

City of Huttig, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HUTTIG, ARKANSAS
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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 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, 2023 and 2022, and have issued our report thereon dated January 15, 2025. 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 2023 and 2022:

Mayor: Bennie Ford, Jr. (2023)
Tony Cole (2022)
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 offices of **Mayor** and **Recorder/Treasurer**

Mayor and Recorder/Treasurer

Payroll taxes were not always paid to the Internal Revenue Service (IRS) by the due dates. This resulted in penalties and interest of \$1,065 paid to the IRS.

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 three reports dating back to 2018.

The governing body did not review the prior report and accompanying comments and recommendations at the first regularly scheduled meeting following the receipt of the report, as required by Ark. Code Ann. § 10-4-418.

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" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
January 15, 2025
LOM209323

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

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Fund
Cash Balance, January 1, 2023	\$ 168,529	\$ 545,319	\$ 7,925
Receipts:			
State aid	6,812	37,792	
Property taxes	62,270	17,655	9,426
Franchise fees	17,360		
Sales taxes	115,630	171,468	
Fines, forfeitures, and costs	66		
Interest	1,717	407	
Sanitation fees	918		
Ambulance fees	484		
Rental fees	14,800		
Other	2,912	13,890	
Total Receipts	<u>222,969</u>	<u>241,212</u>	<u>9,426</u>
Disbursements:			
General government	151,176	69,100	
Law enforcement	38,605		
Highways and streets		60,549	
Public safety	13,289	48,087	214
Sanitation	1,386	47,820	
Health	5,529	10,085	
Recreation and culture	5,331		
Transfer to Arkansas Local Police and Fire Retirement System			7,900
Total Disbursements	<u>215,316</u>	<u>235,641</u>	<u>8,114</u>
Cash Balance, December 31, 2023	<u>\$ 176,182</u>	<u>\$ 550,890</u>	<u>\$ 9,237</u>

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

Schedule 2

	Street	Fire Equipment and Training (ACT 833)	Sales Tax	Special Police	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 17,582	\$ 45,923	\$ 370,466	\$ 1,994	\$ 109,354	\$ 545,319
Receipts:						
State aid	37,792					37,792
Property taxes	17,655					17,655
Sales taxes			171,468			171,468
Interest	11		385		11	407
Other	390	5,000	8,500			13,890
Total Receipts	<u>55,848</u>	<u>5,000</u>	<u>180,353</u>		<u>11</u>	<u>241,212</u>
Disbursements:						
General government			58,282		10,818	69,100
Highways and streets	60,549					60,549
Public safety		48,087				48,087
Sanitation			47,820			47,820
Health			10,085			10,085
Total Disbursements	<u>60,549</u>	<u>48,087</u>	<u>116,187</u>		<u>10,818</u>	<u>235,641</u>
Cash Balance, December 31, 2023	<u>\$ 12,881</u>	<u>\$ 2,836</u>	<u>\$ 434,632</u>	<u>\$ 1,994</u>	<u>\$ 98,547</u>	<u>\$ 550,890</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Pension Trust Fund
Cash Balance, January 1, 2022	\$ 166,870	\$ 462,694	\$ 90,859
Receipts:			
State aid	6,683	85,264	2,908
Federal aid		129,359	
Property taxes	66,443	19,377	10,392
Franchise fees	16,445		
Sales taxes	113,941	168,916	
Fines, forfeitures, and costs	130		
Interest	1,835	386	82
Sanitation fees	860		
Ambulance fees	2,786		
Rental fees	5,875		
Redemption of annuity			101,072
Other	11,742	2,779	
Total Receipts	<u>226,740</u>	<u>406,081</u>	<u>114,454</u>
Disbursements:			
General government	153,389	64,909	
Law enforcement	38,229		
Highways and streets		80,321	
Public safety	21,982	44,171	13,460
Sanitation	1,161	41,483	
Health	5,424	1,375	
Recreation and culture	4,896	74,664	
Contribution to water department		16,533	
Transfer to Arkansas Local Police and Fire Retirement System			183,928
Total Disbursements	<u>225,081</u>	<u>323,456</u>	<u>197,388</u>
Cash Balance, December 31, 2022	<u>\$ 168,529</u>	<u>\$ 545,319</u>	<u>\$ 7,925</u>

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

Schedule 4

	Street	Fire Equipment and Training (ACT 833)	Sales Tax	Special Police	American Rescue Plan Act	Community Center Project	Total
Cash Balance, January 1, 2022	\$ 39,545	\$ 7,231	\$ 359,246	\$ 1,994	\$ 54,678		\$ 462,694
Receipts:							
State aid	38,679	45,785	800				85,264
Federal aid					54,695	\$ 74,664	129,359
Property taxes	19,377						19,377
Sales taxes			168,916				168,916
Interest	23		357		6		386
Other	279	2,500					2,779
Total Receipts	<u>58,358</u>	<u>48,285</u>	<u>170,073</u>		<u>54,701</u>	<u>74,664</u>	<u>406,081</u>
Disbursements:							
General government			64,884		25		64,909
Highways and streets	80,321						80,321
Public safety		9,593	34,578				44,171
Sanitation			41,483				41,483
Health			1,375				1,375
Recreation and culture						74,664	74,664
Contribution to water department			16,533				16,533
Total Disbursements	<u>80,321</u>	<u>9,593</u>	<u>158,853</u>		<u>25</u>	<u>74,664</u>	<u>323,456</u>
Cash Balance, December 31, 2022	<u>\$ 17,582</u>	<u>\$ 45,923</u>	<u>\$ 370,466</u>	<u>\$ 1,994</u>	<u>\$ 109,354</u>	<u>\$ 0</u>	<u>\$ 545,319</u>

CITY OF HUTTIG, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (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, 2023	December 31, 2022
Land	\$ 55,983	\$ 55,983
Buildings	193,176	193,176
Equipment	877,292	873,274
Totals	\$ 1,126,451	\$ 1,122,433

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 54,695