

City of Greenland, Arkansas

Financial and Compliance Report

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF GREENLAND, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial and Compliance Report

	<u>Schedule</u>
2022	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Combining Schedule of Financial Information – Debt Service Funds (Unaudited)	3
Combining Schedule of Financial Information – Capital Projects Funds (Unaudited)	4
2021	
Schedule of Financial Information (Unaudited)	5
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	6
Combining Schedule of Financial Information – Debt Service Funds (Unaudited)	7
Combining Schedule of Financial Information – Capital Projects Funds (Unaudited)	8
2022 and 2021	
Other Information (Unaudited)	9

Arkansas

Sen. David Wallace
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 Greenland, 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 Greenland, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated August 24, 2023. 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 relates to the following officials who held office during 2022 and 2021:

Mayor: Bill Groom
Recorder/Treasurer: Misty McCard
District Court Clerk: Tammy Shaffer (resigned April 12, 2021)
Mary Norman (appointed April 12, 2021)
Police Chief: Gary Ricker (retired February 28, 2022)
Craig Stout (appointed February 28, 2022)

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
August 24, 2023
LOM207122

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Cash Balance, January 1, 2022	\$ 1,392,276	\$ 112,287	\$ 271,974	\$ 299,938
Receipts:				
State aid	52,513	104,726		
Federal aid		145,337		
Property taxes	51,946	9,847		
Franchise fees	44,454			
Sales taxes	696,468		199,176	
Fines, forfeitures, and costs	145,908	15,870		
Interest	1,798	130	1,773	252
Local permits and fees	15,305			
Wastewater fees			62,858	7,224
Other	5,958	28		
Transfers in		13,433		
Total Receipts	<u>1,014,350</u>	<u>289,371</u>	<u>263,807</u>	<u>7,476</u>
Disbursements:				
General government	340,209			
Law enforcement	439,451	27,599		
Highways and streets		93,658		
Public safety	45,000			
Sanitation	7,233			
Recreation and culture	17,278			
Wastewater		172,560		141,686
Debt service			84,906	
Transfers out	13,433			
Total Disbursements	<u>862,604</u>	<u>293,817</u>	<u>84,906</u>	<u>141,686</u>
Cash Balance, December 31, 2022	<u>\$ 1,544,022</u>	<u>\$ 107,841</u>	<u>\$ 450,875</u>	<u>\$ 165,728</u>

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

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 64,170	\$ 4,635	\$ 16,259	\$ 27,223	\$ 112,287
Receipts:					
State aid	104,726				104,726
Federal aid				145,337	145,337
Property taxes	9,847				9,847
Fines, forfeitures, and costs		8,105	7,765		15,870
Interest	105	6	19		130
Other	28				28
Transfers in		13,433			13,433
Total Receipts	<u>114,706</u>	<u>21,544</u>	<u>7,784</u>	<u>145,337</u>	<u>289,371</u>
Disbursements:					
Law enforcement		20,273	7,326		27,599
Highways and streets	93,658				93,658
Wastewater				172,560	172,560
Total Disbursements	<u>93,658</u>	<u>20,273</u>	<u>7,326</u>	<u>172,560</u>	<u>293,817</u>
Cash Balance, December 31, 2022	<u>\$ 85,218</u>	<u>\$ 5,906</u>	<u>\$ 16,717</u>	<u>\$ 0</u>	<u>\$ 107,841</u>

CITY OF GREENLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 3

	2017 Sales and Use Tax Bond Fund	Sewer Rehabilitation	Total
Cash Balance, January 1, 2022	\$ 227,414	\$ 44,560	\$ 271,974
Receipts:			
Sales taxes	199,176		199,176
Interest	1,737	36	1,773
Wastewater fees		62,858	62,858
Total Receipts	200,913	62,894	263,807
Disbursements:			
Debt service	84,906		84,906
Cash Balance, December 31, 2022	\$ 343,421	\$ 107,454	\$ 450,875

CITY OF GREENLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 4

	<u>Sewer</u>	<u>Sewer Impact</u>	<u>Sewer Expansion</u>	<u>Sewer Rehabilitation</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 12,463	\$ 5	\$ 62,452	\$ 225,018	\$ 299,938
Receipts:					
Interest	14		137	101	252
Wastewater fees	7,224				7,224
Total Receipts	<u>7,238</u>		<u>137</u>	<u>101</u>	<u>7,476</u>
Disbursements:					
Wastewater	<u>5,330</u>		<u>33,340</u>	<u>103,016</u>	<u>141,686</u>
Cash Balance, December 31, 2022	<u>\$ 14,371</u>	<u>\$ 5</u>	<u>\$ 29,249</u>	<u>\$ 122,103</u>	<u>\$ 165,728</u>

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

Schedule 5

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Cash Balance, January 1, 2021	\$ 1,312,536	\$ 54,192	\$ 217,277	\$ 465,975
Receipts:				
State aid	20,815	105,037		
Federal aid	2,550	145,338		
Property taxes	50,169	9,331		
Franchise fees	39,529			
Sales taxes	672,919		177,242	
Fines, forfeitures, and costs	144,159	21,040		
Interest	2,571	147	75	129
Local permits and fees	18,577			
Wastewater fees			17,670	28,440
Other	42,916	129		
Transfers in		24,866	26,916	225,000
Total Receipts	<u>994,205</u>	<u>305,888</u>	<u>221,903</u>	<u>253,569</u>
Disbursements:				
General government	309,106			
Law enforcement	313,236	39,920		
Highways and streets		89,758		
Public safety	45,000			
Sanitation	7,577			
Recreation and culture	14,680			
Wastewater		118,115	31	367,690
Debt service			167,175	
Transfers out	224,866			51,916
Total Disbursements	<u>914,465</u>	<u>247,793</u>	<u>167,206</u>	<u>419,606</u>
Cash Balance, December 31, 2021	<u>\$ 1,392,276</u>	<u>\$ 112,287</u>	<u>\$ 271,974</u>	<u>\$ 299,938</u>

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

Schedule 6

	Street	Local Police and Fire Retirement (LOPFI)	Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 39,320	\$ 4,035	\$ 10,837		\$ 54,192
Receipts:					
State aid	105,037				105,037
Federal aid				\$ 145,338	145,338
Property taxes	9,331				9,331
Fines, forfeitures, and costs		8,105	12,935		21,040
Interest	111	14	22		147
Other	129				129
Transfers in		24,866			24,866
Total Receipts	<u>114,608</u>	<u>32,985</u>	<u>12,957</u>	<u>145,338</u>	<u>305,888</u>
Disbursements:					
Law enforcement		32,385	7,535		39,920
Highways and streets	89,758				89,758
Wastewater				118,115	118,115
Total Disbursements	<u>89,758</u>	<u>32,385</u>	<u>7,535</u>	<u>118,115</u>	<u>247,793</u>
Cash Balance, December 31, 2021	<u>\$ 64,170</u>	<u>\$ 4,635</u>	<u>\$ 16,259</u>	<u>\$ 27,223</u>	<u>\$ 112,287</u>

CITY OF GREENLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 7

	<u>2017 Sales and Use Tax Bond Fund</u>	<u>Sewer Rehabilitation</u>	<u>Total</u>
Cash Balance, January 1, 2021	<u>\$ 217,277</u>		<u>\$ 217,277</u>
Receipts:			
Sales taxes	177,242		177,242
Interest	70	\$ 5	75
Wastewater fees		17,670	17,670
Transfers in		26,916	26,916
Total Receipts	<u>177,312</u>	<u>44,591</u>	<u>221,903</u>
Disbursements:			
Wastewater		31	31
Debt service	167,175		167,175
Total Disbursements	<u>167,175</u>	<u>31</u>	<u>167,206</u>
Cash Balance, December 31, 2021	<u>\$ 227,414</u>	<u>\$ 44,560</u>	<u>\$ 271,974</u>

CITY OF GREENLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 8

	Sewer	Sewer Impact	Sewer Expansion	Sewer Rehabilitation	Total
Cash Balance, January 1, 2021	\$ 42,003	\$ 5	\$ 423,967		\$ 465,975
Receipts:					
Interest	70		41	\$ 18	129
Wastewater fees	28,440				28,440
Transfers in				225,000	225,000
Total Receipts	<u>28,510</u>		<u>41</u>	<u>225,018</u>	<u>253,569</u>
Disbursements:					
Wastewater	6,134		361,556		367,690
Transfers out	51,916				51,916
Total Disbursements	<u>58,050</u>		<u>361,556</u>		<u>419,606</u>
Cash Balance, December 31, 2021	<u>\$ 12,463</u>	<u>\$ 5</u>	<u>\$ 62,452</u>	<u>\$ 225,018</u>	<u>\$ 299,938</u>

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

Schedule 9

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Drug Task Force, Local Law Enforcement Block Grant, Library Building, and General Fund Reserve

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

	December 31, 2022	December 31, 2021
District Court	\$ 14,710	\$ 16,501
Administration of Justice	16	16

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:

	December 31, 2022	December 31, 2021
Land	\$ 861,448	\$ 861,448
Buildings	751,313	751,313
Equipment	458,393	407,509
Totals	\$ 2,071,154	\$ 2,020,270

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

	December 31, 2022	December 31, 2021
Bonds payable	\$ 961,596	\$ 1,016,596

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

Schedule 9

5. Outstanding balances at year-end for long-term liabilities are as follows (Continued):

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Sales and Use Tax Bonds, Series 2017, dated October 12, 2017, in the amount of \$1,290,000, annual installments of \$40,000 to \$485,000 due on December 1, beginning in 2018 through 2032; 2.95% interest rate; payable from the 2017 Sales and Use Tax Bond Fund.	<u>\$ 961,596</u>	<u>\$ 1,016,596</u>

6. The City is obligated for the following amounts at December 31, 2022:

<u>Years Ending</u> <u>December 31,</u>	<u>Bonds</u>
2023	\$ 83,367
2024	81,745
2025	85,122
2026	83,352
2027	81,582
2028 through 2032	<u>751,038</u>
Total Obligations	1,166,206
Less Interest	<u>204,610</u>
Total Principal	<u>\$ 961,596</u>

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

Schedule 9

The City is obligated for the following amounts at December 31, 2021:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2022	\$ 84,906
2023	83,367
2024	81,745
2025	85,122
2026	83,352
2027 through 2031	419,178
2032	<u>413,443</u>
Total Obligations	1,251,113
Less Interest	<u>234,517</u>
Total Principal	<u><u>\$ 1,016,596</u></u>

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

	<u>December 31,</u>	<u>December 31,</u>
		2021
American Rescue Plan Act (ARPA)	<u>\$ 145,337</u>	<u>\$ 145,338</u>