

City of London, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF LONDON, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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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 London, 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 London, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated March 14, 2024. These procedures were not performed for the Water Department. 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 relate to the following officials who held office during 2023 and 2022:

Mayor: Edwin Price
Recorder/Treasurer: Amy Cottingham
District Court Clerk: Tara Bruhn
Police Chief/Marshal: Joann Demmitt

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.

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 black ink that reads "Roger A. Norman".

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

Little Rock, Arkansas
March 14, 2024
LOM211323

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 502,310	\$ 210,233
Receipts:		
State aid	29,098	78,958
Property taxes		12,918
Franchise fees	36,546	
Sales taxes	318,057	
Fines, forfeitures, and costs	48,423	2,775
Interest	7,741	2,935
Local permits and fees	2,030	
Other	143	
Total Receipts	<u>442,038</u>	<u>97,586</u>
Disbursements:		
General government	128,248	
Law enforcement	254,945	
Highways and streets	1,565	81,289
Public safety	16,394	
Recreation and culture	5,044	
Contribution to water and sewer	5,331	18,741
Total Disbursements	<u>411,527</u>	<u>100,030</u>
Cash Balance, December 31, 2023	<u>\$ 532,821</u>	<u>\$ 207,789</u>

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

Schedule 2

	Street	District Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 183,444	\$ 8,052	\$ 18,737	\$ 210,233
Receipts:				
State aid	78,958			78,958
Property taxes	12,918			12,918
Fines, forfeitures, and costs		2,775		2,775
Interest	2,762	169	4	2,935
Total Receipts	<u>94,638</u>	<u>2,944</u>	<u>4</u>	<u>97,586</u>
Disbursements:				
Highways and streets	81,289			81,289
Contribution to water and sewer			18,741	18,741
Total Disbursements	<u>81,289</u>		<u>18,741</u>	<u>100,030</u>
Cash Balance, December 31, 2023	<u>\$ 196,793</u>	<u>\$ 10,996</u>	<u>\$ 0</u>	<u>\$ 207,789</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 403,971	\$ 255,835
Receipts:		
State aid	13,964	80,811
Federal aid		110,530
Property taxes		12,744
Franchise fees	33,527	
Sales taxes	243,105	
Fines, forfeitures, and costs	49,095	1,833
Interest	276	177
Local permits and fees	2,315	
Insurance proceeds		5,743
Other	74,954	
Total Receipts	<u>417,236</u>	<u>211,838</u>
Disbursements:		
General government	122,938	7,570
Law enforcement	149,007	
Highways and streets	13,403	176,515
Public safety	11,444	
Recreation and culture	4,858	
Contribution to water and sewer	17,247	73,355
Total Disbursements	<u>318,897</u>	<u>257,440</u>
Cash Balance, December 31, 2022	<u>\$ 502,310</u>	<u>\$ 210,233</u>

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

Schedule 4

	Street	District Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 161,154	\$ 6,206	\$ 88,475	\$ 255,835
Receipts:				
State aid	80,811			80,811
Federal aid			110,530	110,530
Property taxes	12,744			12,744
Fines, forfeitures, and costs		1,833		1,833
Interest	115	13	49	177
Insurance proceeds	5,743			5,743
Total Receipts	<u>99,413</u>	<u>1,846</u>	<u>110,579</u>	<u>211,838</u>
Disbursements:				
General government			7,570	7,570
Highways and streets	77,123		99,392	176,515
Contribution to water and sewer			73,355	73,355
Total Disbursements	<u>77,123</u>		<u>180,317</u>	<u>257,440</u>
Cash Balance, December 31, 2022	<u>\$ 183,444</u>	<u>\$ 8,052</u>	<u>\$ 18,737</u>	<u>\$ 210,233</u>

CITY OF LONDON, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

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

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

	December 31, 2023	December 31, 2022
Police Bond and Fine	\$ 13,859	\$ 11,011
Administration of Justice	1,168	1,144

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

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

	December 31, 2023	December 31, 2022
Land	\$ 42,160	\$ 42,160
Buildings	315,992	315,992
Equipment	472,826	402,753
Totals	<u>\$ 830,978</u>	<u>\$ 760,905</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 110,530</u>