

City of Calion, Arkansas

Financial and Compliance Report

December 31, 2022

***Including Financial Information
For
December 31, 2021 and 2020***

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CALION, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



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

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Calion, 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 Calion, Arkansas, as of and for the years ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated October 20, 2023. These procedures were not performed for the Water and Sewer Systems. 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, 2021, and 2020:

Mayor: Ken Anders
Recorder: Mary Martin
Treasurer: Jamie Morgan
Police Chief: Robert Hodges

We evaluated the City's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the office of the **Treasurer**.

Treasurer

During 2022, the Treasurer paid herself four extra payments, totaling \$2,586, in excess of her appropriated salary. The Treasurer was unable to provide documentation to support the extra payments; therefore, the validity of these payments could not be determined.

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
October 20, 2023
LOM202122

CITY OF CALION, 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	\$ 580,132	\$ 188,526
Receipts:		
State aid	6,400	60,914
Federal aid		46,097
Property taxes	24,212	6,036
Franchise fees	115	16,657
Sales taxes	109,109	109,299
Fines, forfeitures, and costs	1,345	
Interest	1,081	87
Other	16,579	2,136
Transfers in		18,100
Total Receipts	<u>158,841</u>	<u>259,326</u>
Disbursements:		
General government	350,802	
Highways and streets		66,751
Public safety		24,752
Sanitation		105,196
Debt service		5,848
Contributions to water and sewer		46,400
Transfers out	18,100	
Total Disbursements	<u>368,902</u>	<u>248,947</u>
Cash Balance, December 31, 2022	<u>\$ 370,071</u>	<u>\$ 198,905</u>

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

Schedule 2

	Street	Sanitation	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 24,417	\$ 115,539	\$ 2,470	\$ 46,100	\$ 188,526
Receipts:					
State aid	37,038		23,876		60,914
Federal aid				46,097	46,097
Property taxes	6,036				6,036
Franchise fees	16,657				16,657
Sales taxes		109,299			109,299
Interest	21	60		6	87
Other	636	1,500			2,136
Transfers in		18,000		100	18,100
Total Receipts	60,388	128,859	23,876	46,203	259,326
Disbursements:					
Highways and streets	66,751				66,751
Public safety			24,752		24,752
Sanitation		105,196			105,196
Debt Service		5,848			5,848
Contributions to water and sewer department		11,400		35,000	46,400
Total Disbursements	66,751	122,444	24,752	35,000	248,947
Cash Balance, December 31, 2022	\$ 18,054	\$ 121,954	\$ 1,594	\$ 57,303	\$ 198,905

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 295,155	\$ 178,888
Receipts:		
State aid	7,848	61,324
Federal aid		46,098
Property taxes	27,031	4,882
Franchise fees	316	15,804
Sales taxes	104,160	98,548
Fines, forfeitures, and costs	1,864	
Interest	1,118	145
Insurance proceeds	273,135	
Other	15,530	7,061
Transfers in		570
Total Receipts	<u>431,002</u>	<u>234,432</u>
Disbursements:		
General government	145,455	
Highways and streets		61,626
Public safety		46,952
Sanitation		91,950
Debt service		12,866
Contributions to water and sewer department		11,400
Transfers out	570	
Total Disbursements	<u>146,025</u>	<u>224,794</u>
Cash Balance, December 31, 2021	<u>\$ 580,132</u>	<u>\$ 188,526</u>

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

Schedule 4

	Street	Sanitation	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 23,984	\$ 131,391	\$ 23,513		\$ 178,888
Receipts:					
State aid	39,415		21,909		61,324
Federal aid				\$ 46,098	46,098
Property taxes	4,882				4,882
Franchise fees	15,804				15,804
Sales taxes		98,548			98,548
Interest	27	116		2	145
Other	1,361	1,700	4,000		7,061
Transfers in	570				570
Total Receipts	62,059	100,364	25,909	46,100	234,432
Disbursements:					
Highways and streets	61,626				61,626
Public safety			46,952		46,952
Sanitation		91,950			91,950
Debt service		12,866			12,866
Contributions to water and sewer department		11,400			11,400
Total Disbursements	61,626	116,216	46,952		224,794
Cash Balance, December 31, 2021	\$ 24,417	\$ 115,539	\$ 2,470	\$ 46,100	\$ 188,526

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

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 284,054	\$ 188,869
Receipts:		
State aid	7,330	58,094
Property taxes	24,231	3,566
Franchise fees	117	15,471
Sales taxes	103,054	95,676
Fines, forfeitures, and costs	1,810	
Interest	1,187	261
Other	8,157	2,069
Transfers in		2,061
Total Receipts	<u>145,886</u>	<u>177,198</u>
Disbursements:		
General government	131,613	
Highways and streets		71,008
Public safety		12,068
Sanitation		78,669
Debt service		14,035
Contributions to water and sewer department		9,500
Transfers out	2,061	
Unclassified	1,111	1,899
Total Disbursements	<u>134,785</u>	<u>187,179</u>
Cash Balance, December 31, 2020	<u><u>\$ 295,155</u></u>	<u><u>\$ 178,888</u></u>

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

Schedule 6

	Street	Sanitation	Fire Equipment and Training Act 833	Total
Cash Balance, January 1, 2020	\$ 36,568	\$ 137,679	\$ 14,622	\$ 188,869
Receipts:				
State aid	37,292		20,802	58,094
Property taxes	3,566			3,566
Franchise fees	15,471			15,471
Sales taxes		95,676		95,676
Interest	34	227		261
Other		1,912	157	2,069
Transfers in	2,061			2,061
Total Receipts	<u>58,424</u>	<u>97,815</u>	<u>20,959</u>	<u>177,198</u>
Disbursements:				
Highways and streets	71,008			71,008
Public safety			12,068	12,068
Sanitation		78,669		78,669
Debt service		14,035		14,035
Contributions to water and sewer department		9,500		9,500
Unclassified		1,899		1,899
Total Disbursements	<u>71,008</u>	<u>104,103</u>	<u>12,068</u>	<u>187,179</u>
Cash Balance, December 31, 2020	<u>\$ 23,984</u>	<u>\$ 131,391</u>	<u>\$ 23,513</u>	<u>\$ 178,888</u>

CITY OF CALION, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund, General Money Market, Police Money Market, and Fire Money Market

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 55,165	\$ 55,165	\$ 55,165
Buildings	371,089	371,089	371,089
Equipment	1,104,151	1,038,780	995,640
Totals	<u>\$ 1,530,405</u>	<u>\$ 1,465,034</u>	<u>\$ 1,421,894</u>

4. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2021	December 31, 2020
Financed purchases	<u>\$ 5,848</u>	<u>\$ 18,714</u>

5. 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)	<u>\$ 46,097</u>	<u>\$ 46,098</u>