

City of Alexander, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ALEXANDER, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Alexander, 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 Alexander, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated September 4, 2025. 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:

Mayor: Crystal Herrmann
Recorder: Sharon Bankhead
Treasurer: JoAn Churchill
District Court Clerk: Janet Guess
Police Chief: Robert Burnett

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, noncompliance with state law and accepted accounting practices was noted in the offices of the **Treasurer** and **District Court Clerk**.

Treasurer

The City did not have adequate internal controls relating to the use of credit cards and other expenditures. Our examination of disbursements revealed the following:

- A Council member, who is not an employee of the City, obtained a city credit card in their name. According to the Council member, this card was given to the Police Chief for purchases. From May 2023, when the card was activated, to November 2023, when the card was closed, the City paid \$8,018 for purchases made using the card. Of \$5,521 in payments we examined, \$5,057 did not have proper documentation to support a business purpose.
- Other disbursements examined, totaling \$4,014, did not have adequate supporting documentation; therefore, the validity of these transactions could not be determined.

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 – 14-59-119. The City was not in compliance with these codes and other accounting procedures as follows:

- Prenumbered receipts were not issued for all funds received.
- Cash receipts journals were not properly posted and reconciled with bank deposits.
- Monthly bank reconciliations were prepared but were not accurate.
- A detailed fixed asset listing was not maintained to include additions, deletions, and a control total.

A similar finding was noted in the previous report.

District Court Clerk

Balances remaining in the bank were not identified with receipts issued for cases not yet adjudicated and payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. A similar finding was noted in the previous three reports.

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 dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 4, 2025
LOM221723

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund
Cash Balance, January 1, 2023	\$ 305,604	\$ 1,255,229	\$ 22,095
Receipts:			
State aid	67,614	410,721	
Federal aid	941	10,024	
Property taxes	52,673	52,460	
Franchise fees	122,803		
Sales taxes	832,688	1,542,365	
Fines, forfeitures, and costs	64,603	287,135	
Interest	6,487	9,625	77
Local permits and fees	16,343	3,939	
Compensation for loss of capital assets		30,994	
Sale of equipment		191,400	
Donations	2,818		
Other	18,767	8,986	
Total Receipts	<u>1,185,737</u>	<u>2,547,649</u>	<u>77</u>
Disbursements:			
General government	743,857		
Law enforcement	34,700	1,285,970	
Highways and streets		329,276	
Public safety		973,404	
Recreation and culture		314,615	
Debt service	21,888	43,050	
Total Disbursements	<u>800,445</u>	<u>2,946,315</u>	
Cash Balance, December 31, 2023	<u>\$ 690,896</u>	<u>\$ 856,563</u>	<u>\$ 22,172</u>

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

Schedule 2

	Street	Police Department	Fire Department	Park and Recreation	Court Automation	Administration of Justice	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 52,302	\$ 80,217	\$ 127,130	\$ 266,559	\$ 16,073	\$ 43,345	\$ 669,603	\$ 1,255,229
Receipts:								
State aid	285,547	100,000	25,174					410,721
Federal aid		10,024						10,024
Property taxes	52,460							52,460
Sales taxes		482,003	867,569	192,793				1,542,365
Fines, forfeitures, and costs		167,392			1,989	117,754		287,135
Interest	851	1,775	2,638	2,824	154	663	720	9,625
Local permits and fees		2,774	1,165					3,939
Compensation for loss of capital assets		30,994						30,994
Sale of equipment		57,500	133,400	500				191,400
Other	241	782	5,499	2,464				8,986
Total Receipts	339,099	853,244	1,035,445	198,581	2,143	118,417	720	2,547,649
Disbursements:								
Law enforcement		791,279			10,692	111,799	372,200	1,285,970
Highways and streets	329,276							329,276
Public safety			973,404					973,404
Recreation and culture				314,615				314,615
Debt service		43,050						43,050
Total Disbursements	329,276	834,329	973,404	314,615	10,692	111,799	372,200	2,946,315
Cash Balance, December 31, 2023	\$ 62,125	\$ 99,132	\$ 189,171	\$ 150,525	\$ 7,524	\$ 49,963	\$ 298,123	\$ 856,563

CITY OF ALEXANDER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

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

2. Cash balances at year-end in the custodial funds are as follows:

	<u>December 31,</u> <u>2023</u>
Police Bond and Fine	\$ 35,845
Payroll	8,939

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

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

	<u>December 31,</u> <u>2023</u>
Land	\$ 521,000
Buildings	865,000
Equipment	<u>3,255,924</u>
Total	<u><u>\$ 4,641,924</u></u>

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

	<u>December 31,</u> <u>2023</u>
Financed purchases	<u><u>\$ 853,346</u></u>