

City of Tyronza, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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 Tyronza, 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 Tyronza, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated July 12, 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 finding contained in this section relate to the following officials who held office during 2022:

Mayor: Charles Glover
Recorder/Treasurer: Donna Wood
District Court Clerk: Donna Wood
Police Chief: Mark Spain (appointed March 28, 2022)
Vacant (January 1, 2022 – March 27, 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

On April 21, 2022, the Council agreed to pay for repairs to a house rented by the Police Chief but not owned by the City. In turn, the landlord agreed to allow the Police Chief to make rental payments to the City. During 2022, the City paid \$2,071 for repairs to the house, and the Chief paid \$611 to the City for rental payments, in apparent conflict with Ark. Const. art. 12, § 5. According to City officials, the landlord agreed to reimburse the City for any reasonable repairs; however, as of July 12, 2023, the City had received no reimbursements.

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
July 12, 2023
LOM218722

CITY OF TYRONZA, 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	\$ 51,616	\$ 267,872
	<u> </u>	<u> </u>
Receipts:		
State aid	10,681	85,683
Federal aid		74,688
Property taxes	26,755	7,491
Franchise fees	34,372	
Sales taxes	150,482	
Fines, forfeitures, and costs	8,169	948
Interest	342	1,697
Local permits and fees	22,836	
Sanitation fees	80,039	
Donations	8,744	
Other	29,745	500
Total Receipts	<u>372,165</u>	<u>171,007</u>
	<u> </u>	<u> </u>
Disbursements:		
General government	46,885	11,627
Law enforcement	152,417	4,188
Highways and streets		65,510
Public safety	7,638	23,532
Sanitation	73,322	
Health	17,235	
Recreation and culture	1,950	
Social services	9,452	
Contributions to water department		55,178
Total Disbursements	<u>308,899</u>	<u>160,035</u>
	<u> </u>	<u> </u>
Cash Balance, December 31, 2022	<u>\$ 114,882</u>	<u>\$ 278,844</u>

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

Schedule 2

	Street	Local Police and Fire Retirement Cost	Fire Equipment and Training	Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 88,210	\$ 92,652	\$ 12,708	\$ 6,544	\$ 67,758	\$ 267,872
Receipts:						
State aid	61,817		23,866			85,683
Federal aid					74,688	74,688
Property taxes	5,358	2,133				7,491
Fines, forfeitures, and costs		487		461		948
Interest	835	852		10		1,697
Other	500					500
Total Receipts	68,510	3,472	23,866	471	74,688	171,007
Disbursements:						
General government					11,627	11,627
Law enforcement		2,173		2,015		4,188
Highways and streets	64,557				953	65,510
Public safety		6,616	16,916			23,532
Contributions to water department					55,178	55,178
Total Disbursements	64,557	8,789	16,916	2,015	67,758	160,035
Cash Balance, December 31, 2022	\$ 92,163	\$ 87,335	\$ 19,658	\$ 5,000	\$ 74,688	\$ 278,844

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

Schedule 3

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

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

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

	December 31, 2022
District Court	\$ 585

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, 2022
Land	\$ 205,780
Buildings	615,839
Improvements	129,543
Equipment	784,980
Total	\$ 1,736,142

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 74,688