

City of Pangburn, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PANGBURN, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas



ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Pangburn, 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 Pangburn, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated December 7, 2022. 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 findings contained in this section relate to the following officials who held office during 2021:

Mayor: Michael Marsh
Recorder/Treasurer: Hollie Hopkins
District Court Clerk: Kim Anderson
Police Chief/Marshal: William Miller

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 **District Court Clerk**.

Recorder/Treasurer

1. Cash receipts were not always properly posted or classified by major source in the journal, as required by Ark. Code Ann. § 14-59-110. A similar finding was noted in the previous report.
2. Cash disbursements were not always properly posted or classified by department, as required by Ark. Code Ann. § 14-59-111. A similar finding was noted in the previous report.
3. Adequate supporting documentation was not maintained for \$5,135 (15%) of disbursements tested, as required by Ark. Code Ann. § 14-59-105.
4. Prenumbered receipts were not issued for all funds received in each fund, as required by Ark. Code Ann. § 14-59-109.
5. Bank reconciliations for the General Fund were not properly prepared, and not all bank reconciliations were approved by someone other than the preparer, as required by Ark. Code Ann. § 14-59-108.

District Court Clerk

The ending bank balance was not identified with receipt numbers for cases not yet adjudicated and payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. A similar finding was noted in the previous three reports.

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, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas
December 7, 2022
LOM214821

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 149,045	\$ 195,062
Receipts:		
State aid	9,484	74,718
Federal aid		59,979
Property taxes	6,217	6,083
Franchise fees	13,039	
Sales taxes	205,728	14,648
Fines, forfeitures, and costs	76,178	3,550
Interest	1,142	1,097
Donations	2,976	5,406
Sale of Equipment	1,200	2,600
Contributions from County		104,230
Event Proceeds		2,862
Gas royalties	23,785	
Sanitation Fees	33,082	
Insurance proceeds	14,245	
Other	3,335	400
Total Receipts	390,411	275,573
Disbursements:		
General government	187,243	
Law enforcement	131,784	40
Highways and streets	7,713	67,544
Public safety	5,458	117,544
Sanitation	33,082	
Recreation and culture	8,169	6,413
Social services	7,653	
Total Disbursements	381,102	191,541
Cash Balance, December 31, 2021	\$ 158,354	\$ 279,094

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

Schedule 2

	Street	Fire Department	Parks and Recreation	Act 833	Criminal Activity	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 88,476	\$ 91,717	\$ 6,023	\$ 8,175	\$ 671		\$ 195,062
Receipts:							
State aid	47,512	15,000		12,206			74,718
Federal aid						\$ 59,979	59,979
Property taxes	2,301	3,782					6,083
Sales taxes	14,648						14,648
Fines, forfeitures, and costs					3,550		3,550
Interest	545	529	23				1,097
Donations		2,940	2,466				5,406
Sale of Equipment		2,600					2,600
Contributions from County		104,230					104,230
Event Proceeds			2,862				2,862
Other		400					400
Total Receipts	<u>65,006</u>	<u>129,481</u>	<u>5,351</u>	<u>12,206</u>	<u>3,550</u>	<u>59,979</u>	<u>275,573</u>
Disbursements:							
Law enforcement					40		40
Highways and streets	67,544						67,544
Public safety		113,377		4,167			117,544
Recreation and culture			6,413				6,413
Total Disbursements	<u>67,544</u>	<u>113,377</u>	<u>6,413</u>	<u>4,167</u>	<u>40</u>		<u>191,541</u>
Cash Balance, December 31, 2021	<u>\$ 85,938</u>	<u>\$ 107,821</u>	<u>\$ 4,961</u>	<u>\$ 16,214</u>	<u>\$ 4,181</u>	<u>\$ 59,979</u>	<u>\$ 279,094</u>

CITY OF PANGBURN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

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

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

	December 31, 2021
	<hr/>
District Court	\$ 21,104
Administration of Justice	2,138

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, 2021
	<hr/>
Land	\$ 182,082
Buildings	445,955
Equipment	<hr/> 395,640
Total	<hr/> <hr/> \$ 1,023,677

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

	December 31, 2021 2021
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American Rescue Plan Act (ARPA)	<hr/> <hr/> \$ 59,979