

City of Lockesburg, Arkansas

Financial and Compliance Report

December 31, 2022

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

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF LOCKESBURG, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Financial and Compliance Report

City of Lockesburg, 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 Lockesburg, 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 December 13, 2023. These procedures were not performed for the Water and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

Mayor: Danny Ruth
Recorder/Treasurer: Becky Jegstrup

We evaluated the City's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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, reading "Roger A. Norman".

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

Little Rock, Arkansas
December 13, 2023
LOM211222

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Funds - Storm Siren Grant
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 240,246	\$ 171,098	\$ 500
Receipts:			
State aid	8,861	67,518	
Federal aid		75,000	
Property taxes	29,246	8,224	
Franchise fees	12,744		
Sales taxes	211,692		
Interest	781	173	
Local permits and fees	115	16,960	
Private grant		20,330	
Donations		13,799	
Other	3,257	2,546	
Transfers in	56,218	55,900	
Total Receipts	<u>322,914</u>	<u>260,450</u>	
Disbursements:			
General government	233,901		
Highways and streets		93,265	
Public safety	3,303	79,386	
Recreation and culture	2,160	5,781	
Social services		4,719	
Contributions to water and sewer department	9,739		
Water and sewer	25,155		
Cemetery	203		
Transfers out	64,150	47,968	
Total Disbursements	<u>338,611</u>	<u>231,119</u>	
Cash Balance, December 31, 2022	<u>\$ 224,549</u>	<u>\$ 200,429</u>	<u>\$ 500</u>

CITY OF LOCKESBURG, 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	Park	Fire Department Special	Weyerhaeuser Grant	Sidewalk Grant Fund	Weyerhaeuser Grant Senior Citizen Center	Animal Control
Cash Balance, January 1, 2022	\$ 35,796	\$ 9,133	\$ 10,191	\$ 6,545	\$ 3,925	\$ 55,577	\$ 250	
Receipts:								
State aid	51,284	16,234						
Federal aid								
Property taxes	8,224							
Interest	152			9				
Local permits and fees				16,960				
Private grant				10,330	10,000			
Donations			1,694	9,588				
Other	992		1,554					
Transfers in	22,000							\$ 2,300
Total Receipts	<u>82,652</u>	<u>16,234</u>	<u>3,248</u>	<u>36,887</u>	<u>10,000</u>			<u>2,300</u>
Disbursements:								
Highways and streets	70,053					23,212		
Public safety		12,149		41,457				
Recreation and culture			5,781					
Social services								
Transfers out								
Total Disbursements	<u>70,053</u>	<u>12,149</u>	<u>5,781</u>	<u>41,457</u>		<u>23,212</u>		
Cash Balance, December 31, 2022	<u>\$ 48,395</u>	<u>\$ 13,218</u>	<u>\$ 7,658</u>	<u>\$ 1,975</u>	<u>\$ 13,925</u>	<u>\$ 32,365</u>	<u>\$ 250</u>	<u>\$ 2,300</u>

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

Schedule 2

	Senior Meals	American Rescue Plan Act	Fire Operations and Maintenance	Total
Cash Balance, January 1, 2022	<u>\$ 1,726</u>	<u>\$ 47,955</u>		<u>\$ 171,098</u>
Receipts:				
State aid				67,518
Federal aid		75,000		75,000
Property taxes				8,224
Interest		12		173
Local permits and fees				16,960
Private grant				20,330
Donations	2,442		\$ 75	13,799
Other				2,546
Transfers in	1,100		30,500	55,900
Total Receipts	<u>3,542</u>	<u>75,012</u>	<u>30,575</u>	<u>260,450</u>
Disbursements:				
Highways and streets				93,265
Public safety			25,780	79,386
Recreation and culture				5,781
Social services	4,719			4,719
Transfers out		47,968		47,968
Total Disbursements	<u>4,719</u>	<u>47,968</u>	<u>25,780</u>	<u>231,119</u>
Cash Balance, December 31, 2022	<u>\$ 549</u>	<u>\$ 74,999</u>	<u>\$ 4,795</u>	<u>\$ 200,429</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Capital Projects Funds
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2021	256,173	187,980	4,750
Receipts:			
State aid	11,601	183,287	
Federal aid		75,000	
Property taxes	27,754	8,326	
Franchise fees	11,664		
Sales taxes	185,300		
Interest	1,235	355	
Local permits and fees	420	950	
Donations		3,291	
Concession sales and gate receipts		2,408	
Other	14,567	16,182	
Transfers in		113,936	
Unclassified	29		
Total Receipts	<u>252,570</u>	<u>403,735</u>	
Disbursements:			
General government	161,551	37,819	
Highways and streets		266,986	
Public safety	4,310	31,077	
Recreation and culture		28,402	
Social services		524	4,250
Contributions to water and sewer department	44,100		
Cemetery	409		
Transfers out	58,127	55,809	
Total Disbursements	<u>268,497</u>	<u>420,617</u>	<u>4,250</u>
Cash Balance, December 31, 2021	<u>\$ 240,246</u>	<u>\$ 171,098</u>	<u>\$ 500</u>

CITY OF LOCKESBURG, 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	Park	Fire Department Special	Weyerhauser Grant	Sidewalk Grant Fund	Weyerhauser Grant Senior Citizen Center	Senior Meals	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 45,794	\$ 4,038	\$ 34,239	\$ 24,734	\$ 3,925	\$ 64,250	\$ 11,000			\$ 187,980
Receipts:										
State aid	58,004	14,897				110,386				183,287
Federal aid									\$ 75,000	75,000
Property taxes	8,326									8,326
Interest	318			13					24	355
Local permits and fees				950						950
Donations				1,041				\$ 2,250		3,291
Concession sales and gate receipts			2,408							2,408
Other	1,054		946	1,082		13,100				16,182
Transfers in	72,809		1,000			40,127				113,936
Total Receipts	140,511	14,897	4,354	3,086		163,613		2,250	75,024	403,735
Disbursements:										
General government							10,750		27,069	37,819
Highways and streets	150,509					116,477				266,986
Public safety		9,802		21,275						31,077
Recreation and culture			28,402							28,402
Social services								524		524
Transfers out						55,809				55,809
Total Disbursements	150,509	9,802	28,402	21,275		172,286	10,750	524	27,069	420,617
Cash Balance, December 31, 2021	\$ 35,796	\$ 9,133	\$ 10,191	\$ 6,545	\$ 3,925	\$ 55,577	\$ 250	\$ 1,726	\$ 47,955	\$ 171,098

CITY OF LOCKESBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 5

	Storm Siren Grant Fund	Senior Citizen Building Grant	Total
Cash Balance, January 1, 2021	\$ 500	\$ 4,250	\$ 4,750
Disbursements:			
Social services		4,250	4,250
Cash Balance, December 31, 2021	\$ 500	\$ 0	\$ 500

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

Schedule 6

	General Fund	Special Revenue Funds	Capital Projects Funds
Cash Balance, January 1, 2020	\$ 385,431	\$ 220,592	\$ 500
Receipts:			
State aid	10,964	185,862	
Federal aid	29,236		16,042
Property taxes	26,413	7,924	
Franchise fees	10,754		
Sales taxes	166,516		
Interest	4,102	745	
Local permits and fees	415	6,519	
Sale of equipment		7,500	
Donations		6,578	
Other	11,668	1,962	
Transfers in		136,444	
Total Receipts	<u>260,068</u>	<u>353,534</u>	<u>16,042</u>
Disbursements:			
General government	183,814		
Highways and streets		298,292	
Public safety	5,386	46,847	
Recreation and culture		41,007	
Social services			11,792
Contributions to water and sewer department	63,500		
Cemetery	152		
Transfers out	136,444		
Unclassified	30		
Total Disbursements	<u>389,326</u>	<u>386,146</u>	<u>11,792</u>
Cash Balance, December 31, 2020	<u>\$ 256,173</u>	<u>\$ 187,980</u>	<u>\$ 4,750</u>

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

Schedule 7

	Street	Fire Equipment and Training Act 833	Park	Fire Department Special	Weyerhaeuser Grant	Sidewalk Grant Fund	Weyerhaeuser Grant Senior Citizen Center	Total
Cash Balance, January 1, 2020	\$ 49,790	\$ 26,862	\$ 69,761	\$ 13,881	\$ 3,925	\$ 45,373	\$ 11,000	\$ 220,592
Receipts:								
State aid	55,788	14,144				115,930		185,862
Property taxes	7,924							7,924
Interest	721			24				745
Local permits and fees				6,519				6,519
Sale of equipment				7,500				7,500
Donations				6,578				6,578
Other	1,810		41	111				1,962
Transfers in	21,000		5,444			110,000		136,444
Total Receipts	<u>87,243</u>	<u>14,144</u>	<u>5,485</u>	<u>20,732</u>		<u>225,930</u>		<u>353,534</u>
Disbursements:								
Highways and streets	91,239					207,053		298,292
Public safety		36,968		9,879				46,847
Recreation and culture			41,007					41,007
Total Disbursements	<u>91,239</u>	<u>36,968</u>	<u>41,007</u>	<u>9,879</u>		<u>207,053</u>		<u>386,146</u>
Cash Balance, December 31, 2020	<u>\$ 45,794</u>	<u>\$ 4,038</u>	<u>\$ 34,239</u>	<u>\$ 24,734</u>	<u>\$ 3,925</u>	<u>\$ 64,250</u>	<u>\$ 11,000</u>	<u>\$ 187,980</u>

CITY OF LOCKESBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 8

	Storm Siren Grant Fund	Senior Citizen Building Grant	Total
Cash Balance, January 1, 2020	<u>\$ 500</u>		<u>\$ 500</u>
Receipts:			
Federal aid		<u>\$ 16,042</u>	<u>16,042</u>
Disbursements:			
Social services		<u>11,792</u>	<u>11,792</u>
Cash Balance, December 31, 2020	<u><u>\$ 500</u></u>	<u><u>\$ 4,250</u></u>	<u><u>\$ 4,750</u></u>

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

Schedule 9

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, Tax Fund, Community Relations, Coulter Memorial, and History Book.

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Personnel	\$ 5,319	\$ 5,041	\$ 1

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land and buildings	\$ 444,496	\$ 444,496	\$ 180,400
Construction in progress			264,096
Equipment	539,226	539,226	446,417
Total	<u>\$ 983,722</u>	<u>\$ 983,722</u>	<u>\$ 890,913</u>

5. 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)			\$ 29,236
American Rescue Plan Act (ARPA)	\$ 75,000	\$ 75,000	
	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 29,236</u>