

City of Subiaco, Arkansas

Financial and Compliance Report

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF SUBIACO, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial and Compliance Report

	<u>Schedule</u>
2022	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2021	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2022 and 2021	
Other Information (Unaudited)	5

Arkansas



Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 Subiaco, 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 Subiaco, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated August 25, 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: Bobby Sewell
Recorder/Treasurer: Jill Sewell

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** and **Recorder/Treasurer**.

Mayor

An annual audit or agreed-upon procedures report has not been completed for the City's Water Department for the years 2021 through 2022, as required by Ark. Code Ann. § 14-234-119.

Recorder/Treasurer

Bank account reconciliations were not approved by someone other than the person preparing the reconciliation, as required by Ark. Code Ann. § 14-59-108.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
August 25, 2023
LOM223622

CITY OF SUBIACO, 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	\$ 1,343,278	\$ 164,935
Receipts:		
State aid	5,982	34,621
Federal aid		57,803
Property taxes	27,373	24,155
Franchise fees	82,197	
Sales taxes	177,586	
Interest	8,624	30
Other	1,031	
Total Receipts	<u>302,793</u>	<u>116,609</u>
Disbursements:		
General government	64,451	
Highways and streets	205,194	7,874
Recreation and culture	3,237	
Wastewater	93,286	
Total Disbursements	<u>366,168</u>	<u>7,874</u>
Cash Balance, December 31, 2022	<u>\$ 1,279,903</u>	<u>\$ 273,670</u>

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

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 107,131	\$ 57,804	\$ 164,935
Receipts:			
State aid	34,621		34,621
Federal aid		57,803	57,803
Property taxes	24,155		24,155
Interest	30		30
Total Receipts	<u>58,806</u>	<u>57,803</u>	<u>116,609</u>
Disbursements:			
Highways and streets	<u>7,874</u>		<u>7,874</u>
Cash Balance, December 31, 2022	<u>\$ 158,063</u>	<u>\$ 115,607</u>	<u>\$ 273,670</u>

CITY OF SUBIACO, 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	\$ 1,367,881	\$ 90,377
Receipts:		
State aid	8,809	43,716
Federal aid		57,804
Property taxes	4,468	3,945
Franchise fees	60,821	
Sales taxes	124,400	
Interest	8,215	20
Other	820	
Total Receipts	<u>207,533</u>	<u>105,485</u>
Disbursements:		
General government	119,159	
Highways and streets		30,927
Recreation and culture	11,591	
Wastewater	101,386	
Total Disbursements	<u>232,136</u>	<u>30,927</u>
Cash Balance, December 31, 2021	<u>\$ 1,343,278</u>	<u>\$ 164,935</u>

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

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2021	<u>\$ 90,377</u>		<u>\$ 90,377</u>
Receipts:			
State aid	43,716		43,716
Federal aid		\$ 57,804	57,804
Property taxes	3,945		3,945
Interest	20		20
Total Receipts	<u>47,681</u>	<u>57,804</u>	<u>105,485</u>
Disbursements:			
Highways and streets	<u>30,927</u>		<u>30,927</u>
Cash Balance, December 31, 2021	<u>\$ 107,131</u>	<u>\$ 57,804</u>	<u>\$ 164,935</u>

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

Schedule 5

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

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

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022	December 31, 2021
Payroll	\$ 28,836	\$ 23,461

This balance represents transfers from other funds in excess of payroll disbursements.

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

	December 31, 2022	December 31, 2021
Land	\$ 89,305	\$ 89,305
Buildings	35,731	35,731
Improvements	434,497	434,497
Equipment	159,872	159,872
Totals	\$ 719,405	\$ 719,405

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)	\$ 57,803	\$ 57,804