

City of Central City, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CENTRAL CITY, ARKANSAS
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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, 2023 and 2022, and have issued our report thereon dated July 30, 2024. 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 2023 and 2022:

Mayor: Terry Wallace
Recorder/Treasurer: Judith Lynne Miller
Clerk/Bookkeeper: Tina Youngblood (May 23, 2023 – December 31, 2023)
District Court Clerk: Teresa Harris
Police Chief: Daymon Blount (September 27, 2022 – December 31, 2023)
Dale Teague (January 1, 2022 – September 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 **Recorder/Treasurer**.

Recorder/Treasurer

A review of payroll and employee leave records for the period January 1, 2022 through December 31, 2023, revealed the following questionable payments, totaling \$4,980, to the District Court Clerk:

- \$2,925 in overpayments due to leave being taken before it was earned, which appears to conflict with Ark. Const. art. 12, § 5.
- \$1,792 in miscalculated holiday back pay.
- \$263 for miscalculated bonus pay.

In addition, the City is not in compliance with its internal policy concerning leave carryover amounts and leave payouts.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 30, 2024
LOM221323

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>
Cash Balance, January 1, 2023	\$ 28,901	\$ 191,828	\$ 1,450
Receipts:			
State aid	7,009	56,702	
Property taxes	32,061	9,618	
Franchise fees	12,059	5,141	
Sales taxes	127,548		
Fines, forfeitures, and costs	15,856	755	
Interest	917	758	
Local permits and fees	1,650		
Loan proceeds		15,932	
Other	3,194	1,246	289
Total Receipts	<u>200,294</u>	<u>90,152</u>	<u>289</u>
Disbursements:			
General government	79,376		
Law enforcement	91,552	45,934	
Highways and streets	6,834	88,355	
Public safety	6,210		
Recreation and culture	879		
Contribution to water	22,932		
Debt service		6,403	
Total Disbursements	<u>207,783</u>	<u>140,692</u>	
Cash Balance, December 31, 2023	<u>\$ 21,412</u>	<u>\$ 141,288</u>	<u>\$ 1,739</u>

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

Schedule 2

	Street	Fire Department (Act 833)	District Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 77,243	\$ 24,037	\$ 1,543	\$ 89,005	\$ 191,828
Receipts:					
State aid	38,888	17,814			56,702
Property taxes	9,618				9,618
Franchise fees	5,141				5,141
Fines, forfeitures, and costs			755		755
Interest	758				758
Loan proceeds	15,932				15,932
Other	1,246				1,246
Total Receipts	<u>71,583</u>	<u>17,814</u>	<u>755</u>		<u>90,152</u>
Disbursements:					
Law enforcement			293	45,641	45,934
Highways and streets	88,355				88,355
Debt service	6,403				6,403
Total Disbursements	<u>94,758</u>		<u>293</u>	<u>45,641</u>	<u>140,692</u>
Cash Balance, December 31, 2023	<u>\$ 54,068</u>	<u>\$ 41,851</u>	<u>\$ 2,005</u>	<u>\$ 43,364</u>	<u>\$ 141,288</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 42,322	\$ 145,162	\$ 1,430
Receipts:			
State aid	12,260	49,977	
Federal aid		52,002	
Property taxes	34,129	10,081	
Franchise fees	11,248	3,527	
Sales taxes	120,868		
Fines, forfeitures, and costs	13,080	215	
Interest	14	28	
Local permits and fees	1,650		
Other	2,885	8,827	20
Transfers in		14,385	
Total Receipts	<u>196,134</u>	<u>139,042</u>	<u>20</u>
Disbursements:			
General government	75,754		
Law enforcement	84,868	15,000	
Highways and streets	2,457	46,288	
Public safety	4,991	26,304	
Recreation and culture	356		
Contribution to water	18,973		
Debt service	7,771	4,784	
Transfers out	14,385		
Total Disbursements	<u>209,555</u>	<u>92,376</u>	
Cash Balance, December 31, 2022	<u>\$ 28,901</u>	<u>\$ 191,828</u>	<u>\$ 1,450</u>

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

Schedule 4

	Street	Fire Department (Act 833)	District Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 51,666	\$ 40,165	\$ 1,328	\$ 52,003	\$ 145,162
Receipts:					
State aid	39,801	10,176			49,977
Federal aid				52,002	52,002
Property taxes	10,081				10,081
Franchise fees	3,527				3,527
Fines, forfeitures, and costs			215		215
Interest	28				28
Other	8,827				8,827
Transfers in	14,385				14,385
Total Receipts	<u>76,649</u>	<u>10,176</u>	<u>215</u>	<u>52,002</u>	<u>139,042</u>
Disbursements:					
Law enforcement				15,000	15,000
Highways and streets	46,288				46,288
Public safety		26,304			26,304
Debt service	4,784				4,784
Total Disbursements	<u>51,072</u>	<u>26,304</u>		<u>15,000</u>	<u>92,376</u>
Cash Balance, December 31, 2022	<u>\$ 77,243</u>	<u>\$ 24,037</u>	<u>\$ 1,543</u>	<u>\$ 89,005</u>	<u>\$ 191,828</u>

CITY OF CENTRAL CITY, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

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 funds are as follows:

	December 31, 2023	December 31, 2022
District Court Fund	\$ 3,476	\$ 1,285

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, 2023	December 31, 2022
Land	\$ 167,708	\$ 167,708
Buildings and Improvements	1,078,714	1,078,714
Equipment	680,474	594,622
Totals	\$ 1,926,896	\$ 1,841,044

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

	December 31, 2023	December 31, 2022
Financed purchases	\$ 27,260	\$ 16,710

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 52,002