

City of Ola, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF OLA, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Financial and Compliance Report

2021

Schedule

Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2

2020

Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4

2021 and 2020

Other Information (Unaudited)	5
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Arkansas

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Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Ola, 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 Ola, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated March 25, 2022. These procedures were not performed for the Water and Sewer Funds. 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 2021 and 2020:

Mayor: Jeff Black
Recorder: Brenda Swicegood
Treasurer: Brittany Howell (Appointed January 4, 2021)
Betty Bly (Resigned January 4, 2021)
Police Chief: J. C. Nelson

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
March 25, 2022
LOM214421

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 477,463	\$ 296,301
Receipts:		
State aid	36,954	98,624
Federal aid	5,000	125,242
Property taxes	73,899	12,310
Franchise fees	59,999	
Sales taxes	242,205	122,786
Fines, forfeitures, and costs	58,163	4,450
Interest	71	96
Local permits and fees	3,090	415
Contribution from water department		14,393
Other	16,048	500
Transfers in		12,000
Total Receipts	<u>495,429</u>	<u>390,816</u>
Disbursements:		
General government	175,210	
Law enforcement	205,079	17,089
Highways and streets		113,084
Public safety	26,550	
Recreation and culture	2,002	
Debt service		22,005
Transfers out	12,000	
Total Disbursements	<u>420,841</u>	<u>152,178</u>
Cash Balance, December 31, 2021	<u>\$ 552,051</u>	<u>\$ 534,939</u>

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

Schedule 2

	Street	Local Police and Fire Retirement	Police Department Special	Animal Control	Vehicle Depreciation	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 274,807	\$ 13,683	\$ 6,690	\$ 1,121			\$ 296,301
Receipts:							
State aid	98,624						98,624
Federal aid						\$ 125,242	125,242
Property taxes	12,310						12,310
Sales taxes	122,786						122,786
Fines, forfeitures, and costs			4,450				4,450
Interest		96					96
Local permits and fees				415			415
Contribution from water department	14,393						14,393
Other			500				500
Transfers in					\$ 12,000		12,000
Total Receipts	<u>248,113</u>	<u>96</u>	<u>4,950</u>	<u>415</u>	<u>12,000</u>	<u>125,242</u>	<u>390,816</u>
Disbursements:							
Law enforcement			5,089		12,000		17,089
Highways and streets	113,084						113,084
Debt service	22,005						22,005
Total Disbursements	<u>135,089</u>		<u>5,089</u>		<u>12,000</u>		<u>152,178</u>
Cash Balance, December 31, 2021	<u>\$ 387,831</u>	<u>\$ 13,779</u>	<u>\$ 6,551</u>	<u>\$ 1,536</u>	<u>\$ 0</u>	<u>\$ 125,242</u>	<u>\$ 534,939</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 353,559	\$ 259,656
	<u> </u>	<u> </u>
Receipts:		
State aid	35,262	96,704
Federal aid	50,750	
Property taxes	74,234	12,323
Franchise fees	62,971	
Sales taxes	226,343	113,312
Fines, forfeitures, and costs	37,555	3,570
Interest	482	68
Local permits and fees	6,590	60
Contribution from water department		11,002
Other	4,159	464
Transfers in		8,753
Total Receipts	<u>498,346</u>	<u>246,256</u>
	<u> </u>	<u> </u>
Disbursements:		
General government	163,415	
Law enforcement	181,572	22,628
Highways and streets		164,978
Public safety	18,592	
Recreation and culture	2,110	
Debt service		22,005
Transfers out	8,753	
Total Disbursements	<u>374,442</u>	<u>209,611</u>
	<u> </u>	<u> </u>
Cash Balance, December 31, 2020	<u>\$ 477,463</u>	<u>\$ 296,301</u>

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

Schedule 4

	Street	Local Police and Fire Retirement	Police Department Special	Animal Control	Vehicle Depreciation	Total
Cash Balance, January 1, 2020	\$ 227,985	\$ 13,615	\$ 5,180	\$ 1,061	\$ 11,815	\$ 259,656
Receipts:						
State aid	96,704					96,704
Property taxes	12,323					12,323
Sales taxes	113,312					113,312
Fines, forfeitures, and costs			3,570			3,570
Interest		68				68
Local permits and fees				60		60
Contribution from water department	11,002					11,002
Other	464					464
Transfers in			2,753		6,000	8,753
Total Receipts	<u>233,805</u>	<u>68</u>	<u>6,323</u>	<u>60</u>	<u>6,000</u>	<u>246,256</u>
Disbursements:						
Law enforcement			4,813		17,815	22,628
Highways and streets	164,978					164,978
Debt service	22,005					22,005
Total Disbursements	<u>186,983</u>		<u>4,813</u>		<u>17,815</u>	<u>209,611</u>
Cash Balance, December 31, 2020	<u>\$ 274,807</u>	<u>\$ 13,683</u>	<u>\$ 6,690</u>	<u>\$ 1,121</u>	<u>\$ 0</u>	<u>\$ 296,301</u>

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

Schedule 5

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, Fire Department, Parks and Recreation, Special Events and K-9 Police Unit

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

	December 31, 2021	December 31, 2020
Police Bond and Fine	\$ 6,977	\$ 4,480

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, 2021	December 31, 2020
Land	\$ 45,775	\$ 42,175
Buildings	410,300	410,300
Equipment	1,239,905	1,246,570
Total	<u>\$ 1,695,980</u>	<u>\$ 1,699,045</u>

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

	December 31, 2021	December 31, 2020
Leases payable	<u>\$ 66,014</u>	<u>\$ 88,019</u>

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

Schedule 5

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

	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)		\$ 50,750
American Rescue Plan Act (ARPA)	\$ 125,242	
	<u>\$ 125,242</u>	<u>\$ 50,750</u>