

City of Huttig, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Arkansas

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Senate Vice Chair



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Huttig, 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 Huttig, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated January 4, 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 contained in this section relate to the following officials who held office during 2021 and 2020:

Mayor: Tony Cole
Recorder/Treasurer: Rebecca Matthews

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 the **Mayor**.

Mayor

Competitive bids were not solicited, as required by Huttig Ordinance no. 133 (February 7, 2020). This ordinance established the purchase authority of the Mayor without the need to engage in competitive bidding at \$5,000. A similar finding was noted in the previous two reports dating back to 2018.

An audit or agreed-upon procedures report and compilation was not obtained for the Water and Sewer Department for 2020, as required by Ark. Code Ann. § 14-234-119.

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
January 4, 2023
LOM209321

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

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Fund
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2021	176,012	427,880	92,458
Receipts:			
State aid	9,280	46,218	2,837
Federal aid		54,696	
Property taxes	59,007	17,055	9,110
Franchise fees	16,259		
Sales taxes	121,711	152,301	
Fines, forfeitures, and costs	155		
Interest	1,510	420	91
Local permits and fees	702		
Ambulance fees	2,037		
Rental fees	5,650		
Other	1,120	1,170	
Total Receipts	<u>217,431</u>	<u>271,860</u>	<u>12,038</u>
Disbursements:			
General government	161,481	95,284	
Law enforcement	36,638		
Highways and streets		70,129	
Public safety	13,019	19,302	13,637
Sanitation	990	52,331	
Health	10,218		
Recreation and culture	4,227		
Total Disbursements	<u>226,573</u>	<u>237,046</u>	<u>13,637</u>
Cash Balance, December 31, 2021	<u>\$ 166,870</u>	<u>\$ 462,694</u>	<u>\$ 90,859</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Sales Tax	Special Police	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 46,185	\$ 23,157	\$ 356,544	\$ 1,994		\$ 427,880
Receipts:						
State aid	46,218					46,218
Federal aid					\$ 54,696	54,696
Property taxes	17,055					17,055
Sales taxes			152,301			152,301
Interest	46		372		2	420
Other	170	1,000				1,170
Total Receipts	<u>63,489</u>	<u>1,000</u>	<u>152,673</u>		<u>54,698</u>	<u>271,860</u>
Disbursements:						
General government			95,264		20	95,284
Highways and streets	70,129					70,129
Public safety		16,926	2,376			19,302
Sanitation			52,331			52,331
Total Disbursements	<u>70,129</u>	<u>16,926</u>	<u>149,971</u>		<u>20</u>	<u>237,046</u>
Cash Balance, December 31, 2021	<u>\$ 39,545</u>	<u>\$ 7,231</u>	<u>\$ 359,246</u>	<u>\$ 1,994</u>	<u>\$ 54,678</u>	<u>\$ 462,694</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Pension Trust Fund
Cash Balance, January 1, 2020	\$ 178,636	\$ 321,732	\$ 95,449
Receipts:			
State aid	8,858	66,670	2,767
Property taxes	50,350	14,456	7,717
Franchise fees	15,631		
Sales taxes	124,552	147,851	
Fines, forfeitures, and costs	1,009		
Interest	2,206	337	92
Local permits and fees	1,158		
Ambulance fees	2,376		
Rental fees	5,560		
Other	5,611	90	
Total Receipts	<u>217,311</u>	<u>229,404</u>	<u>10,576</u>
Disbursements:			
General government	157,656	12,792	
Law enforcement	36,854		
Highways and streets		52,872	
Public safety	13,953	29,740	13,567
Sanitation	792	27,852	
Health	6,817		
Recreation and culture	3,863		
Total Disbursements	<u>219,935</u>	<u>123,256</u>	<u>13,567</u>
Cash Balance, December 31, 2020	<u>\$ 176,012</u>	<u>\$ 427,880</u>	<u>\$ 92,458</u>

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

Schedule 4

	Street	Fire Equipment and Training (Act 833)	Sales Tax	Special Police	Total
Cash Balance, January 1, 2020	\$ 39,400	\$ 12,095	\$ 268,243	\$ 1,994	\$ 321,732
Receipts:					
State aid	45,068	20,802	800		66,670
Property taxes	14,456				14,456
Sales taxes			147,851		147,851
Interest	43		294		337
Other	90				90
Total Receipts	59,657	20,802	148,945		229,404
Disbursements:					
General government			12,792		12,792
Highways and streets	52,872				52,872
Public safety		9,740	20,000		29,740
Sanitation			27,852		27,852
Total Disbursements	52,872	9,740	60,644		123,256
Cash Balance, December 31, 2020	\$ 46,185	\$ 23,157	\$ 356,544	\$ 1,994	\$ 427,880

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

Schedule 5

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2 The Municipality's capital assets records are summarized below:

	December 31, 2021	December 31, 2020
Land	\$ 55,983	\$ 55,983
Buildings	193,176	190,226
Equipment	837,602	809,306
Totals	<u>\$ 1,086,761</u>	<u>\$ 1,055,515</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 54,696</u>

4 On November 5, 2009, the City purchased a Deferred Annuity in the amount of \$70,548. The Deferred Annuity is for 20 years and will be paid in one lump sum including interest. The market value is summarized below:

	December 31, 2021	December 31, 2020
Deferred Annuity	<u>\$ 100,142</u>	<u>\$ 99,313</u>