

**City of Branch, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

*Including Financial Information  
For  
December 31, 2022 and 2021*

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF BRANCH, ARKANSAS  
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# Arkansas

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**Sen. John Payton**  
Senate Vice Chair



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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 Branch, 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 Branch, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgment of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2022 and 2021, and have issued our report thereon dated July 15, 2024. 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 commentary contained in this section relates to the following officials who held office during 2023, 2022, and 2021:

Mayor: Gerald Harris  
Recorder/Treasurer: Michelle Wilson

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  
July 15, 2024  
LOM201723

CITY OF BRANCH, 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	\$ 246,232	\$ 69,056
Receipts:		
State aid	4,500	41,950
Federal aid	77,770	
Property taxes	13,179	3,955
Franchise fees	5,943	
Sales taxes	78,126	
Interest	361	103
Other	1,812	7,000
Total Receipts	<u>181,691</u>	<u>53,008</u>
Disbursements:		
General government	49,344	
Highways and streets		26,153
Public safety		19,933
Recreation and culture	2,952	
Water and sewer	104,845	
Total Disbursements	<u>157,141</u>	<u>46,086</u>
Cash Balance, December 31, 2023	<u>\$ 270,782</u>	<u>\$ 75,978</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>Total</u>
Cash Balance, January 1, 2023	<u>\$ 45,225</u>	<u>\$ 23,831</u>	<u>\$ 69,056</u>
Receipts:			
State aid	24,970	16,980	41,950
Property taxes	3,955		3,955
Interest	75	28	103
Other		7,000	7,000
Total Receipts	<u>29,000</u>	<u>24,008</u>	<u>53,008</u>
Disbursements:			
Highways and streets	26,153		26,153
Public safety		19,933	19,933
Total Disbursements	<u>26,153</u>	<u>19,933</u>	<u>46,086</u>
Cash Balance, December 31, 2023	<u>\$ 48,072</u>	<u>\$ 27,906</u>	<u>\$ 75,978</u>

CITY OF BRANCH, 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	\$ 305,595	\$ 74,082
Receipts:		
State aid	4,416	29,047
Federal aid	232,010	35,324
Property taxes	12,834	3,903
Franchise fees	5,488	
Sales taxes	75,313	
Interest	677	128
Insurance proceeds	8,471	
Other	180	
Total Receipts	<u>339,389</u>	<u>68,402</u>
Disbursements:		
General government	57,749	
Highways and streets		32,266
Public safety		5,508
Recreation and culture	1,178	
Water and sewer	<u>339,825</u>	<u>35,654</u>
Total Disbursements	<u>398,752</u>	<u>73,428</u>
Cash Balance, December 31, 2022	<u>\$ 246,232</u>	<u>\$ 69,056</u>

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

Schedule 4

	Street	Fire Department	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 47,944	\$ 25,808	\$ 330	\$ 74,082
Receipts:				
State aid	25,556	3,491		29,047
Federal aid			35,324	35,324
Property taxes	3,903			3,903
Interest	88	40		128
Total Receipts	<u>29,547</u>	<u>3,531</u>	<u>35,324</u>	<u>68,402</u>
Disbursements:				
Highways and streets	32,266			32,266
Public safety		5,508		5,508
Water and sewer			35,654	35,654
Total Disbursements	<u>32,266</u>	<u>5,508</u>	<u>35,654</u>	<u>73,428</u>
Cash Balance, December 31, 2022	<u>\$ 45,225</u>	<u>\$ 23,831</u>	<u>\$ 0</u>	<u>\$ 69,056</u>

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

Schedule 5

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2021	\$ 303,580	\$ 62,398
Receipts:		
State aid	5,764	32,030
Federal aid		35,325
Property taxes	11,746	3,557
Franchise fees	4,759	
Sales taxes	87,294	
Interest	599	104
Sale of equipment	14,252	
Other	189	
Total Receipts	<u>124,603</u>	<u>71,016</u>
Disbursements:		
General government	34,317	
Highways and streets		19,688
Public safety		4,649
Recreation and culture	1,869	
Water and sewer	86,402	34,995
Total Disbursements	<u>122,588</u>	<u>59,332</u>
Cash Balance, December 31, 2021	<u>\$ 305,595</u>	<u>\$ 74,082</u>



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

Schedule 6

	Street	Fire Department	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2021	\$ 35,185	\$ 27,213		\$ 62,398
Receipts:				
State aid	28,826	3,204		32,030
Federal aid			\$ 35,325	35,325
Property taxes	3,557			3,557
Interest	64	40		104
Total Receipts	<u>32,447</u>	<u>3,244</u>	<u>35,325</u>	<u>71,016</u>
Disbursements:				
Highways and streets	19,688			19,688
Public safety		4,649		4,649
Water and sewer			34,995	34,995
Total Disbursements	<u>19,688</u>	<u>4,649</u>	<u>34,995</u>	<u>59,332</u>
Cash Balance, December 31, 2021	<u>\$ 47,944</u>	<u>\$ 25,808</u>	<u>\$ 330</u>	<u>\$ 74,082</u>

CITY OF BRANCH, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021  
(UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand accounts and a certificate of deposit.

2. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Payroll	\$ 100	\$ 4,362	\$ 1,761

These balances represent payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2023	December 31, 2022	December 31, 2021
Land	\$ 17,499	\$ 17,499	\$ 17,499
Buildings and improvements	270,714	281,214	281,214
Equipment	255,657	255,010	259,770
Totals	\$ 543,870	\$ 553,723	\$ 558,483

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 35,324	\$ 35,325