

City of Little Flock, Arkansas

Financial and Compliance Report

December 31, 2022, 2021, and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF LITTLE FLOCK, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Sen. John Payton
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 Little Flock, 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 Little Flock, Arkansas, as of and for the years ended December 31, 2022, 2021, and 2020, and have issued our report thereon dated December 12, 2023. 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 relates to the following officials who held office during 2022, 2021, and 2020:

Mayor: Tracy Englebrecht (January 1, 2020 – May 31, 2021)
Maureen Brandolini (June 1, 2021 – July 19, 2021)
Jeff Van Sickler (July 19, 2021 – December 31, 2022)
Recorder/Treasurer: Linda Usrey (January 1, 2020 – January 17, 2021)
Maureen Brandolini (January 18, 2021 – February 25, 2022)
Richard Crow (April 18, 2022 – December 31, 2022)
District Court Clerk: Katelyn Yousey
Police Chief: Jesse Martinez (January 1, 2020 – October 15, 2020)
Christopher Craig (October 15, 2020 – October 25, 2021)
Shawn Hollis (October 26, 2021 – December 31, 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 offices of **Recorder/Treasurer** and **Police Chief**.

Recorder/Treasurer and Police Chief

During our review of payroll, we noted calculation errors for payroll amounts for several Police Department employees. Specifically, we identified underpayments for hours worked and overpayments for overtime hours paid, in violation of the City's policy for uniformed employees. We recommend the City investigate these errors and determine which employees were over/under paid.

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 "Roger A. Norman".

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

Little Rock, Arkansas
December 12, 2023
LOM211122

CITY OF LITTLE FLOCK, 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	\$ 2,302,846	\$ 859,135
Receipts:		
State aid	88,635	291,269
Federal aid	18,441	289,601
Property taxes	240,715	46,448
Franchise fees	137,497	
Sales taxes	973,448	126,149
Fines, forfeitures, and costs	149,684	17,994
Interest	2,419	379
Local permits and fees	38,545	9,440
Fire dues	53,755	
Other	56,691	2
Transfers in		73,000
Total Receipts	<u>1,759,830</u>	<u>854,282</u>
Disbursements:		
General government	305,608	23,481
Law enforcement	599,794	296,770
Highways and streets		303,202
Public safety	301,616	53,372
Recreation and culture	5,475	
Transfers out	73,000	
Total Disbursements	<u>1,285,493</u>	<u>676,825</u>
Cash Balance, December 31, 2022	<u>\$ 2,777,183</u>	<u>\$ 1,036,592</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Rescue/ Emergency/ Medical/ Law Enforcement Vehicles	Impact Fee	Grants	Jail Fee	Court Automation Fee	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 634,176	\$ 53,372	\$ 335	\$ 46,500	\$ 11,454	\$ 52,671	\$ 33,812	\$ 26,815	\$ 859,135
Receipts:									
State aid	263,758	27,511							291,269
Federal aid					1,000			288,601	289,601
Property taxes	46,448								46,448
Sales taxes	126,149								126,149
Fines, forfeitures, and costs			1,120			5,904	10,970		17,994
Interest			3	127	27	124	98		379
Local permits and fees				9,440					9,440
Other						2			2
Transfers in	73,000								73,000
Total Receipts	<u>509,355</u>	<u>27,511</u>	<u>1,123</u>	<u>9,567</u>	<u>1,027</u>	<u>6,030</u>	<u>11,068</u>	<u>288,601</u>	<u>854,282</u>
Disbursements:									
General government								23,481	23,481
Law enforcement						5,790	2,400	288,580	296,770
Highways and streets	299,847							3,355	303,202
Public safety		53,372							53,372
Total Disbursements	<u>299,847</u>	<u>53,372</u>				<u>5,790</u>	<u>2,400</u>	<u>315,416</u>	<u>676,825</u>
Cash Balance, December 31, 2022	<u>\$ 843,684</u>	<u>\$ 27,511</u>	<u>\$ 1,458</u>	<u>\$ 56,067</u>	<u>\$ 12,481</u>	<u>\$ 52,911</u>	<u>\$ 42,480</u>	<u>\$ 0</u>	<u>\$ 1,036,592</u>

CITY OF LITTLE FLOCK, 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	\$ 1,923,417	\$ 515,430
Receipts:		
State aid	43,410	247,760
Federal aid		289,605
Property taxes	218,406	42,352
Franchise fees	108,297	
Sales taxes	934,982	133,364
Fines, forfeitures, and costs	132,596	18,867
Interest	1,018	68
Local permits and fees	50,923	14,161
Fire dues	58,936	
Grant income		6,595
Other	67,203	63
Total Receipts	<u>1,615,771</u>	<u>752,835</u>
Disbursements:		
General government	237,531	
Law enforcement	632,045	272,213
Highways and streets		127,964
Public safety	341,237	
Recreation and culture	7,406	
Debt service	18,123	8,953
Total Disbursements	<u>1,236,342</u>	<u>409,130</u>
Cash Balance, December 31, 2021	<u>\$ 2,302,846</u>	<u>\$ 859,135</u>

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

Schedule 4

	Street	Fire Equipment and Training (Act 833)	Rescue/ Emergency/ Medical/ Law Enforcement Vehicles	Impact Fee	Grants	Jail Fee	Court Automation Fee	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 363,846	\$ 28,127	\$ 7,682	\$ 32,318	\$ 3,855	\$ 52,961	\$ 26,641		\$ 515,430
Receipts:									
State aid	222,515	25,245							247,760
Federal aid					1,000			\$ 288,605	289,605
Property taxes	42,352								42,352
Sales taxes	133,364								133,364
Fines, forfeitures, and costs			1,605			6,307	10,955		18,867
Interest			1	21	4	26	16		68
Local permits and fees				14,161					14,161
Grant income					6,595				6,595
Other	63								63
Total Receipts	<u>398,294</u>	<u>25,245</u>	<u>1,606</u>	<u>14,182</u>	<u>7,599</u>	<u>6,333</u>	<u>10,971</u>	<u>288,605</u>	<u>752,835</u>
Disbursements:									
Law enforcement						6,623	3,800	261,790	272,213
Highways and streets	127,964								127,964
Debt service			8,953						8,953
Total Disbursements	<u>127,964</u>		<u>8,953</u>			<u>6,623</u>	<u>3,800</u>	<u>261,790</u>	<u>409,130</u>
Cash Balance, December 31, 2021	<u>\$ 634,176</u>	<u>\$ 53,372</u>	<u>\$ 335</u>	<u>\$ 46,500</u>	<u>\$ 11,454</u>	<u>\$ 52,671</u>	<u>\$ 33,812</u>	<u>\$ 26,815</u>	<u>\$ 859,135</u>

CITY OF LITTLE FLOCK, 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	\$ 1,724,158	\$ 404,081
Receipts:		
State aid	55,885	200,658
Federal aid	126,732	51,928
Property taxes	200,011	38,784
Franchise fees	99,709	
Sales taxes	761,980	83,029
Fines, forfeitures, and costs	158,832	19,984
Interest	12,494	215
Local permits and fees	46,111	12,273
Fire dues	57,640	
Other	13,854	2,737
Total Receipts	<u>1,533,248</u>	<u>409,608</u>
Disbursements:		
General government	218,446	
Law enforcement	749,914	6,511
Highways and streets		282,587
Public safety	361,449	
Recreation and culture	4,180	
Debt service		9,161
Total Disbursements	<u>1,333,989</u>	<u>298,259</u>
Cash Balance, December 31, 2020	<u>\$ 1,923,417</u>	<u>\$ 515,430</u>

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

Schedule 6

	Street	Fire Equipment and Training (Act 833)	Rescue/ Emergency/ Medical/ Law Enforcement Vehicles	Impact Fee	Grants	Jail Fee	Court Automation Fee	Total
Cash Balance, January 1, 2020	\$ 275,812	\$ 22,612	\$ 15,076	\$ 19,998	\$ 2,848	\$ 49,768	\$ 17,967	\$ 404,081
Receipts:								
State aid	195,143	5,515						200,658
Federal aid	50,928				1,000			51,928
Property taxes	38,784							38,784
Sales taxes	83,029							83,029
Fines, forfeitures, and costs			1,752			7,800	10,432	19,984
Interest			15	47	7	104	42	215
Local permits and fees				12,273				12,273
Other	2,737							2,737
Total Receipts	<u>370,621</u>	<u>5,515</u>	<u>1,767</u>	<u>12,320</u>	<u>1,007</u>	<u>7,904</u>	<u>10,474</u>	<u>409,608</u>
Disbursements:								
Law enforcement						4,711	1,800	6,511
Highways and streets	282,587							282,587
Debt service			9,161					9,161
Total Disbursements	<u>282,587</u>		<u>9,161</u>			<u>4,711</u>	<u>1,800</u>	<u>298,259</u>
Cash Balance, December 31, 2020	<u>\$ 363,846</u>	<u>\$ 28,127</u>	<u>\$ 7,682</u>	<u>\$ 32,318</u>	<u>\$ 3,855</u>	<u>\$ 52,961</u>	<u>\$ 26,641</u>	<u>\$ 515,430</u>

CITY OF LITTLE FLOCK, 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 and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund, Undercover Operations, and Police Community Outreach
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
District Court	\$ 22,261	\$ 31,756	\$ 23,156
Administration of Justice	73	73	73

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 184,090	\$ 184,090	\$ 184,090
Buildings	394,215	394,215	394,215
Equipment	2,076,189	1,962,365	1,719,950
Totals	<u>\$ 2,654,494</u>	<u>\$ 2,540,670</u>	<u>\$ 2,298,255</u>

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

	December 31, 2020
Financed purchases	<u>\$ 24,897</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)			\$ 102,283
American Rescue Plan Act (ARPA)	<u>\$ 288,601</u>	<u>\$ 288,605</u>	
	<u>\$ 288,601</u>	<u>\$ 288,605</u>	<u>\$ 102,283</u>