plan Act (ARPA)		\$ 88,880
American Rescue Plan Act (ARPA) - pass through from Ouachita County	\$ 6,000	30,000
Totals	\$ 6,000	\$ 118,880