

City of Garland, Arkansas

Financial and Compliance Report

December 31, 2022

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

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF GARLAND, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

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 Garland, 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 Garland, 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 23, 2023. These procedures were not performed for the Water and Sewer Fund. 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 2022, 2021, and 2020:

Mayor: Tyeshekka Antwine
Recorder/Treasurer: Linda Dudley

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

On October 11, 2021, the City Council appointed a member from its own body to be City Maintenance Supervisor, a newly created position, in noncompliance with Ark. Code Ann. § 14-42-107(a)(1). Additionally, the Council voted to waive compliance with this section of Arkansas Code, which is unallowable. Although this individual remained on the Council, he did not receive salary as a Council member but was paid \$225 weekly for the City Maintenance Supervisor position.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
October 23, 2023
LOM206022

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 7,490	\$ 215,692
Receipts:		
State aid	2,909	53,095
Federal aid		24,447
Property taxes	3,006	302
Franchise fees	8,579	
Sales taxes	196,761	
Interest	11	272
Other	524	
Transfers in	200	
Total Receipts	<u>211,990</u>	<u>78,116</u>
Disbursements:		
General government	157,842	26,767
Highways and streets		19,315
Public safety	1,147	4,114
Sanitation	7,261	
Transfers out		200
Contribution to water department	5,372	
Total Disbursements	<u>171,622</u>	<u>50,396</u>
Cash Balance, December 31, 2022	<u>\$ 47,858</u>	<u>\$ 243,412</u>

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

Schedule 2

	Street	Act 833 Fire Equipment	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 113,414	\$ 81,460	\$ 20,818	\$ 215,692
Receipts:				
State aid	16,836	36,259		53,095
Federal aid			24,447	24,447
Property taxes	302			302
Interest	264		8	272
Total Receipts	<u>17,402</u>	<u>36,259</u>	<u>24,455</u>	<u>78,116</u>
Disbursements:				
General government			26,767	26,767
Highways and streets	19,315			19,315
Public safety		4,114		4,114
Sanitation				
Transfers out			200	200
Total Disbursements	<u>19,315</u>	<u>4,114</u>	<u>26,967</u>	<u>50,396</u>
Cash Balance, December 31, 2022	<u>\$ 111,501</u>	<u>\$ 113,605</u>	<u>\$ 18,306</u>	<u>\$ 243,412</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 18,768	\$ 160,361
Receipts:		
State aid	3,801	54,112
Federal aid		24,448
Property taxes	3,313	340
Franchise fees	8,254	
Sales taxes	158,829	
Interest	10	527
Other	4,786	2,755
Transfers in		200
Total Receipts	<u>178,993</u>	<u>82,382</u>
Disbursements:		
General government	176,217	3,830
Highways and streets		22,427
Public safety	5,715	794
Sanitation	8,139	
Transfers out	200	
Total Disbursements	<u>190,271</u>	<u>27,051</u>
Cash Balance, December 31, 2021	<u>\$ 7,490</u>	<u>\$ 215,692</u>

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

Schedule 4

	Street	Act 833 Fire Equipment	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 115,970	\$ 44,391		\$ 160,361
Receipts:				
State aid	19,004	35,108		54,112
Federal aid			\$ 24,448	24,448
Property taxes	340			340
Interest	527			527
Other		2,755		2,755
Transfers in			200	200
Total Receipts	<u>19,871</u>	<u>37,863</u>	<u>24,648</u>	<u>82,382</u>
Disbursements:				
General government			3,830	3,830
Highways and streets	22,427			22,427
Public safety		794		794
Total Disbursements	<u>22,427</u>	<u>794</u>	<u>3,830</u>	<u>27,051</u>
Cash Balance, December 31, 2021	<u>\$ 113,414</u>	<u>\$ 81,460</u>	<u>\$ 20,818</u>	<u>\$ 215,692</u>

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

Schedule 5

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2020	\$ 21,151	\$ 152,747
Receipts:		
State aid	3,591	48,637
Property taxes	3,166	331
Franchise fees	7,869	
Sales taxes	148,155	
Interest	8	526
Contribution from water department	2,500	
Other	1,062	6,159
Unclassified		1,295
Total Receipts	<u>166,351</u>	<u>56,948</u>
Disbursements:		
General government	159,192	
Highways and streets		28,011
Public safety	2,078	21,323
Sanitation	7,464	
Total Disbursements	<u>168,734</u>	<u>49,334</u>
Cash Balance, December 31, 2020	<u>\$ 18,768</u>	<u>\$ 160,361</u>

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

Schedule 6

	Street	Act 833 Fire Equipment	Total
Cash Balance, January 1, 2020	\$ 123,373	\$ 29,374	\$ 152,747
Receipts:			
State aid	18,269	30,368	48,637
Property taxes	331		331
Interest	526		526
Other	187	5,972	6,159
Unclassified	1,295		1,295
Total Receipts	<u>20,608</u>	<u>36,340</u>	<u>56,948</u>
Disbursements:			
Highways and streets	28,011		28,011
Public safety		21,323	21,323
Total Disbursements	<u>28,011</u>	<u>21,323</u>	<u>49,334</u>
Cash Balance, December 31, 2020	<u>\$ 115,970</u>	<u>\$ 44,391</u>	<u>\$ 160,361</u>

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

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 General, and Sanitation
3. The Municipality's capital assets records are summarized below:

	December 31, 2022	December 31, 2021	December 31, 2020
Buildings	\$ 265,000	\$ 265,000	\$ 265,000
Equipment	258,970	258,970	249,032
Totals	\$ 523,970	\$ 523,970	\$ 514,032

The Municipality's capital assets records did not contain cost amounts for land.

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

	December 31, 2022	December 31, 2021	December 31, 2020
Financed purchase	\$ 10,529	\$ 21,694	\$ 32,938

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)	\$ 24,447	\$ 24,448