

City of Kingsland, Arkansas

Financial and Compliance Report

December 31, 2022

**Including Financial Information
For
December 31, 2021 and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF KINGSLAND, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

Financial and Compliance Report

	<u>Schedule</u>
2022	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2021	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2020	
Schedule of Financial Information (Unaudited)	5
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	6
2022, 2021, and 2020	
Other Information (Unaudited)	7

Arkansas



Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 Kingsland, 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 Kingsland, Arkansas, as of and for the year ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated April 17, 2023. These procedures were not performed for the Water and Sewer Fund. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relate to the following officials who held office during 2022, 2021, and 2020:

Mayor: Luke Neal (resigned August 25, 2022)
Sharon Crosby (appointed August 25, 2022)
Recorder/Treasurer: Tleatha Spencer (resigned October 27, 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 **Mayor**:

Mayor

A listing of fixed assets was established, but did not include additions, deletions, and a control total, as required by Ark. Code Ann. § 14-59-107.

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

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

Little Rock, Arkansas
April 17, 2023
LOM210122

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 200,980	\$ 112,526
	<u> </u>	<u> </u>
Receipts:		
State aid	5,177	39,516
Federal aid		41,436
Property taxes	10,965	3,277
Franchise fees	9,250	
Sales taxes	65,268	
Fire dues	192	
Donations and fund raisers	500	
Other	14,793	
Total Receipts	<u>106,145</u>	<u>84,229</u>
	<u> </u>	<u> </u>
Disbursements:		
General government	36,389	
Law enforcement	10,392	
Highways and streets		28,919
Public safety	19,252	4,581
Recreation and culture	40	
Water and sewer		8,000
Total Disbursements	<u>66,073</u>	<u>41,500</u>
	<u> </u>	<u> </u>
Cash Balance, December 31, 2022	<u>\$ 241,052</u>	<u>\$ 155,255</u>

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

Schedule 2

	Street	Act 833	American Rescue Plan	Total
Cash Balance, January 1, 2022	\$ 52,015	\$ 19,075	\$ 41,436	\$ 112,526
Receipts:				
State aid	30,470	9,046		39,516
Federal aid			41,436	41,436
Property taxes	3,277			3,277
Total Receipts	<u>33,747</u>	<u>9,046</u>	<u>41,436</u>	<u>84,229</u>
Disbursements:				
Highways and streets	28,919			28,919
Public safety		4,581		4,581
Water and sewer			8,000	8,000
Total Disbursements	<u>28,919</u>	<u>4,581</u>	<u>8,000</u>	<u>41,500</u>
Cash Balance, December 31, 2022	<u>\$ 56,843</u>	<u>\$ 23,540</u>	<u>\$ 74,872</u>	<u>\$ 155,255</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 152,517	\$ 50,979
Receipts:		
State aid	6,982	43,139
Federal aid		41,436
Property taxes	10,349	3,109
Franchise fees	15,408	
Sales taxes	63,417	
Fire dues	492	
Donations and fund raisers	1,250	
Other	378	
Total Receipts	<u>98,276</u>	<u>87,684</u>
Disbursements:		
General government	29,146	
Law enforcement	8,215	
Highways and streets		15,655
Public safety	6,819	481
Recreation and culture	197	
Debt service		8,798
Unclassified	5,436	1,203
Total Disbursements	<u>49,813</u>	<u>26,137</u>
Cash Balance, December 31, 2021	<u>\$ 200,980</u>	<u>\$ 112,526</u>

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

Schedule 4

	Street	Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 39,724	\$ 11,255		\$ 50,979
Receipts:				
State aid	34,838	8,301		43,139
Federal aid			\$ 41,436	41,436
Property taxes	3,109			3,109
Total Receipts	<u>37,947</u>	<u>8,301</u>	<u>41,436</u>	<u>87,684</u>
Disbursements:				
Highways and streets	15,655			15,655
Public safety		481		481
Debt service	8,798			8,798
Unclassified	1,203			1,203
Total Disbursements	<u>25,656</u>	<u>481</u>		<u>26,137</u>
Cash Balance, December 31, 2021	<u>\$ 52,015</u>	<u>\$ 19,075</u>	<u>\$ 41,436</u>	<u>\$ 112,526</u>

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

Schedule 5

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 113,771	\$ 37,848
	<u> </u>	<u> </u>
Receipts:		
State aid	15,973	41,625
Property taxes	8,903	2,881
Franchise fees	15,526	
Sales taxes	55,098	
Donations and fund raisers	25	
Other	2,558	
Total Receipts	<u>98,083</u>	<u>44,506</u>
	<u> </u>	<u> </u>
Disbursements:		
General government	42,670	
Law enforcement	7,799	
Highways and streets		18,488
Public safety	5,624	1,832
Recreation and culture	105	
Debt service		10,636
Unclassified	3,139	419
Total Disbursements	<u>59,337</u>	<u>31,375</u>
	<u> </u>	<u> </u>
Cash Balance, December 31, 2020	<u>\$ 152,517</u>	<u>\$ 50,979</u>

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

Schedule 6

	<u>Street</u>	<u>Act 833</u>	<u>Total</u>
Cash Balance, January 1, 2020	<u>\$ 32,642</u>	<u>\$ 5,206</u>	<u>\$ 37,848</u>
Receipts:			
State aid	33,744	7,881	41,625
Property taxes	<u>2,881</u>	<u>2,881</u>	<u>2,881</u>
Total Receipts	<u>36,625</u>	<u>7,881</u>	<u>44,506</u>
Disbursements:			
Highways and streets	18,488		18,488
Public safety		1,832	1,832
Debt service	10,636		10,636
Unclassified	<u>419</u>	<u>419</u>	<u>419</u>
Total Disbursements	<u>29,543</u>	<u>1,832</u>	<u>31,375</u>
Cash Balance, December 31, 2020	<u><u>\$ 39,724</u></u>	<u><u>\$ 11,255</u></u>	<u><u>\$ 50,979</u></u>

CITY OF KINGSLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(UNAUDITED)

Schedule 7

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

	December 31, 2020
District Court	<u>\$ 78</u>

This balance represents funds transferred from the General Fund to pay for establishment of a new bank account and payment for prenumbered checks. Balance was transferred to General Fund on October 19, 2021.

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 6,563	\$ 6,563	\$ 6,563
Buildings	104,284	104,284	104,284
Equipment	<u>343,470</u>	<u>361,227</u>	<u>361,227</u>
Totals	<u>\$ 454,317</u>	<u>\$ 472,074</u>	<u>\$ 472,074</u>

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2020
Notes payable	<u>\$ 8,644</u>

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 41,436</u>	<u>\$ 41,436</u>