

City of Magazine, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MAGAZINE, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Magazine, 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 Magazine, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated July 18, 2024. 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 finding contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Joshua Scott (2023)
Stanley McConnell (2022)
Recorder/Treasurer: Vicki Smith
District Court Clerk: Vicki Smith
Police Chief: Brett Chappell (March 2, 2022 through December 31, 2023)
Anthony Rogers (January 1, 2022 through January 23, 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

The City has not obtained an audit or agreed-upon procedures and compilation report for the City's Water and Sewer Department since 2020, as required by Ark. Code Ann. § 14-234-119.

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 "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 18, 2024
LOM211823

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 474,932	\$ 245,639
Receipts:		
State aid	11,251	71,264
Property taxes	11,646	11,645
Franchise fees	44,113	
Sales taxes	338,091	
Fines, forfeitures, and costs	16,978	508
Interest	1,030	243
Local permits and fees	10	
Other	50,264	260
Transfers in		8,000
Total Receipts	<u>473,383</u>	<u>91,920</u>
Disbursements:		
General government	231,018	
Law enforcement	107,776	575
Highways and streets	11,285	55,688
Public safety	15,332	16,788
Recreation and culture	120	
Debt service	7,247	
Transfers out	8,000	
Water and sewer		44,866
Total Disbursements	<u>380,778</u>	<u>117,917</u>
Cash Balance, December 31, 2023	<u>\$ 567,537</u>	<u>\$ 219,642</u>

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

Schedule 2

	<u>Street</u>	<u>Local Police and Fire Retirement (LOPFI)</u>	<u>Judicial Fine Collection</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 108,807	\$ 6,142	\$ 1,038	\$ 11,821	\$ 117,831	\$ 245,639
Receipts:						
State aid	62,424			8,840		71,264
Property taxes	8,736	2,909				11,645
Fines, forfeitures, and costs			508			508
Interest	236	7				243
Other	260					260
Transfers in		8,000				8,000
Total Receipts	<u>71,656</u>	<u>10,916</u>	<u>508</u>	<u>8,840</u>		<u>91,920</u>
Disbursements:						
Law enforcement			575			575
Highways and streets	55,688					55,688
Public safety		7,020		9,768		16,788
Water and sewer					44,866	44,866
Total Disbursements	<u>55,688</u>	<u>7,020</u>	<u>575</u>	<u>9,768</u>	<u>44,866</u>	<u>117,917</u>
Cash Balance, December 31, 2023	<u>\$ 124,775</u>	<u>\$ 10,038</u>	<u>\$ 971</u>	<u>\$ 10,893</u>	<u>\$ 72,965</u>	<u>\$ 219,642</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 432,002	\$ 198,080
Receipts:		
State aid	16,422	73,333
Federal aid		85,980
Property taxes	10,807	12,749
Franchise fees	38,992	
Sales taxes	323,023	
Fines, forfeitures, and costs	11,906	533
Interest	870	209
Other	25,132	245
Transfers in		8,000
Total Receipts	<u>427,152</u>	<u>181,049</u>
Disbursements:		
General government	155,683	
Law enforcement	146,517	71
Highways and streets	12,518	58,520
Public safety	48,633	20,769
Recreation and culture	120	
Debt service	12,751	
Transfers out	8,000	
Water and sewer		54,130
Total Disbursements	<u>384,222</u>	<u>133,490</u>
Cash Balance, December 31, 2022	<u>\$ 474,932</u>	<u>\$ 245,639</u>

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

Schedule 4

	Street	Local Police and Fire Retirement (LOPFI)	Judicial Fine Collection	Fire Equipment and Training (Act 833)	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 92,941	\$ 6,710	\$ 576	\$ 11,872	\$ 85,981	\$ 198,080
Receipts:						
State aid	63,889			9,444		73,333
Federal aid					85,980	85,980
Property taxes	10,122	2,627				12,749
Fines, forfeitures, and costs			533			533
Interest	205	4				209
Other	170	75				245
Transfers in		8,000				8,000
Total Receipts	<u>74,386</u>	<u>10,706</u>	<u>533</u>	<u>9,444</u>	<u>85,980</u>	<u>181,049</u>
Disbursements:						
Law enforcement			71			71
Highways and streets	58,520					58,520
Public safety		11,274		9,495		20,769
Water and sewer					54,130	54,130
Total Disbursements	<u>58,520</u>	<u>11,274</u>	<u>71</u>	<u>9,495</u>	<u>54,130</u>	<u>133,490</u>
Cash Balance, December 31, 2022	<u>\$ 108,807</u>	<u>\$ 6,142</u>	<u>\$ 1,038</u>	<u>\$ 11,821</u>	<u>\$ 117,831</u>	<u>\$ 245,639</u>

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

Schedule 5

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General and Police Expense

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

	December 31, 2023	December 31, 2022
Payroll	\$ 4,234	\$ 4,917

These balances represent payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2023	December 31, 2022
Land	\$ 14,375	\$ 14,375
Buildings	150,479	150,479
Equipment	781,145	753,445
Totals	\$ 945,999	\$ 918,299

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

	December 31, 2023	December 31, 2022
Financed purchase	\$ 4,154	\$ 10,987

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 85,980