

Town of Russell, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF RUSSELL, ARKANSAS
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Arkansas

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



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Russell, 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 Town of Russell, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated June 28, 2024. These procedures were not performed for the Water and Sewer Department. Management of the Town 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: Tracy Klotz (January 1, 2023 through December 31, 2023)
Renee Garr (January 1, 2022 through December 31, 2022)
Clerk/Treasurer: Barbara Parks (June 12, 2023 through December 31, 2023)
Gerry Gibson (January 1, 2022 through June 12, 2023)

We evaluated the Town'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 the **Mayor**.

Mayor

The minutes of the governing body did not document the review of the prior report at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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 that reads "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 28, 2024
LOM314423

TOWN OF RUSSELL, 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	\$ 213,374	\$ 228,055
Receipts:		
State aid	19,117	25,280
Property taxes	1,477	819
Franchise fees	6,781	38
Sales taxes	23,237	
Interest	4,713	152
Sale of equipment		10,200
Contributions from county		133,156
Rent	3,500	
Other		2,760
Transfers in		856
Contributions from water	1,481	
Total Receipts	<u>60,306</u>	<u>173,261</u>
Disbursements:		
General government	38,887	
Highways and streets		5,455
Public safety		122,656
Debt service		16,500
Transfers out		856
Total Disbursements	<u>38,887</u>	<u>145,467</u>
Cash Balance, December 31, 2023	<u>\$ 234,793</u>	<u>\$ 255,849</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>Fire Tax</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 95,396	\$ 5,838	\$ 81,863	\$ 44,958	\$ 228,055
Receipts:					
State aid	15,522		9,758		25,280
Property taxes	787	28	4		819
Franchise fees			38		38
Interest	152				152
Sale of equipment			10,200		10,200
Contributions from county			133,156		133,156
Other		2,755	5		2,760
Transfers in		856			856
Total Receipts	<u>16,461</u>	<u>3,639</u>	<u>153,161</u>		<u>173,261</u>
Disbursements:					
Highways and streets	5,455				5,455
Public safety			122,656		122,656
Debt service			16,500		16,500
Transfers out			856		856
Total Disbursements	<u>5,455</u>		<u>140,012</u>		<u>145,467</u>
Cash Balance, December 31, 2023	<u>\$ 106,402</u>	<u>\$ 9,477</u>	<u>\$ 95,012</u>	<u>\$ 44,958</u>	<u>\$ 255,849</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 206,292	\$ 137,124
Receipts:		
State aid	2,745	26,157
Federal aid		22,479
Property taxes	2,050	724
Franchise fees	5,944	45
Sales taxes	35,220	
Interest	1,156	135
Sale of equipment	2,500	
Contributions from county		120,887
Rent	6,000	
Other		4,373
Contributions from water	8,465	
Total Receipts	<u>64,080</u>	<u>174,800</u>
Disbursements:		
General government	56,998	
Highways and streets		5,556
Public safety		78,313
Total Disbursements	<u>56,998</u>	<u>83,869</u>
Cash Balance, December 31, 2022	<u>\$ 213,374</u>	<u>\$ 228,055</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Department</u>	<u>Fire Tax</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 83,834	\$ 5,838	\$ 24,973	\$ 22,479	\$ 137,124
Receipts:					
State aid	15,886		10,271		26,157
Federal aid				22,479	22,479
Property taxes	724				724
Franchise fees			45		45
Interest	135				135
Contributions from county			120,887		120,887
Other	373		4,000		4,373
Total Receipts	<u>17,118</u>		<u>135,203</u>	<u>22,479</u>	<u>174,800</u>
Disbursements:					
Highways and streets	5,556				5,556
Public safety			78,313		78,313
Total Disbursements	<u>5,556</u>		<u>78,313</u>		<u>83,869</u>
Cash Balance, December 31, 2022	<u>\$ 95,396</u>	<u>\$ 5,838</u>	<u>\$ 81,863</u>	<u>\$ 44,958</u>	<u>\$ 228,055</u>

TOWN OF RUSSELL, 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 and certificates of deposit.

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

	December 31, 2023	December 31, 2022
Land	\$ 39,363	\$ 39,363
Buildings	189,266	189,266
Equipment	387,093	318,776
Totals	\$ 615,722	\$ 547,405

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

	December 31, 2023
Financed purchase	\$ 33,000

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 22,479