

City of Turrell, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF TURRELL, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Turrell, 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 Turrell, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated March 31, 2025. These procedures were not performed for the Water and Sewer Funds. 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 2023:

Mayor: Charles Webster
Recorder: Megan Wilhoite
Treasurer: Vacant (June 2, 2023 - December 31, 2023)
Dora Jordan (resigned June 1, 2023)
City Clerk: LaNeesha Crockett (appointed June 5, 2023)
District Court Clerk: Kiara Greer (appointed June 6, 2023)
Nanette Nauden (resigned June 6, 2023)
Police Chief: Gregory Todd Gray

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, City Clerk, and District Court Clerk.**

Mayor, Treasurer, and City Clerk

Although Schedule 1 of this report shows a balance of \$188,223, it was brought to our attention that as of December 31, 2023, the General Fund owed a significant amount to the Street Fund. As shown on Note 6 on Schedule 3, when these outstanding amounts were considered, the General Fund had a deficit balance of \$56,577. A similar finding was noted in the previous four reports dating back to 2018.

Treasurer and City Clerk

State aid for highway funds in previous years of \$244,800 owed to the Street Fund was not transferred during the engagement period, in noncompliance with Ark. Code Ann. §§ 26-79-104, 27-70-207. The City made payments of \$5,200 (2%) of General Fund revenues without a resolution or ordinance to repay the Street Fund. On June 14, 2024, the City obtained authorization from the Legislative Joint Auditing Committee for repayment of 5% of general revenues annually. A similar finding was noted in the previous reports dating back to 2003.

Recorder

The City Council minutes were not maintained for inspection, in noncompliance with Ark. Code Ann. § 14-59-114.

District Court Clerk

Accounting procedures for district courts are set forth in Ark. Code Ann. § 16-10-209. The City was not in compliance with this code as follows:

- A listing of outstanding unpaid installment payment accounts was not presented to the judge for necessary action.
- One defendant's case was not established on a timepay account as authorized by the Judge. Consequently, the case was not identified as delinquent to be presented to the Judge for necessary action.
- Warrants for outstanding cases were not always served to the defendant.
- Court costs were not always settled timely and accurately.
- Individual citations in the completed citation books were not reconciled to the individual citations as reflected on the arrest reports or dockets as designated by the judge.

A similar finding was issued in the previous 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 dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 31, 2025
LOM218623

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 166,163	\$ 64,103
Receipts:		
State aid	7,861	81,604
Property taxes	25,713	2,910
Franchise fees	21,170	
Sales taxes	149,001	
Fines, forfeitures, and costs	4,818	5
Local permits and fees	4,198	
Sanitation fees	29,458	
Reimbursement from Crittenden County	24,711	
Contribution from water and sewer department	1,342	
Other	1,410	
Transfers in		19,361
Total Receipts	<u>269,682</u>	<u>103,880</u>
Disbursements:		
General government	137,052	4,081
Law enforcement	19,152	26,296
Highways and streets	26	42,738
Public safety	26,838	1,739
Sanitation	24,494	9,068
Recreation and culture	6,438	
Debt service	14,261	5,889
Transfers out	19,361	
Total Disbursements	<u>247,622</u>	<u>89,811</u>
Cash Balance, December 31, 2023	<u>\$ 188,223</u>	<u>\$ 78,172</u>

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

Schedule 2

	Street	Act 833	Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	<u>\$ 22,729</u>		<u>\$ 404</u>	<u>\$ 40,970</u>	<u>\$ 64,103</u>
Receipts:					
State aid	43,612	\$ 37,992			81,604
Property taxes	2,910				2,910
Fines, forfeitures, and costs			5		5
Transfers in	5,200	14,161			19,361
Total Receipts	<u>51,722</u>	<u>52,153</u>	<u>5</u>		<u>103,880</u>
Disbursements:					
General government				4,081	4,081
Law enforcement			144	26,152	26,296
Highways and streets	42,738				42,738
Public safety		70		1,669	1,739
Sanitation				9,068	9,068
Debt service	5,889				5,889
Total Disbursements	<u>48,627</u>	<u>70</u>	<u>144</u>	<u>40,970</u>	<u>89,811</u>
Cash Balance, December 31, 2023	<u>\$ 25,824</u>	<u>\$ 52,083</u>	<u>\$ 265</u>	<u>\$ 0</u>	<u>\$ 78,172</u>

CITY OF TURRELL, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

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 and Fire Department

3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2023
District Court	\$ 6,332

This balance represents 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, 2023
Land	\$ 79,522
Buildings	214,110
Equipment	723,305
Total	\$ 1,016,937

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2023
Financed purchases	\$ 47,550

CITY OF TURRELL, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

6. Deficit Fund Balance

The schedules included in our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it was brought to our attention that the City of Turrell had a significant balance due to Street Fund at December 31, 2023. The information below begins with the cash balances for the General and Street Funds. The computation includes changes to the cash balances for the outstanding amounts owed at year end.

	<u>General Fund</u>	<u>Street Fund</u>
Balance as of December 31, 2023:		
Cash balance per accountant's report	\$ 188,223	\$ 25,824
Due to Street Fund	(244,800)	
Due from General Fund		<u>244,800</u>
Restated balances as of December 31, 2023	<u><u>\$ (56,577)</u></u>	<u><u>\$ 270,624</u></u>