

City of Rockport, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ROCKPORT, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial and Compliance Report

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Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Rockport, 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 Rockport, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated July 21, 2025. These procedures were not performed for the Sewer Department. 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 relate to the following officials who held office during 2023 and 2022:

Mayor: Kevin Baker
Recorder/Treasurer: Shira Kelley (appointed October 18, 2022)
Belinda Crites (resigned August 16, 2022)
District Court Clerks: Darlene Shockey
Joyce Ankrum (appointed September 19, 2023)
Rebecca Ivy (appointed January 14, 2022, resigned September 19, 2023)
Police Chief: Toby Morales (appointed December 27, 2022)
Shane Davis (resigned December 23, 2022)

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 offices of **Mayor** and **District Court Clerk**.

Mayor

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 – 14-59-119. The City was in noncompliance with these codes and other accounting procedures as noted below:

- Prenumbered receipts were not issued for all funds received. A similar finding was noted in the previous report.
- Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank. A similar finding was noted in the previous report.
- Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank. A similar finding was noted in the previous report.
- Bank accounts were not reconciled. A similar finding was noted in the previous report.
- Adequate supporting documentation was not maintained for tested disbursements of \$16,301 (79%) and \$26,466 (58%) in 2023 and 2022, respectively. Without adequate supporting documentation, the validity of these purchases cannot be determined.

Budgets were not provided for 2022, in noncompliance with Ark. Code Ann. §§ 14-58-202, - 203. The 2022 budget was not provided upon request; however, it was given at report date. No procedures were conducted.

The City has not obtained an audit or agreed-upon procedures and compilation report for the City's Sewer system since 2018, as required by Ark. Code Ann. § 14-234-119. A similar finding was noted in the previous two reports.

District Court Clerk

The District Court Clerk was in noncompliance with Ark. Code Ann. § 16-10-209 and proper accounting procedures as noted below:

- Bank reconciliations were not properly prepared. A similar finding was noted in the previous report.
- Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank.
- Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank. A similar finding was noted in the previous report.
- Bond and fine receipts were not deposited in a timely manner.

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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 21, 2025
LOM216623

CITY OF ROCKPORT, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 14,525	\$ 73,465
Receipts:		
State aid	15,660	57,025
Property taxes	44,388	13,312
Sales taxes	230,393	
Fines, forfeitures, and costs	123,678	37,427
Sale of equipment		31,000
Financed purchase proceeds		18,410
Other	100	
Transfers in	23,776	5,000
Unclassified	194,996	18,424
Total Receipts	<u>632,991</u>	<u>180,598</u>
Disbursements:		
General government		94
Law enforcement		28,437
Highways and streets		82,781
Recreation and culture	25	
Debt service	7,231	15,389
Transfers out		28,776
Unclassified	610,934	77,596
Total Disbursements	<u>618,190</u>	<u>233,073</u>
Cash Balance, December 31, 2023	<u>\$ 29,326</u>	<u>\$ 20,990</u>

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

Schedule 2

	Street	Judicial Fine Enhancement	No Liability Insurance	Jail Fund	Municipal Building	American Rescue Plan Act	City and Street Repairs	City Court Fines	Total
Cash Balance, January 1, 2023	\$ 20,754	\$ 6,851	\$ 13,982	\$ 24,548	\$ 4,524	\$ 2,806			\$ 73,465
Receipts:									
State aid	57,025								57,025
Property taxes	13,312								13,312
Fines, forfeitures, and costs		6,208	10,080	20,489	650				37,427
Sale of equipment			31,000						31,000
Financed purchase proceeds			18,410						18,410
Transfers in			5,000						5,000
Unclassified	628		15,036	75		205	\$ 200	\$ 2,280	18,424
Total Receipts	70,965	6,208	79,526	20,564	650	205	200	2,280	180,598
Disbursements:									
General government					94				94
Law enforcement		8,617		19,820					28,437
Highways and streets	82,781								82,781
Debt service			15,389						15,389
Transfers out				21,780	4,000	2,996			28,776
Unclassified			77,596						77,596
Total Disbursements	82,781	8,617	92,985	41,600	4,094	2,996			233,073
Cash Balance, December 31, 2023	\$ 8,938	\$ 4,442	\$ 523	\$ 3,512	\$ 1,080	\$ 15	\$ 200	\$ 2,280	\$ 20,990

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 19,258	\$ 157,615
Receipts:		
State aid	36,996	58,364
Federal aid		72,927
Property taxes	42,692	13,809
Sales taxes	231,480	
Fines, forfeitures, and costs	106,209	32,752
Unclassified	181,300	49,586
Total Receipts	<u>598,677</u>	<u>227,438</u>
Disbursements:		
General government	32	10
Law enforcement		42,094
Highways and streets		109,725
Recreation and culture		44,105
Contribution to sewer	1,878	
Debt service	8,546	14,013
Unclassified	592,954	101,641
Total Disbursements	<u>603,410</u>	<u>311,588</u>
Cash Balance, December 31, 2022	<u>\$ 14,525</u>	<u>\$ 73,465</u>

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

Schedule 4

	Street	Judicial Fine Enhancement	No Liability Insurance	Jail Fund	Municipal Building	American Rescue Plan Act	Walking Trial Grant	Total
Cash Balance, January 1, 2022	\$ 37,959	\$ 7,351	\$ 19,411	\$ 40,840	\$ 5,133	\$ 2,816	\$ 44,105	\$ 157,615
Receipts:								
State aid	58,364							58,364
Federal aid						72,927		72,927
Property taxes	13,809							13,809
Fines, forfeitures, and costs		5,931	12,635	13,206	980			32,752
Unclassified	20,347	1,165	23,074	5,000				49,586
Total Receipts	92,520	7,096	35,709	18,206	980	72,927		227,438
Disbursements:								
General government						10		10
Law enforcement		7,596		34,498				42,094
Highways and streets	109,725							109,725
Recreation and culture							44,105	44,105
Debt service			14,013					14,013
Unclassified			27,125		1,589	72,927		101,641
Total Disbursements	109,725	7,596	41,138	34,498	1,589	72,937	44,105	311,588
Cash Balance, December 31, 2022	\$ 20,754	\$ 6,851	\$ 13,982	\$ 24,548	\$ 4,524	\$ 2,806	\$ 0	\$ 73,465

CITY OF ROCKPORT, 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.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Franchise Tax, and Parks and Recreation
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022
Police Bond and Fine	\$ 91,215	\$ 55,929
Administration of Justice		1,548

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2023	December 31, 2022
Land	\$ 189,000	\$ 189,000
Buildings	32,218	32,218
Equipment	559,695	496,943
Totals	<u>\$ 780,913</u>	<u>\$ 718,161</u>

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2023	December 31, 2022
Financed purchases	<u>\$ 124,458</u>	<u>\$ 121,515</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 72,927</u>