

City of Norphlet, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF NORPHLET, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

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Arkansas



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Norphlet, 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 Norphlet, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated September 27, 2023. These procedures were not performed for the Water and Sewer Systems. 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 relates to the following officials who held office during 2022:

Mayor: Jim Crotty
Recorder/Treasurer: Nancy Steele
Police Chief: David Crowder

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 office of the **Mayor**.

Mayor

Street Fund expenditures exceeded budgeted appropriations in 2022 by \$44,403 (44%), in noncompliance with Ark. Code Ann. § 14-58-203.

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

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

Little Rock, Arkansas
September 27, 2023
LOM214122

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 328,423	\$ 215,032
Receipts:		
State aid	11,427	140,010
Federal aid	1,000	81,007
Property taxes	41,873	12,638
Franchise fees	30,076	
Sales taxes	183,355	160,507
Fines, forfeitures, and costs	1,000	
Interest	2,288	
Local permits and fees	45	
Grant		20,323
Other	4,400	
Transfers in		1,000
Total Receipts	<u>275,464</u>	<u>415,485</u>
Disbursements:		
General government	219,535	
Law enforcement	25,296	
Highways and streets		146,403
Public safety	92,783	25,755
Sanitation		140,038
Recreation and culture	4,311	
Debt service		52,111
Transfers out		1,000
Contribution to water department		69,778
Total Disbursements	<u>341,925</u>	<u>435,085</u>
Cash Balance, December 31, 2022	<u>\$ 261,962</u>	<u>\$ 195,432</u>

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

Schedule 2

	Street	Firemen's Insurance Premium (ACT 833)	Solid Waste Sales Tax	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 91,374	\$ 14,493	\$ 53,323	\$ 55,842	\$ 215,032
Receipts:					
State aid	116,134	23,876			140,010
Federal aid				81,007	81,007
Property taxes	12,638				12,638
Sales taxes			160,507		160,507
Grant			20,323		20,323
Transfers in			1,000		1,000
Total Receipts	<u>128,772</u>	<u>23,876</u>	<u>181,830</u>	<u>81,007</u>	<u>415,485</u>
Disbursements:					
Highways and streets	146,403				146,403
Public safety		25,755			25,755
Sanitation			140,038		140,038
Debt service			52,111		52,111
Transfers out		1,000			1,000
Contribution to water department				69,778	69,778
Total Disbursements	<u>146,403</u>	<u>26,755</u>	<u>192,149</u>	<u>69,778</u>	<u>435,085</u>
Cash Balance, December 31, 2022	<u>\$ 73,743</u>	<u>\$ 11,614</u>	<u>\$ 43,004</u>	<u>\$ 67,071</u>	<u>\$ 195,432</u>

CITY OF NORPHLET, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

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, Parks and Playgrounds, Donation, and Museum Donation

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

	December 31, 2022
Land	\$ 43,843
Buildings	665,296
Equipment	1,095,148
Total	<u>\$ 1,804,287</u>

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

	December 31, 2022
Notes payable	<u>\$ 198,619</u>

5. The City received federal funding in the following amounts related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 81,007</u>