

# **Town of Arkansas City, Arkansas**

## **Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF ARKANSAS CITY, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas

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**Sen. John Payton**  
Senate Vice Chair



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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 Arkansas 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 Town of Arkansas City, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 26, 2023. 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 commentary contained in this section relates to the following official who held office during 2021:

Mayor: Rick Hales

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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 cursive script, reading "Roger A. Norman".

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

Little Rock, Arkansas  
April 26, 2023  
LOM320821

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 76,557	\$ 15,624
Receipts:		
State aid	5,983	50,693
Federal aid		32,631
Property taxes	2,819	1,880
Franchise fees	14,355	
Sales taxes	62,306	
Fines, forfeitures, and costs	2,055	
Fire ant eradication fees		4,385
Rent and services income	6,267	
Donations		3,920
Other	5,622	
Transfers in	6,805	
Contribution from water	9,000	
Total Receipts	<u>115,212</u>	<u>93,509</u>
Disbursements:		
General government	130,611	
Law enforcement	160	
Highways and streets		20,003
Public safety		17,940
Recreation and culture	403	
Debt service		1,776
Transfers out		6,805
Total Disbursements	<u>131,174</u>	<u>46,524</u>
Cash Balance, December 31, 2021	<u>\$ 60,595</u>	<u>\$ 62,609</u>

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

Schedule 2

	Street	Volunteer Fire	Act 833	Fire Ant Eradication	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 5,223	\$ 85	\$ 2,456	\$ 7,860		\$ 15,624
Receipts:						
State aid	30,370		20,323			50,693
Federal aid					\$ 32,631	32,631
Property taxes	1,880					1,880
Fire ant eradication fees				4,385		4,385
Donations		3,920				3,920
Total Receipts	<u>32,250</u>	<u>3,920</u>	<u>20,323</u>	<u>4,385</u>	<u>32,631</u>	<u>93,509</u>
Disbursements:						
Highways and streets	20,003					20,003
Public safety		3,766	14,174			17,940
Debt service	1,776					1,776
Transfers out	6,805					6,805
Total Disbursements	<u>28,584</u>	<u>3,766</u>	<u>14,174</u>			<u>46,524</u>
Cash Balance, December 31, 2021	<u>\$ 8,889</u>	<u>\$ 239</u>	<u>\$ 8,605</u>	<u>\$ 12,245</u>	<u>\$ 32,631</u>	<u>\$ 62,609</u>

TOWN OF ARKANSAS CITY, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.

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

	December 31, 2021
Land	\$ 84,429
Buildings	650,928
Equipment	250,434
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Total	\$ 985,791
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3. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2021
Notes payable	\$ 5,917
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4. The Town received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 32,631
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