

City of Grady, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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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 Grady, 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 Grady, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated August 14, 2024. These procedures were not performed for the Water and Sewer Departments. 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:

Mayor: Charles Knight
Recorder/Treasurer: Lynley Powell
District Court Clerk: Carmen Davis
Police Chief: Kenny Hunter

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 audit or agreed upon procedures report has not been obtained for the Grady Water and Sewer System for the years 2022, 2021, 2020, 2019, and 2018 as required by Ark. Code Ann. § 14-234-119. A similar finding was issued in the previous 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
August 14, 2024
LOM206723

CITY OF GRADY, 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	\$ 166,326	\$ 335,483
Receipts:		
State aid	4,637	47,679
Property taxes	19,243	9,633
Franchise fees	20,720	
Sales taxes	111,902	
Fines, forfeitures, and costs	306,290	40,674
Interest	10	
Local permits and fees	2,602	
Other	7,001	3,222
Transfers in		89,258
Unclassified		296
Total Receipts	<u>472,405</u>	<u>190,762</u>
Disbursements:		
General government	465,536	
Law enforcement	5,148	31,418
Highways and streets		103,184
Public safety	1,222	49,331
Sanitation	2,572	
Transfers out	89,258	
Unclassified	42	
Total Disbursements	<u>563,778</u>	<u>183,933</u>
Cash Balance, December 31, 2023	<u>\$ 74,953</u>	<u>\$ 342,312</u>

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

Schedule 2

	Street	Administration of Justice	Criminal Incarceration Fund	Municipal Computer	Fire Equipment and Training ACT 833	Court Automation	City Sales Tax/Street Improvements	Total
Cash Balance, January 1, 2023	\$ 3,907	\$ 2,700	\$ 86,017	\$ 53,489	\$ 48,821	\$ 11,545	\$ 129,004	\$ 335,483
Receipts:								
State aid	25,729				21,950			47,679
Property taxes	9,633							9,633
Fines, forfeitures, and costs		8,101	18,315	11,091		3,167		40,674
Other	3,222							3,222
Transfers in							89,258	89,258
Unclassified	296							296
Total Receipts	<u>38,880</u>	<u>8,101</u>	<u>18,315</u>	<u>11,091</u>	<u>21,950</u>	<u>3,167</u>	<u>89,258</u>	<u>190,762</u>
Disbursements:								
Law enforcement		7,974		23,444				31,418
Highways and streets	37,568						65,616	103,184
Public safety					40,852	8,479		49,331
Total Disbursements	<u>37,568</u>	<u>7,974</u>		<u>23,444</u>	<u>40,852</u>	<u>8,479</u>	<u>65,616</u>	<u>183,933</u>
Cash Balance, December 31, 2023	<u>\$ 5,219</u>	<u>\$ 2,827</u>	<u>\$ 104,332</u>	<u>\$ 41,136</u>	<u>\$ 29,919</u>	<u>\$ 6,233</u>	<u>\$ 152,646</u>	<u>\$ 342,312</u>

CITY OF GRADY, 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 and Legal Defense
3. The cash balance at year-end in the custodial fund is as follows:

	<u>December 31,</u> <u>2023</u>
District Court	\$ 103,208

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

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

	<u>December 31,</u> <u>2023</u>
Land and Buildings	\$ 390,877
Vehicles & Equipment	<u>373,537</u>
Total	<u>\$ 764,414</u>