

City of Redfield, Arkansas

Financial and Compliance Report

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Redfield, 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 Redfield, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated August 22, 2023. 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 2022 and 2021:

Mayor: Roben Brooks
Recorder/Treasurer: Dane Fults
District Court Clerk: Alta Day
Police Chief: Steve McFtridge

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 **Mayor, Recorder/Treasurer** and **District Court Clerk**.

Mayor/Recorder/Treasurer

The City incurred Internal Revenue Service (IRS) penalties and interest in the amount of \$3,972 and Arkansas Department of Finance and Administration (DF&A) penalties and interest in the amount of \$959 for failure to properly file, report, and remit payroll taxes.

The City's accounts were under collateralized by \$16,685 (6% of total deposits) on December 31, 2021, and by \$172,966 (41% of total deposits) on December 31, 2022, in noncompliance with Ark. Code Ann. § 19-8-107.

The City paid \$7,455 to a fuel vendor and \$3,120 for credit card purchases without supporting documentation or indication of a business purpose, in noncompliance with Ark. Code Ann. § 14-59-105; therefore, the validity of these disbursements could not be determined.

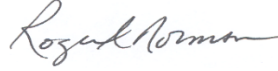
District Court Clerk/Recorder/Treasurer

The District Court was in noncompliance with Ark. Code Ann. § 16-10-209 as follows:

- Receipts were not deposited intact daily.
- Receipts totaling \$105 could not be traced to bank deposits.
- Receipts were not issued for all money deposited.
- Receipts were not properly reconciled to bank deposits.

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



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

Little Rock, Arkansas
August 22, 2023
LOM216322

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 562,812	\$ 276,990
Receipts:		
State aid	61,061	146,580
Federal aid		156,835
Property taxes	92,706	27,829
Franchise fees	78,025	
Sales taxes	958,263	
Fines, forfeitures, and costs	33,753	5,384
Interest	69	752
Local permits and fees	7,657	
Rent	20,720	
Sanitation fees	171,514	
Other	57,777	5,723
Transfers in		72,735
Total Receipts	<u>1,481,545</u>	<u>415,838</u>
Disbursements:		
General government	375,153	
Law enforcement	537,188	9,928
Highways and streets	173,192	201,732
Public safety	39,581	18,633
Sanitation	171,514	
Recreation and culture	98,231	
Transfers out	72,735	
Total Disbursements	<u>1,467,594</u>	<u>230,293</u>
Cash Balance, December 31, 2022	<u>\$ 576,763</u>	<u>\$ 462,535</u>

CITY OF REDFIELD, 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)	Criminal Justice	Court Technology	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 93,366	\$ 17,397	\$ 8,276	\$ 1,076	\$ 156,875	\$ 276,990
Receipts:						
State aid	129,937	16,643				146,580
Federal aid					156,835	156,835
Property taxes	27,829					27,829
Fines, forfeitures, and costs			4,565	819		5,384
Interest	10				742	752
Other	5,723					5,723
Transfers in	72,735					72,735
Total Receipts	<u>236,234</u>	<u>16,643</u>	<u>4,565</u>	<u>819</u>	<u>157,577</u>	<u>415,838</u>
Disbursements:						
Law enforcement			3,070	189	6,669	9,928
Highways and streets	201,732					201,732
Public safety		18,633				18,633
Total Disbursements	<u>201,732</u>	<u>18,633</u>	<u>3,070</u>	<u>189</u>	<u>6,669</u>	<u>230,293</u>
Cash Balance, December 31, 2022	<u>\$ 127,868</u>	<u>\$ 15,407</u>	<u>\$ 9,771</u>	<u>\$ 1,706</u>	<u>\$ 307,783</u>	<u>\$ 462,535</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 546,237	\$ 168,434
Receipts:		
State aid	21,700	126,811
Federal aid		156,837
Property taxes	88,757	26,644
Franchise fees	72,906	
Sales taxes	816,945	
Fines, forfeitures, and costs	49,925	6,047
Interest	94	56
Local permits and fees	4,850	
Rent	1,050	
Sanitation fees	169,945	
Other	50,480	2,566
Transfers in		58,564
Total Receipts	<u>1,276,652</u>	<u>377,525</u>
Disbursements:		
General government	302,279	
Law enforcement	462,879	6,301
Highways and streets	138,565	226,907
Public safety	56,906	35,761
Sanitation	169,945	
Recreation and culture	62,375	
Transfers out	58,564	
Contribution to water department	8,564	
Total Disbursements	<u>1,260,077</u>	<u>268,969</u>
Cash Balance, December 31, 2021	<u>\$ 562,812</u>	<u>\$ 276,990</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>Criminal Justice</u>	<u>Court Technology</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2021	\$ 121,394	\$ 37,434	\$ 8,105	\$ 1,501		\$ 168,434
Receipts:						
State aid	111,087	15,724				126,811
Federal aid					\$ 156,837	156,837
Property taxes	26,644					26,644
Fines, forfeitures, and costs			5,809	238		6,047
Interest	18				38	56
Other	2,566					2,566
Transfers in	58,564					58,564
Total Receipts	<u>198,879</u>	<u>15,724</u>	<u>5,809</u>	<u>238</u>	<u>156,875</u>	<u>377,525</u>
Disbursements:						
Law enforcement			5,638	663		6,301
Highways and streets	226,907					226,907
Public safety		35,761				35,761
Total Disbursements	<u>226,907</u>	<u>35,761</u>	<u>5,638</u>	<u>663</u>	<u>0</u>	<u>268,969</u>
Cash Balance, December 31, 2021	<u>\$ 93,366</u>	<u>\$ 17,397</u>	<u>\$ 8,276</u>	<u>\$ 1,076</u>	<u>\$ 156,875</u>	<u>\$ 276,990</u>

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

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, City Park, Police Department, Fire Department and Drug Prevention.
3. Cash balances at year-end in the custodial fund are as follows:

	December 31, 2022	December 31, 2021
District Court	\$ 7,984	\$ 694

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

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

	December 31, 2022	December 31, 2021
Land	\$ 273,694	\$ 273,694
Buildings	164,936	164,936
Equipment	2,461,579	2,531,371
Totals	\$ 2,900,209	\$ 2,970,001

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 156,835	\$ 156,837