

City of Bay, Arkansas

Financial and Compliance Report

December 31, 2025



CITY OF BAY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Bay, 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 Bay, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated April 28, 2026. These procedures were not performed for the Water and Sewer Fund. Management of the City 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 officials who held office during 2025:

Mayor: Paul Keith
Clerk/Treasurer: Paula Martin
Police Chief: Keith Milam

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.

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 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
April 28, 2026
LOM119825

CITY OF BAY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	\$ 181,282	\$ 104,951
Receipts:		
State aid	42,874	195,848
Property taxes	76,908	20,091
Franchise fees	95,675	
Sales taxes	832,083	
Fines, forfeitures, and costs	16,909	
Interest	3,857	1,803
Local permits and fees	4,785	
Reimbursement from Bay School District	59,156	
Other	62,570	7,559
Transfers in		7,675
Total Receipts	1,194,817	232,976
Disbursements:		
General government	447,918	
Law enforcement	538,418	
Highways and streets		220,685
Public safety	72,521	19,227
Recreation and culture	27,199	
Debt service	97,082	39,639
Transfers out	7,675	
Contribution to water and sewer department	11,000	
Total Disbursements	1,201,813	279,551
Cash Balance, December 31, 2025	\$ 174,286	\$ 58,376

CITY OF BAY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>Total</u>
Cash Balance, January 1, 2025	\$ 104,951		\$ 104,951
Receipts:			
State aid	158,522	\$ 37,326	195,848
Property taxes	20,091		20,091
Interest	1,621	182	1,803
Other	7,559		7,559
Transfers in		7,675	7,675
Total Receipts	<u>187,793</u>	<u>45,183</u>	<u>232,976</u>
Disbursements:			
Highways and streets	220,685		220,685
Public safety		19,227	19,227
Debt service	29,639	10,000	39,639
Total Disbursements	<u>250,324</u>	<u>29,227</u>	<u>279,551</u>
Cash Balance, December 31, 2025	<u>\$ 42,420</u>	<u>\$ 15,956</u>	<u>\$ 58,376</u>

CITY OF BAY, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 3

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

2. The cash balance at year-end in the custodial fund is as follow:

	December 31, 2025
Payroll	\$ 9,477

This balance represents payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2025
Land and buildings	\$ 1,187,370
Vehicles and equipment	1,278,400
Total	\$ 2,465,770

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

	December 31, 2025
Financed purchases	\$ 214,609