

**City of Flippin, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF FLIPPIN, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2023

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# Arkansas

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**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 Flippin, 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 Flippin, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated December 30, 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Heith Hogan  
Recorder: Elizabeth Johnson  
Deputy City Clerk: Suzie Inskeep (hired February 17, 2023)  
Sandra Balogh (resigned January 1, 2023)  
District Court Clerk: Dustin Sanders (hired December 18, 2023)  
Suzie Inskeep (February 17, 2023 – December 18, 2023)  
Sandra Balogh (resigned January 1, 2023)  
Police Chief: John Spence

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 **Deputy City Clerk**.

#### **Deputy City Clerk**

Cash receipts and disbursements journals were not properly classified, posted, and reconciled with bank deposits and withdrawals, in non-compliance with Ark. Code Ann. §§ 14-59-108, 110, 111. A similar finding was noted in the prior three reports dating back to 2018.

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  
December 30, 2024  
LOM205723

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

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Fund (Firemen's Pension)
Cash Balance, January 1, 2023	\$ 1,149,729	\$ 486,685	\$ 212,939
Receipts:			
State aid	35,934	113,459	
Federal aid	4,000		
Property taxes	34,929	24,820	
Franchise fees	79,488		
Sales taxes	1,080,703		
Fines, forfeitures, and costs	29,096		
Interest	931	157	4,144
Local permits and fees	10,346		
Gain on sale of investments			5,119
Donations	13,467		
Loan proceeds	267,250		
Other	48,333	2,396	2,443
Transfers in		105,756	
Unclassified	395,395	45,102	
Total Receipts	<u>1,999,872</u>	<u>291,690</u>	<u>11,706</u>
Disbursements:			
General government	603,872		
Law enforcement	486,052		
Highways and streets		87,538	
Public safety	411,655		20,084
Sanitation	8,089		
Recreation and culture	507,825		
Contributions to State Local Police and Fire Retirement System			204,561
Wastewater	162		
Debt service	82,840		
Transfers out	105,756		
Unclassified	142,484	96,457	
Total Disbursements	<u>2,348,735</u>	<u>183,995</u>	<u>224,645</u>
Cash Balance, December 31, 2023	<u>\$ 800,866</u>	<u>\$ 594,380</u>	<u>\$ 0</u>

CITY OF FLIPPIN, 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)	District Court Automation	Total
Cash Balance, January 1, 2023	\$ 379,202	\$ 97,958	\$ 9,525	\$ 486,685
Receipts:				
State aid	113,459			113,459
Property taxes	24,820			24,820
Interest		157		157
Other	2,396			2,396
Transfers in	28,200	77,556		105,756
Unclassified		42,754	2,348	45,102
Total Receipts	<u>168,875</u>	<u>120,467</u>	<u>2,348</u>	<u>291,690</u>
Disbursements:				
Highways and streets	87,538			87,538
Unclassified	2,872	90,418	3,167	96,457
Total Disbursements	<u>90,410</u>	<u>90,418</u>	<u>3,167</u>	<u>183,995</u>
Cash Balance, December 31, 2023	<u>\$ 457,667</u>	<u>\$ 128,007</u>	<u>\$ 8,706</u>	<u>\$ 594,380</u>

CITY OF FLIPPIN, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 3

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, Police Registration, Police Depreciation, Police Department, City Jail Fee, Fire Equipment & Training - Act 833  
 Fire Department, Fire Truck, Fire Department Building and Emergency, Parks Department, and Parks Construction.
3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2023
District Court	\$ 3,214

This balance represents fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2023
Land	\$ 336,180
Building & Improvements	1,882,500
Equipment & Vehicles	1,851,391
Total	\$ 4,070,071

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

	December 31, 2023
Financed purchases	\$ 716,299