

City of Joiner, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF JOINER, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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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 Joiner, 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 Joiner, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated July 25, 2022. 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:

Mayor: Sissie Winford-Ross
Recorder/Treasurer: Josie Vasquez

We evaluated the City's compliance with certain state laws concerning general 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

Street Fund disbursements exceeded budgeted appropriations by \$28,995 (30%), in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the previous report.

Recorder/Treasurer

1. City policies for annual and sick leave did not include documentation guidelines for elected officials. Because the Recorder/Treasurer did not maintain timesheets or adequate records to document leave accrual and usage, we could not verify the propriety of a \$700 payment to the Recorder/Treasurer made on September 23, 2021, for 10 days of annual leave.
2. Bank accounts were not properly reconciled for the General and Street Funds, in noncompliance with Ark. Code Ann. § 14-59-108. A similar finding was issued in the previous five reports dating back to 2016.
3. The following issues were noted when reviewing payroll records:
 - Wages reported on the Internal Revenue Service (IRS) quarterly 941 reports did not match the IRS form W-3 by \$18,547 (18%). Due to this variance, we were unable to determine if the proper amounts of taxes were remitted.
 - Federal withholdings for 2021 were not remitted in a timely manner.

A similar finding was issued in the previous four reports dating back to 2017.

4. The cash receipts journals for the General and Street Funds were not properly classified and posted. The cash disbursements journal for the General Fund was not properly posted, in noncompliance with Ark. Code Ann. §§ 14-59-110 – 111.
5. The Street Fund bank account had a negative balance as of December 31, 2021 of \$3,003. We also noted bank over draft charges throughout the year totaling \$252.

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 "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" being more prominent.

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

Little Rock, Arkansas
July 25, 2022
LOM209521

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 51,651	\$ 1,667
Receipts:		
State aid	9,144	55,289
Federal aid		51,796
Property taxes	10,388	3,098
Franchise fees	26,931	
Sales taxes	149,787	
Interest	48	4
Fire call fees		8,953
Insurance proceeds		20,425
Other	4,254	
Transfers in		19,053
Contribution from water department		34,073
Total Receipts	<u>200,552</u>	<u>192,691</u>
Disbursements:		
General government	142,083	
Highways and streets		110,802
Public safety		11,509
Sanitation	13,628	
Debt service		14,084
Transfers out	19,053	
Contribution to water department	917	
Total Disbursements	<u>175,681</u>	<u>136,395</u>
Cash Balance, December 31, 2021	<u>\$ 76,522</u>	<u>\$ 57,963</u>

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

Schedule 2

	Street	Public Safety	Fire Equipment and Training (Act 833)	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 554	\$ 427	\$ 686		\$ 1,667
Receipts:					
State aid	45,913		9,376		55,289
Federal aid				\$ 51,796	51,796
Property taxes	3,098				3,098
Interest	2	1	1		4
Fire call fees		8,953			8,953
Insurance proceeds	20,425				20,425
Transfers in	17,818	1,235			19,053
Contribution from water department	34,073				34,073
Total Receipts	121,329	10,189	9,377	51,796	192,691
Disbursements:					
Highways and streets	110,802				110,802
Public safety		8,912	2,597		11,509
Debt service	14,084				14,084
Total Disbursements	124,886	8,912	2,597		136,395
Cash Balance, December 31, 2021	\$ (3,003)	\$ 1,704	\$ 7,466	\$ 51,796	\$ 57,963

CITY OF JOINER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.

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

	December 31, 2021
Land	\$ 39,205
Buildings	91,402
Improvements	8,966
Equipment	<u>372,183</u>
Total	<u><u>\$ 511,756</u></u>

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

	December 31, 2021
Leases payable	\$ 20,433
Notes payable	<u>3,060</u>
Total	<u><u>\$ 23,493</u></u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u><u>\$ 51,796</u></u>

5. On May 14, 2018, a City credit card with a balance of \$14,993 was turned over to a collection agency due to non-payment. The City paid \$800 during 2021. At December 31, 2021, the remaining balance was \$10,693.