

City of Holly Grove, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HOLLY GROVE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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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 Holly Grove, 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 Holly Grove, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated November 16, 2023. 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 findings/commentary contained in this section relates to the following officials who held office during 2022:

Mayor: Lula Tyler
Recorder/District Court Clerk: Pat McGahee
Treasurer: Ruthie Foster
Police Chief: Nikkos Williams (Appointed January 31, 2022; Resigned March 31, 2022)
Hollis Foster (Interim for January 2022; Appointed March 31, 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.

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

City Treasurer

Internal Revenue Service (IRS) forms 941 were not provided for inspection, as required by Ark. Code Ann. § 14-59-114.

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
November 16, 2023
LOM208522

CITY OF HOLLY GROVE, 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	\$ 12,281	\$ 308,972
Receipts:		
State aid	6,862	53,895
Federal aid		54,695
Property taxes	9,367	3,753
Franchise fees	22,614	
Sales taxes	127,134	
Fines, forfeitures, and costs	5,200	467
Interest	44	223
Rent	13,000	10,740
Sanitation fees		68,081
Mosquito fees	3,789	7,034
Fire department dues and fees		10,203
Other	25,126	14,269
Transfers in	12,482	153
Total Receipts	<u>225,618</u>	<u>223,513</u>
Disbursements:		
General government	107,670	39,323
Law enforcement	93,413	30,655
Highways and streets	1,665	56,114
Public safety		18,776
Sanitation		57,771
Health		1,583
Recreation and culture		2,378
Airport		342
Transfers out	153	12,482
Unclassified		19,715
Total Disbursements	<u>202,901</u>	<u>239,139</u>
Cash Balance, December 31, 2022	<u>\$ 34,998</u>	<u>\$ 293,346</u>

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

Schedule 2

	Street	Sanitation	LOPFI	Animal Control	Criminal Justice	Fire Protection (Act 833)	Fire Department Special	Improvement
Cash Balance, January 1, 2022	\$ 17,263	\$ 616	\$ 21,458	\$ 1,353	\$ 1,837	\$ 19,157	\$ 15,440	\$ 108,602
Receipts:								
State aid	43,516					7,350	3,029	
Federal aid								
Property taxes	2,306		1,447					
Fines, forfeitures, and costs			205		205			
Interest	8	5	22		2	24	16	146
Rent								
Sanitation fees		68,081						
Mosquito fees								
Fire department dues and fees							10,203	
Other	3,338			29				8,510
Transfers in								
Total Receipts	49,168	68,086	1,674	29	207	7,374	13,248	8,656
Disbursements:								
General government								10,827
Law enforcement			3,662					
Highways and streets	56,114							
Public safety						3,662	13,640	
Sanitation		57,771						
Health								
Recreation and culture								
Airport								
Transfers out								
Unclassified								
Total Disbursements	56,114	57,771	3,662			3,662	13,640	10,827
Cash Balance, December 31, 2022	\$ 10,317	\$ 10,931	\$ 19,470	\$ 1,382	\$ 2,044	\$ 22,869	\$ 15,048	\$ 106,431

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

Schedule 2

	Airport	Mosquito Control	Community Building	USDA Shelter	Fire Insurance	ADFA Home	Housing Authority	Court Automation
Cash Balance, January 1, 2022	\$ 55,343	\$ 8,878	\$ 1,802	\$ 1,042	\$ 1,744	\$ 1,971	\$ 133	\$ 1,077
Receipts:								
State aid								
Federal aid								
Property taxes								
Fines, forfeitures, and costs								57
Interest								
Rent	7,000		3,740					
Sanitation fees								
Mosquito fees		7,034						
Fire department dues and fees								
Other				1,800				
Transfers in								
Total Receipts	7,000	7,034	3,740	1,800				57
Disbursements:								
General government				2,394				
Law enforcement								
Highways and streets								
Public safety					1	1,473		
Sanitation								
Health		1,583						
Recreation and culture			2,378					
Airport	342							
Transfers out					1,743			
Unclassified						208		
Total Disbursements	342	1,583	2,378	2,394	1,744	1,681		
Cash Balance, December 31, 2022	\$ 62,001	\$ 14,329	\$ 3,164	\$ 448	\$ 0	\$ 290	\$ 133	\$ 1,134

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

Schedule 2

	Grant Fund	Property Damage Insurance	American Rescue Plan Act	Police Car Grant	Total
Cash Balance, January 1, 2022	\$ 8	\$ 10,739	\$ 40,508	\$ 1	\$ 308,972
Receipts:					
State aid					53,895
Federal aid			54,695		54,695
Property taxes					3,753
Fines, forfeitures, and costs					467
Interest					223
Rent					10,740
Sanitation fees					68,081
Mosquito fees					7,034
Fire department dues and fees					10,203
Other			592		14,269
Transfers in			153		153
Total Receipts			55,440		223,513
Disbursements:					
General government			26,102		39,323
Law enforcement			26,993		30,655
Highways and streets					56,114
Public safety					18,776
Sanitation					57,771
Health					1,583
Recreation and culture					2,378
Airport					342
Transfers out		10,739			12,482
Unclassified	8		19,498	1	19,715
Total Disbursements	8	10,739	72,593	1	239,139
Cash Balance, December 31, 2022	\$ 0	\$ 0	\$ 23,355	\$ 0	\$ 293,346

CITY OF HOLLY GROVE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General and Sidewalk Project
3. Cash balance at year-end in the custodial fund is as follows:

	December 31, 2022
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Police Bond and Fine	\$ 13,300

This balance 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
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Land	\$ 325,300
Buildings	331,050
Equipment	<hr/> 386,306
Total	<hr/> <hr/> \$ 1,042,656

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

	December 31, 2022
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American Rescue Plan Act (ARPA)	<hr/> <hr/> \$ 54,695