

City of Hughes, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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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 Hughes, 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 Hughes, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated April 28, 2025. These procedures were not performed for the Water and Sewer Funds. 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 2023:

Mayor: Lincoln Barnett (appointed January 9, 2023)
Nathaniel Curne (elected January 1, 2023, resigned January 5, 2023)
Recorder/Treasurer: Shalondra Smith (appointed February 7, 2023)
Sherry Thomas (resigned February 7, 2023)
Police Chief: Cortez Bowers (appointed July 17, 2023)
Kristy Green (resigned May 8, 2023)

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

A handwritten signature in dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 28, 2025
LOM208823

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

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Funds
Cash and Investment Balance, January 1, 2023	\$ 162,496	\$ 431,688	\$ 190,280
Receipts:			
State aid	16,056	118,352	2,649
Federal aid		39,296	
Property taxes	16,701	2,016	
Franchise fees	41,355		
Sales taxes	259,992	163,836	
Fines, forfeitures, and costs	9,790		
Interest	279	767	6,665
Local permits and fees	4,303		
Donations		6,405	
Net gain/(loss) on sale of investments			(22,754)
Other	13,091	1,990	110
Transfers in		51,000	203
Total Receipts	<u>361,567</u>	<u>383,662</u>	<u>(13,127)</u>
Disbursements:			
General government	337,028	994	
Law enforcement	34,639		1,953
Highways and streets	795	131,452	
Public safety	11,699	28,906	21,749
Sanitation	15,652	152,102	
Recreation and culture	5,876	14,274	
Wastewater		39,296	
Transfers out	51,203		
Total Disbursements	<u>456,892</u>	<u>367,024</u>	<u>23,702</u>
Cash and Investment Balance, December 31, 2023	<u>\$ 67,171</u>	<u>\$ 448,326</u>	<u>\$ 153,451</u>

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

Schedule 2

	Street	Sanitation	Fire Equipment and Training	Fire Department Emergency Medical Services	House Tear Down	American Rescue Plan Act	Community Development Block Grant	Delta Regional Authority Grant	Playground Project	Total
Cash Balance, January 1, 2023	\$ 116,080	\$ 260,042	\$ 51,341	\$ 305	\$ 1,975	\$ 1,745	\$ 100	\$ 100		\$ 431,688
Receipts:										
State aid	89,081		29,271							118,352
Federal aid							39,296			39,296
Property taxes	2,016									2,016
Sales taxes		163,836								163,836
Interest	198	569								767
Donations									\$ 6,405	6,405
Other	1,320	670								1,990
Transfers in		42,856							8,144	51,000
Total Receipts	<u>92,615</u>	<u>207,931</u>	<u>29,271</u>				<u>39,296</u>		<u>14,549</u>	<u>383,662</u>
Disbursements:										
General government						994				994
Highways and streets	131,452									131,452
Public safety			28,906							28,906
Sanitation		152,102								152,102
Recreation and culture									14,274	14,274
Wastewater							39,296			39,296
Total Disbursements	<u>131,452</u>	<u>152,102</u>	<u>28,906</u>			<u>994</u>	<u>39,296</u>		<u>14,274</u>	<u>367,024</u>
Cash Balance, December 31, 2023	<u>\$ 77,243</u>	<u>\$ 315,871</u>	<u>\$ 51,706</u>	<u>\$ 305</u>	<u>\$ 1,975</u>	<u>\$ 751</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 275</u>	<u>\$ 448,326</u>

CITY OF HUGHES, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - PENSION TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

	Firemen's Pension	Policemen's Pension	Total
Cash and Investment Balance, January 1, 2023	\$ 172,793	\$ 17,487	\$ 190,280
Receipts:			
State aid	2,649		2,649
Interest	6,632	33	6,665
Net gain/(loss) on sale of investments	(22,754)		(22,754)
Other	110		110
Transfers in		203	203
Total Receipts	<u>(13,363)</u>	<u>236</u>	<u>(13,127)</u>
Disbursements:			
Law enforcement		1,953	1,953
Public safety	21,749		21,749
Total Disbursements	<u>21,749</u>	<u>1,953</u>	<u>23,702</u>
Cash and Investment Balance, December 31, 2023	<u>\$ 137,681</u>	<u>\$ 15,770</u>	<u>\$ 153,451</u>

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

Schedule 4

1. Cash and investment balances on the Financial Schedules include demand and savings accounts and mutual fund investments.
(Investments are recorded at cost value)

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Mosquito Control, Community Fire, and Market Garden

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

	December 31, 2023
	<hr/>
Land and buildings	\$ 8,146,760
Equipment	<hr/> 415,230
Total	<hr/> <hr/> \$ 8,561,990