

**Town of Zinc, Arkansas**

**Financial and Compliance Report**

**December 31, 2022, 2021, and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF ZINC, ARKANSAS  
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# Arkansas

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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

Town of Zinc, 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 Zinc, Arkansas, as of and for the years ended December 31, 2022, 2021, and 2020, and have issued our report thereon dated August 9, 2023. 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 2022, 2021, and 2020:

Mayor: Randy Henderson (resigned September 20, 2021)  
Angela Oglesby (September 20, 2021 – March 31, 2022)  
Marion Newman (appointed April 1, 2022)  
Recorder/Treasurer: Miranda Blair (resigned September 20, 2021)  
Veneda Ralls (September 20, 2021 – January 31, 2022)  
Mary Marshall (appointed February 1, 2022)

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 offices of **Mayor** and **Recorder/Treasurer**.

#### **Mayor**

The Town paid \$2,923, \$2,580, and \$2,755 to officials and council members in 2022, 2021, and 2020, respectively, for mowing, repairs, and miscellaneous labor without authorizing ordinances, in noncompliance with Ark. Code Ann. § 14-42-107.

The 2022, 2021, and 2020 budgets were not adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202. A similar finding was noted in the prior report.

Restricted Street Monies were expended for contract labor, building materials, and equipment in 2021 and 2020 totaling \$2,100 and \$9,546, respectively, in apparent conflict with Ark. Code Ann. §§ 27-70-207 and 26-79-104.

The governing body did not review the prior year report and accompanying comments, as required by Ark. Code Ann. § 10-4-418.

#### **Recorder/Treasurer**

Bank reconciliations were not prepared for all bank accounts or approved by a municipal official or employee other than the person preparing the reconciliation, as required by Ark. Code Ann. § 14-59-108. A similar finding was issued in the prior report.

Invoices and supporting documentation were not maintained for all disbursements, as required by Ark. Code Ann. § 14-59-105. A similar finding was issued in the prior four reports dating back to 2009.

Prenumbered receipts were not issued for all funds received, as required by Ark. Code Ann. § 14-59-109. A similar finding was issued in the prior three reports dating back to 2012.

Cash receipts and disbursements journals were not maintained for all funds, as required by Ark. Code Ann. §§ 14-59-110, -111. A similar finding was noted in the prior four reports dating back to 2009.

**Recorder/Treasurer (Continued)**

A detailed fixed asset listing was not maintained as required by Ark. Code Ann. § 14-59-107.

Internal Revenue Service (IRS) quarterly reports (Forms 941), IRS Form W-2 and W-3, and Arkansas Department of Finance and Administration Form AR3 were not provided. A similar finding was noted in the previous two reports dating back to 2014.

Annual financial statements were not prepared and posted, as required by Ark. Code Ann. § 14-59-116.

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



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

Little Rock, Arkansas  
August 9, 2023  
LOM318022

TOWN OF ZINC, 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	\$ 58,429	\$ 25,473
Receipts:		
State aid	1,372	7,943
Federal aid	846	10,463
Property taxes	773	162
Franchise fees	1,826	
Sales taxes	20,285	
Other	20	
Total Receipts	<u>25,122</u>	<u>18,568</u>
Disbursements:		
General government	25,297	
Highways and streets		4,718
Total Disbursements	<u>25,297</u>	<u>4,718</u>
Cash Balance, December 31, 2022	<u>\$ 58,254</u>	<u>\$ 39,323</u>

TOWN OF ZINC, 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	<u>\$ 15,010</u>	<u>\$ 10,463</u>	<u>\$ 25,473</u>
Receipts:			
State aid	7,943		7,943
Federal aid		10,463	10,463
Property taxes	162		162
Total Receipts	<u>8,105</u>	<u>10,463</u>	<u>18,568</u>
Disbursements:			
Highways and streets	<u>4,718</u>		<u>4,718</u>
Cash Balance, December 31, 2022	<u><u>\$ 18,397</u></u>	<u><u>\$ 20,926</u></u>	<u><u>\$ 39,323</u></u>

TOWN OF ZINC, 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	\$ 60,067	\$ 39,344
Receipts:		
State aid	1,643	8,269
Federal aid		10,463
Sales taxes	21,058	
Unclassified	2,546	410
Total Receipts	<u>25,247</u>	<u>19,142</u>
Disbursements:		
General government	26,885	
Highways and streets		33,013
Total Disbursements	<u>26,885</u>	<u>33,013</u>
Cash Balance, December 31, 2021	<u>\$ 58,429</u>	<u>\$ 25,473</u>

TOWN OF ZINC, 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>\$ 39,344</u>		<u>\$ 39,344</u>
Receipts:			
State aid	8,269		8,269
Federal aid		\$ 10,463	10,463
Unclassified	410		410
Total Receipts	<u>8,679</u>	<u>10,463</u>	<u>19,142</u>
Disbursements:			
Highways and streets	<u>33,013</u>		<u>33,013</u>
Cash Balance, December 31, 2021	<u><u>\$ 15,010</u></u>	<u><u>\$ 10,463</u></u>	<u><u>\$ 25,473</u></u>



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

Schedule 5

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2020	\$ 58,305	\$ 48,967
Receipts:		
State aid	1,528	7,776
Sales taxes	18,881	
Unclassified	3,171	2,692
Total Receipts	23,580	10,468
Disbursements:		
General government	21,818	
Highways and streets		20,091
Total Disbursements	21,818	20,091
Cash Balance, December 31, 2020	\$ 60,067	\$ 39,344

TOWN OF ZINC, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020  
(UNAUDITED)

Schedule 6

1. Cash balances on the Financial Schedules include demand accounts.
2. The Municipality's capital assets records were not available.
3. The Town received federal funding in the following amounts related to COVID-19 relief:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
American Rescue Plan Act (ARPA)	<u>\$ 10,463</u>	<u>\$ 10,463</u>