

City of Stamps, Arkansas

Financial and Compliance Report

December 31, 2022

***Including Financial Information
For
December 31, 2021 and 2020***

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF STAMPS, ARKANSAS
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Financial and Compliance Report

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Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Stamps, 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 Stamps, Arkansas, as of and for the year ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated February 15, 2024. These procedures were not performed for the Water and 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 2022, 2021, and 2020:

Mayor: Brenda Davis
Recorder/Treasurer: Annette Fallin
District Court Clerk: Brenda Force
Police Chief: Jeff Black (December 29, 2014 – October 28, 2020)
Glen Maxwell (January 18, 2021 – January 29, 2021)
Jason Richardson (February 15, 2021 – July 1, 2021)
Scotty Young (July 19, 2021 – February 9, 2022)
Xaviar Pastchol (February 14, 2022 – May 9, 2022)
Orlando Dennis (Hired June 1, 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 office of **Mayor**.

Mayor

As of December 31, 2022, the General Fund owed the Red River Aluminum Settlement Fund \$141,352 for interest earned on proceeds received in 2006 from a settlement lawsuit. This is being repaid at \$100 per month. A similar finding was issued in the previous eight reports dating back to 2011.

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
February 15, 2024
LOM217422

CITY OF STAMPS, 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	\$ 54,338	\$ 1,527,103
Receipts:		
State aid	23,028	135,390
Federal aid		154,759
Property taxes	56,744	21,037
Franchise fees	74,250	
Sales taxes	46,021	263,693
Fines, forfeitures, and costs	38,431	22,622
Interest	413	11,483
Sanitation fees		85,027
Donations		1,000
LOPFI contributions		1,189
Other	5,325	26,616
Transfers in		1,200
Unclassified		130
Total Receipts	<u>244,212</u>	<u>724,146</u>
Disbursements:		
General government	73,551	7,568
Law enforcement	86,370	160,825
Highways and streets		143,589
Public safety	72,680	94,285
Sanitation		213,277
Recreation and culture	7,120	
Debt service		40,400
Transfers out	1,200	
Unclassified		475
Total Disbursements	<u>240,921</u>	<u>660,419</u>
Cash Balance, December 31, 2022	<u>\$ 57,629</u>	<u>\$ 1,590,830</u>

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

Schedule 2

	Street	Health & Sanitation	District Court Administration	Court Automation	Local Police and Fire Retirement (LOPFI)	Police Department Equipment	Police Department Sales Tax	Fire Department Sales Tax
Cash Balance, January 1, 2022	\$ 158,382	\$ 67,892	\$ 50,138	\$ 9,824	\$ 53,502	\$ 7,089	\$ 13,706	\$ 3,428
Receipts:								
State aid	108,611							
Federal aid						3,000		
Property taxes	16,327				4,710			
Sales taxes	25,141	137,990					50,281	50,281
Fines, forfeitures, and costs			12,177	2,113	517	7,815		
Interest	344	411		19	293	50	18	5
Sanitation fees		85,027						
Donations							1,000	
LOPFI contributions					1,189			
Other	200	8,774	2,192				7,412	420
Transfers in								
Unclassified							130	
Total Receipts	<u>150,623</u>	<u>232,202</u>	<u>14,369</u>	<u>2,132</u>	<u>6,709</u>	<u>10,865</u>	<u>58,841</u>	<u>50,706</u>
Disbursements:								
General government								
Law enforcement			6,922	3,570		7,535	60,607	
Highways and streets	143,589							
Public safety								48,897
Sanitation		213,277						
Debt service	40,400							
Unclassified			475					
Total Disbursements	<u>183,989</u>	<u>213,277</u>	<u>7,397</u>	<u>3,570</u>		<u>7,535</u>	<u>60,607</u>	<u>48,897</u>
Cash Balance, December 31, 2022	<u>\$ 125,016</u>	<u>\$ 86,817</u>	<u>\$ 57,110</u>	<u>\$ 8,386</u>	<u>\$ 60,211</u>	<u>\$ 10,419</u>	<u>\$ 11,940</u>	<u>\$ 5,237</u>

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

Schedule 2

	Red River Aluminum Settlement	Fire Department Act 833	City Park	Fire Department Donation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 950,659	\$ 8,101	\$ 3,327	\$ 49,060	\$ 151,995	\$ 1,527,103
Receipts:						
State aid		26,779				135,390
Federal aid					151,759	154,759
Property taxes						21,037
Sales taxes						263,693
Fines, forfeitures, and costs						22,622
Interest	9,023	30	18	41	1,231	11,483
Sanitation fees						85,027
Donations						1,000
LOPFI contributions						1,189
Other		50			7,568	26,616
Transfers in	1,200					1,200
Unclassified						130
Total Receipts	<u>10,223</u>	<u>26,859</u>	<u>18</u>	<u>41</u>	<u>160,558</u>	<u>724,146</u>
Disbursements:						
General government					7,568	7,568
Law enforcement					82,191	160,825
Highways and streets						143,589
Public safety		10,016		35,372		94,285
Sanitation						213,277
Debt service						40,400
Unclassified						475
Total Disbursements		<u>10,016</u>		<u>35,372</u>	<u>89,759</u>	<u>660,419</u>
Cash Balance, December 31, 2022	<u>\$ 960,882</u>	<u>\$ 24,944</u>	<u>\$ 3,345</u>	<u>\$ 13,729</u>	<u>\$ 222,794</u>	<u>\$ 1,590,830</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 17,597	\$ 1,309,975
Receipts:		
State aid	26,280	147,297
Federal aid		154,311
Property taxes	48,310	18,807
Franchise fees	70,088	
Sales taxes	46,993	250,503
Fines, forfeitures, and costs	29,333	17,565
Interest	333	9,371
Sanitation fees		85,877
Donations		55,014
Insurance proceeds		443
Sale of equipment		9,490
LOPFI contributions		6,240
Other	16,967	8,541
Transfers in		1,200
Total Receipts	<u>238,304</u>	<u>764,659</u>
Disbursements:		
General government	74,476	
Law enforcement	121,491	62,743
Highways and streets		173,055
Public safety	1,791	69,683
Sanitation		192,550
Recreation and culture	2,605	
Debt service		49,500
Transfers out	1,200	
Total Disbursements	<u>201,563</u>	<u>547,531</u>
Cash Balance, December 31, 2021	<u>\$ 54,338</u>	<u>\$ 1,527,103</u>

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

Schedule 4

	Street	Health & Sanitation	District Court Administration	Court Automation	Local Police and Fire Retirement (LOPFI)	Police Department Equipment	Police Department Sales Tax	Fire Department Sales Tax
Cash Balance, January 1, 2021	\$ 182,713	\$ 35,166	\$ 47,755	\$ 10,930	\$ 42,612	\$ 10,540	\$ 6,020	\$ 2,390
Receipts:								
State aid	130,818							
Federal aid						2,550		
Property taxes	14,922				3,885			
Sales taxes	23,497	133,020					46,993	46,993
Fines, forfeitures, and costs			9,665	2,165	515	5,220		
Interest	560	258		21	250	45	28	6
Sanitation fees		85,877						
Donations								
Insurance proceeds							443	
Sale of equipment	8,785					705		
LOPFI contributions					6,240			
Other		6,121					420	
Transfers in								
Total Receipts	178,582	225,276	9,665	2,186	10,890	8,520	47,884	46,999
Disbursements:								
Law enforcement			7,282	3,292		11,971	40,198	
Highways and streets	173,055							
Public safety								45,961
Sanitation		192,550						
Debt service	29,858							
Total Disbursements	202,913	192,550	7,282	3,292		11,971	40,198	45,961
Cash Balance, December 31, 2021	\$ 158,382	\$ 67,892	\$ 50,138	\$ 9,824	\$ 53,502	\$ 7,089	\$ 13,706	\$ 3,428

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

Schedule 4

	Red River Aluminum Settlement	Fire Department Act 833	City Park	Fire Department Donation	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 941,560	\$ 10,827	\$ 3,309	\$ 16,153		\$ 1,309,975
Receipts:						
State aid		16,479				147,297
Federal aid					\$ 151,761	154,311
Property taxes						18,807
Sales taxes						250,503
Fines, forfeitures, and costs						17,565
Interest	7,899	11	18	41	234	9,371
Sanitation fees						85,877
Donations				55,014		55,014
Insurance proceeds						443
Sale of equipment						9,490
LOPFI contributions						6,240
Other		2,000				8,541
Transfers in	1,200					1,200
Total Receipts	<u>9,099</u>	<u>18,490</u>	<u>18</u>	<u>55,055</u>	<u>151,995</u>	<u>764,659</u>
Disbursements:						
Law enforcement						62,743
Highways and streets						173,055
Public safety		21,216		2,506		69,683
Sanitation						192,550
Debt service				19,642		49,500
Total Disbursements		<u>21,216</u>		<u>22,148</u>		<u>547,531</u>
Cash Balance, December 31, 2021	<u>\$ 950,659</u>	<u>\$ 8,101</u>	<u>\$ 3,327</u>	<u>\$ 49,060</u>	<u>\$ 151,995</u>	<u>\$ 1,527,103</u>

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

Schedule 5

	General Fund	Special Revenue Funds
	<u>Fund</u>	<u>Funds</u>
Cash Balance, January 1, 2020	\$ 6,829	\$ 1,257,278
Receipts:		
State aid	36,217	143,075
Federal aid	67,073	
Property taxes	47,625	18,095
Franchise fees	72,798	
Sales taxes	35,584	208,314
Fines, forfeitures, and costs	36,153	13,347
Interest	105	15,020
Sanitation fees		86,368
Donations		21,642
Insurance proceeds		2,160
LOPFI contributions		7,593
Other	3,715	4,167
Transfers in		1,200
Total Receipts	<u>299,270</u>	<u>520,981</u>
Disbursements:		
General government	61,148	49
Law enforcement	224,366	52,617
Highways and streets		125,963
Public safety		66,314
Sanitation		203,699
Recreation and culture	1,788	
Debt service		19,642
Transfers out	1,200	
Total Disbursements	<u>288,502</u>	<u>468,284</u>
Cash Balance, December 31, 2020	<u>\$ 17,597</u>	<u>\$ 1,309,975</u>

CITY OF STAMPS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUES FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 6

	Street	Health & Sanitation	District Court Administration	Court Automation	Local Police and Fire Retirement (LOPFI)	Police Department Equipment	Police Department Sales Tax	Fire Department Sales Tax
Cash Balance, January 1, 2020	\$ 143,273	\$ 36,549	\$ 43,036	\$ 12,698	\$ 30,542	\$ 10,549	\$ 10,795	\$ 10,263
Receipts:								
State aid	129,298							
Property taxes	14,285				3,810			
Sales taxes	18,763	114,499					37,526	37,526
Fines, forfeitures, and costs			7,985	1,742	411	3,209		
Interest	501	271		24	256	82	12	10
Sanitation fees		86,368						
Donations								
Insurance proceeds								
LOPFI contributions					7,593			
Other	2,556	1,178					204	
Transfers in								
Total Receipts	<u>165,403</u>	<u>202,316</u>	<u>7,985</u>	<u>1,766</u>	<u>12,070</u>	<u>3,291</u>	<u>37,742</u>	<u>37,536</u>
Disbursements:								
General government								
Law enforcement			3,266	3,534		3,300	42,517	
Highways and streets	125,963							
Public safety								45,409
Sanitation		203,699						
Debt service								
Total Disbursements	<u>125,963</u>	<u>203,699</u>	<u>3,266</u>	<u>3,534</u>		<u>3,300</u>	<u>42,517</u>	<u>45,409</u>
Cash Balance, December 31, 2020	<u>\$ 182,713</u>	<u>\$ 35,166</u>	<u>\$ 47,755</u>	<u>\$ 10,930</u>	<u>\$ 42,612</u>	<u>\$ 10,540</u>	<u>\$ 6,020</u>	<u>\$ 2,390</u>

CITY OF STAMPS, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 6

	Red River Aluminum Settlement	Fire Department Act 833	City Park	Fire Department Donation	Total
Cash Balance, January 1, 2020	\$ 926,497	\$ 10,858	\$ 3,284	\$ 18,934	\$ 1,257,278
Receipts:					
State aid		13,777			143,075
Property taxes					18,095
Sales taxes					208,314
Fines, forfeitures, and costs					13,347
Interest	13,787	18	25	34	15,020
Sanitation fees					86,368
Donations				21,642	21,642
Insurance proceeds				2,160	2,160
LOPFI contributions					7,593
Other	125	104			4,167
Transfers in	1,200				1,200
Total Receipts	15,112	13,899	25	23,836	520,981
Disbursements:					
General government	49				49
Law enforcement					52,617
Highways and streets					125,963
Public safety		13,930		6,975	66,314
Sanitation					203,699
Debt service				19,642	19,642
Total Disbursements	49	13,930		26,617	468,284
Cash Balance, December 31, 2020	\$ 941,560	\$ 10,827	\$ 3,309	\$ 16,153	\$ 1,309,975

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

Schedule 7

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund and City Hall Construction Fund
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
District Court	\$ 20,034	\$ 9,621	\$ 8,377
Payroll	11,505	14,499	13,842
Administration of Justice	87	87	(1,748)

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

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land and Buildings	\$ 1,360,305	\$ 1,360,305	\$ 1,360,305
Improvements	52,800	52,800	52,800
Equipment	1,211,835	1,211,835	1,206,335
Totals	<u>\$ 2,624,940</u>	<u>\$ 2,624,940</u>	<u>\$ 2,619,440</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Financed purchases	<u>\$ 64,604</u>	<u>\$ 110,838</u>	<u>\$ 19,026</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)			\$ 67,073
American Rescue Plan Act (ARPA)	\$ 151,759	\$ 151,761	
Totals	<u>\$ 151,759</u>	<u>\$ 151,761</u>	<u>\$ 67,073</u>