

City of Perryville, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PERRYVILLE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
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House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Perryville, 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 Perryville, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated July 18, 2023. These procedures were not performed for the Water and Sewer Fund. 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:

Mayor: John Roland
Recorder/Treasurer: Wendy Smithpeters
Police Chief: Rusty Quinn

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
July 18, 2023
LOM215322

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds
Cash Balance, January 1, 2022	\$ 172,640	\$ 231,668	\$ 114,648
Receipts:			
State aid	20,483	127,038	
Federal aid		215,647	
Franchise fees			121,875
Sales taxes	424,879	43,173	
Fines, forfeitures, and costs	26,212		
Interest	335	902	529
Local permits and fees	65		
Rental Income	43,200	1,575	
Reimbursement law enforcement	98,266		
Bond proceeds		280,000	
Other	62,690	28,196	
Transfers in	20,000	59,755	38,924
Total Receipts	<u>696,130</u>	<u>756,286</u>	<u>161,328</u>
Disbursements:			
General government	212,809		10
Law enforcement	408,755	5,592	
Highways and streets		186,851	
Public safety	18,201	110,641	
Recreation and culture	2,674	126,277	
Sales taxes remitted to the water department	172,693		
Wastewater		151,034	
Debt service			36,942
Transfers out	7,000	52,755	58,924
Total Disbursements	<u>822,132</u>	<u>633,150</u>	<u>95,876</u>
Cash Balance, December 31, 2022	<u>\$ 46,638</u>	<u>\$ 354,804</u>	<u>\$ 180,100</u>

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

Schedule 2

	Street	Fire Department Equipment (Act 833)	Parks and Recreation	Civic Center	Prisoner Housing	Drug	Goat Festival	Parks and Recreation Projects Fund
Cash Balance, January 1, 2022	\$ 133,997	\$ 22,898	\$ 18,677	\$ 50,000	\$ 2,920	\$ 1,676	\$ 1,500	
Receipts:								
State aid	118,540	8,498						
Federal aid		64,613						
Sales taxes		43,173						
Interest	459	86	35		10	4	2	\$ 306
Rental Income			1,575					
Bond proceeds								280,000
Other	989	2,075				4,496	20,636	
Transfers in			55,960				1,000	
Total Receipts	<u>119,988</u>	<u>118,445</u>	<u>57,570</u>		<u>10</u>	<u>4,500</u>	<u>21,638</u>	<u>280,306</u>
Disbursements:								
Law enforcement					2,930	2,662		
Highways and streets	186,851							
Public safety		109,824						
Recreation and culture			23,671				4,935	97,671
Wastewater								
Transfers out		2,795		49,960				
Total Disbursements	<u>186,851</u>	<u>112,619</u>	<u>23,671</u>	<u>49,960</u>	<u>2,930</u>	<u>2,662</u>	<u>4,935</u>	<u>97,671</u>
Cash Balance, December 31, 2022	<u>\$ 67,134</u>	<u>\$ 28,724</u>	<u>\$ 52,576</u>	<u>\$ 40</u>	<u>\$ 0</u>	<u>\$ 3,514</u>	<u>\$ 18,203</u>	<u>\$ 182,635</u>

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

Schedule 2

	Fire Department EFT Clearing	American Rescue Plan Act	Total
Cash Balance, January 1, 2022			\$ 231,668
Receipts:			
State aid			127,038
Federal aid		\$ 151,034	215,647
Sales taxes			43,173
Interest			902
Rental Income			1,575
Bond proceeds			280,000
Other			28,196
Transfers in	\$ 2,795		59,755
Total Receipts	<u>2,795</u>	<u>151,034</u>	<u>756,286</u>
Disbursements:			
Law enforcement			5,592
Highways and streets			186,851
Public safety	817		110,641
Recreation and culture			126,277
Wastewater		151,034	151,034
Transfers out			52,755
Total Disbursements	<u>817</u>	<u>151,034</u>	<u>633,150</u>
Cash Balance, December 31, 2022	<u>\$ 1,978</u>	<u>\$ 0</u>	<u>\$ 354,804</u>

CITY OF PERRYVILLE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 3

	Capital Improvement Revenue Bond	Franchise Fee	Capital Improvement Project Bond	Total
Cash Balance, January 1, 2022	\$ 4,251	\$ 110,397		\$ 114,648
Receipts:				
Franchise fees		121,875		121,875
Interest	14	511	\$ 4	529
Transfers in	27,031		11,893	38,924
Total Receipts	<u>27,045</u>	<u>122,386</u>	<u>11,897</u>	<u>161,328</u>
Disbursements:				
General government			10	10
Debt service	27,031		9,911	36,942
Transfers out		58,924		58,924
Total Disbursements	<u>27,031</u>	<u>58,924</u>	<u>9,921</u>	<u>95,876</u>
Cash Balance, December 31, 2022	<u>\$ 4,265</u>	<u>\$ 173,859</u>	<u>\$ 1,976</u>	<u>\$ 180,100</u>

CITY OF PERRYVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund and EFT Clearing account.
3. The Municipality's capital assets records are summarized below:

	December 31, 2022
Land	\$ 160,098
Buildings	527,346
Equipment	<u>635,056</u>
Total	<u>\$ 1,322,500</u>

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

	December 31, 2022
Bonds payable	<u>\$ 403,132</u>

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

	December 31, 2022
Capital Improvement Revenue Bonds, dated April 24, 2018, in the amount of \$220,000, for the purpose of financing costs of acquiring, constructing and equipping new fire facilities, due in monthly installments of \$2,253, with interest rate of 4.2878%, from May 20, 2018 through April 20, 2028. Franchise fees are pledged for the repayment of the bonds. Payments are to be made from the Capital Improvement Revenue Bond Fund.	
	\$ 128,790
Capital Improvement Revenue Bonds, dated August 2, 2022, in the amount of \$280,000, for the purpose of financing costs of acquiring, constructing and equipping park improvements, due in monthly installments of \$1,982, with interest rate of 4.00%, from August 20, 2022 through July 20, 2032. Franchise fees are pledged for the repayment of the bonds. Payments are to be made from the Capital Improvement Revenue Bond Fund.	
	<u>274,342</u>
Total	<u>\$ 403,132</u>

CITY OF PERRYVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

6. The City is obligated for the following amounts at December 31, 2022:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2023	\$ 50,818
2024	50,818
2025	50,818
2026	50,818
2027	50,818
2028 through 2032	<u>232,910</u>
Total Obligations	487,000
Less Interest	<u>83,868</u>
Total Principal	<u><u>\$ 403,132</u></u>

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

	<u>December 31, 2022</u>
American Rescue Plan Act (ARPA)	<u><u>\$ 151,034</u></u>