

City of Central City, Arkansas

Financial and Compliance Report

December 31, 2021, 2020, and 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CENTRAL CITY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

Financial and Compliance Report

	<u>Schedule</u>
2021	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2020	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2019	
Schedule of Financial Information (Unaudited)	5
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	6
2021, 2020, and 2019	
Other Information (Unaudited)	7

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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 Central City, 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 Central City, Arkansas, as of and for the years ended December 31, 2021, 2020, and 2019, and have issued our report thereon dated August 25, 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, 2020, and 2019:

Mayor: Terry Wallace
Recorder/Treasurer: Judith Lynne Miller
District Court Clerk: Teresa Harris
Police Chief: Dale Teague

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 **Recorder/Treasurer**.

Recorder/Treasurer

The General Fund owed the Street Fund \$14,385, \$17,385, and \$20,385 at December 31, 2021, 2020, and 2019, respectively, for state aid for highway funds not transferred in previous years, in noncompliance with Ark. Code Ann. § 14-59-104. A similar finding was noted in the prior 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
August 25, 2022
LOM221321

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund
Cash Balance, January 1, 2021	\$ 42,763	\$ 95,443	\$ 854
Receipts:			
State aid	8,047	52,174	
Federal aid		52,003	
Property taxes	33,517	10,056	
Franchise fees	9,118	4,559	
Sales taxes	117,632		
Fines, forfeitures, and costs	27,556	385	
Interest	7	5	
Local permits and fees	1,650		
Loan Proceeds	21,668	21,668	
Contribution from water	935		
Other	3,307	117	576
Transfers in		3,000	
Total Receipts	<u>223,437</u>	<u>143,967</u>	<u>576</u>
Disbursements:			
General government	82,194		
Law enforcement	88,762		
Highways and streets	4,121	93,052	
Public safety	3,270		
Recreation and culture	375		
Contribution to water	36,176		
Debt service	5,980	1,196	
Transfers out	3,000		
Total Disbursements	<u>223,878</u>	<u>94,248</u>	
Cash Balance, December 31, 2021	<u>\$ 42,322</u>	<u>\$ 145,162</u>	<u>\$ 1,430</u>

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

Schedule 2

	Street	Fire Department (Act 833)	District Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 65,953	\$ 28,547	\$ 943		\$ 95,443
Receipts:					
State aid	40,556	11,618			52,174
Federal aid				\$ 52,003	52,003
Property taxes	10,056				10,056
Franchise fees	4,559				4,559
Fines, forfeitures, and costs			385		385
Interest	5				5
Loan Proceeds	21,668				21,668
Other	117				117
Transfers in	3,000				3,000
Total Receipts	<u>79,961</u>	<u>11,618</u>	<u>385</u>	<u>52,003</u>	<u>143,967</u>
Disbursements:					
Highways and streets	93,052				93,052
Debt service	1,196				1,196
Total Disbursements	<u>94,248</u>				<u>94,248</u>
Cash Balance, December 31, 2021	<u>\$ 51,666</u>	<u>\$ 40,165</u>	<u>\$ 1,328</u>	<u>\$ 52,003</u>	<u>\$ 145,162</u>

CITY OF CENTRAL CITY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 52,706	\$ 91,854	\$ 587
Receipts:			
State aid	7,448	49,607	
Property taxes	29,413	8,823	
Franchise fees	9,582	4,791	
Sales taxes	105,724		
Fines, forfeitures, and costs	26,840	318	
Interest	20	23	
Local permits and fees	1,650		
Other	1,449	10	799
Transfers in		3,000	
Total Receipts	<u>182,126</u>	<u>66,572</u>	<u>799</u>
Disbursements:			
General government	66,991		
Law enforcement	96,831	1,400	
Highways and streets	3,554	36,600	
Public safety	5,597	24,983	
Recreation and culture	463		532
Debt service	15,633		
Transfers out	3,000		
Total Disbursements	<u>192,069</u>	<u>62,983</u>	<u>532</u>
Cash Balance, December 31, 2020	<u>\$ 42,763</u>	<u>\$ 95,443</u>	<u>\$ 854</u>

CITY OF CENTRAL CITY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	Street	Fire Department (Act 833)	District Court Automation	Total
Cash Balance, January 1, 2020	\$ 48,010	\$ 41,819	\$ 2,025	\$ 91,854
Receipts:				
State aid	37,896	11,711		49,607
Property taxes	8,823			8,823
Franchise fees	4,791			4,791
Fines, forfeitures, and costs			318	318
Interest	23			23
Other	10			10
Transfers in	3,000			3,000
Total Receipts	<u>54,543</u>	<u>11,711</u>	<u>318</u>	<u>66,572</u>
Disbursements:				
Law enforcement			1,400	1,400
Highways and streets	36,600			36,600
Public safety		24,983		24,983
Total Disbursements	<u>36,600</u>	<u>24,983</u>	<u>1,400</u>	<u>62,983</u>
Cash Balance, December 31, 2020	<u>\$ 65,953</u>	<u>\$ 28,547</u>	<u>\$ 943</u>	<u>\$ 95,443</u>

CITY OF CENTRAL CITY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds	Capital Projects Fund
Cash Balance, January 1, 2019	\$ 45,939	\$ 34,248	\$ 15,090
Receipts:			
State aid	7,936	73,653	
Federal aid	10,086		
Property taxes	30,046	9,014	
Franchise fees	9,458	4,729	
Sales taxes	100,171		
Fines, forfeitures, and costs	13,838	227	
Interest	24	20	
Local permits and fees	1,650		
Other	9,735	7	330
Transfers in		3,500	
Total Receipts	<u>182,944</u>	<u>91,150</u>	<u>330</u>
Disbursements:			
General government	72,502		
Law enforcement	77,077		
Highways and streets	3,243	31,066	
Public safety	2,923	2,478	
Recreation and culture	94		14,833
Debt service	16,838		
Transfers out	3,500		
Total Disbursements	<u>176,177</u>	<u>33,544</u>	<u>14,833</u>
Cash Balance, December 31, 2019	<u>\$ 52,706</u>	<u>\$ 91,854</u>	<u>\$ 587</u>

CITY OF CENTRAL CITY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (UNAUDITED)

Schedule 6

	Street	Fire Department (Act 833)	District Court Automation	Total
Cash Balance, January 1, 2019	\$ 25,813	\$ 6,637	\$ 1,798	\$ 34,248
Receipts:				
State aid	35,993	37,660		73,653
Property taxes	9,014			9,014
Franchise fees	4,729			4,729
Fines, forfeitures, and costs			227	227
Interest	20			20
Other	7			7
Transfers in	3,500			3,500
Total Receipts	<u>53,263</u>	<u>37,660</u>	<u>227</u>	<u>91,150</u>
Disbursements:				
Highways and streets	31,066			31,066
Public safety		2,478		2,478
Total Disbursements	<u>31,066</u>	<u>2,478</u>		<u>33,544</u>
Cash Balance, December 31, 2019	<u>\$ 48,010</u>	<u>\$ 41,819</u>	<u>\$ 2,025</u>	<u>\$ 91,854</u>

CITY OF CENTRAL CITY, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(UNAUDITED)

Schedule 7

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 and Fire Department
3. Cash balances at year-end in the custodial fund are as follows:

	December 31, 2021	December 31, 2020	December 31, 2019
District Court Fund	\$ 4,404	\$ 2,394	\$ 3,233

These 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, 2021	December 31, 2020	December 31, 2019
Land	\$ 167,708	\$ 167,708	\$ 167,708
Buildings and Improvements	1,078,000	1,078,000	1,078,000
Equipment	562,360	556,360	536,465
Total	\$ 1,808,068	\$ 1,802,068	\$ 1,782,173

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

	December 31, 2021	December 31, 2020	December 31, 2019
Notes payable	\$ 28,311	\$ 12,851	\$ 27,179

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

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 52,003