

CITY OF SMACKOVER
AGREED-UPON PROCEDURES
DECEMBER 31, 2022
(With independent accountant's report thereon)

Independent Accountant's Report
On Applying Agreed-Upon Procedures

City Council of Smackover, Arkansas

We have performed the procedures enumerated below on the accounting records of the General, Special Revenue (Street, Local Police and Fire Retirement – LOPFI, Fire Protection – Act 833, Capital Improvement/Solid Waste, and Sales Tax) and Trust Agency (Firemen's Pension and Relief and Payroll) Funds for the year ended December 31, 2022. The City of Smackover's management is responsible for the accounting records of the General, Special Revenue (Street, Local Police and Fire Retirement – LOPFI, Fire Protection – Act 833, Capital Improvement/Solid Waste, and Sales Tax) and Trust Agency (Firemen's Pension and Relief and Payroll) Funds and for compliance with Arkansas state statutes.

The City Council of the City of Smackover, Arkansas, has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of ensuring compliance with Arkansas state statutes as of and for the year ended December 31, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

Cash and Investments

1. We determined that the ending book balance is within 10% or \$500, whichever is greater, of the proof of cash ending balance.

We found no exceptions as a result of the above procedure.

Receipts

2.
 - a. We determined that total receipts per journal are within 10% or \$500, whichever is greater, of deposits per proof of cash.
 - b. We determined state turnback, sales tax, fire protection funds, and pension funds paid by the State of Arkansas were deposited in the proper fund.
 - c. We added one month's receipts issued and determined they are within 10% or \$100, whichever is greater, of deposits per bank accounts for all funds except the Payroll Fund.
 - d. We determined that the entity contained an "affected highway" as defined in Ark. Code Ann. § 12-8-402. We determined that revenues resulting from fines and costs for traffic offense citations, arrests made and moneys resulting from ancillary actions related to the enforcement of a traffic offense (including failure to appear and failure to pay if the traffic offense is a misdemeanor; violation of state law; or violation of a local ordinance for the municipality) by the municipality's law enforcement agency did not exceed 30% of the municipality's total expenditures (excluding capital expenditures, water and sewer department expenditures, fiduciary fund expenditures, enterprise fund expenditures, and debt service expenditures).

We found no exceptions as a result of the above procedures.

Disbursements

3. a. We evaluated if total disbursements per the journal are within 10% or \$500, whichever is greater, of disbursements per proof of cash.
- b. For the General and Street Funds, we evaluated if total disbursements exceeded total appropriations by more than 20%.
- c. For 10% of disbursements (maximum of 30 for all funds, with at least one disbursement per fund), we determined that disbursements were documented in accordance with any applicable code provisions. (Materiality level – 10% of the total dollars of selected disbursements or \$500, whichever is greater.)

We found no exceptions as a result of the above procedures.

Uniform Traffic Tickets

4. a. We randomly selected ten uniform traffic tickets and traced them to the court docket and receipt for payment or to an outstanding warrant, the continue cases list or dismissal of the case by the Judge.
- b. We determined that not more than 50% of speeding citations were issued for ten (10) miles per hour or less over the posted speed limit.

We found no exceptions as a result of the above procedure.

State Law Compliance

5. We evaluated the extent to which the City complied with the following state laws as of and for the year ended December 31, 2022.
 - a) Municipal Accounting Law (§§ 14-59-101 et seq.)
 - b) District/City Courts Accounting Law (§§ 16-10-201 to -210)
 - c) Improvement Contracts (§§ 22-9-202 to -204)
 - d) Budgets (§§14-58-201 to -203)
 - e) Investment of Public Funds (§§ 19-1-501 et seq.)
 - f) Deposit of Public Funds (§§ 19-8-101 to -107)
 - g) Review of Report by Governing Body (§§ 10-4-418)
 - h) Arkansas Speed Trap Law (§§ 12-8-401 to -403)
 - i) Purchases and Payments of Claims, etc. (§§ 14-58-301 et seq.)

We found no exceptions as a result of the above procedure.

We were engaged by the City Council of the City of Smackover, Arkansas to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with Arkansas state statutes. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Smackover and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council of the City of Smackover, Arkansas, 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. Section 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

EGP, PLLC

March 10, 2023

Certified Public Accountants & Consultants
Bryant, Arkansas

CITY OF SMACKOVER, ARKANSAS

FINANCIAL STATEMENTS

DECEMBER 31, 2022

(With independent accountant's compilation report thereon)

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The City Council of the,
City of Smackover, Arkansas

Management is responsible for the accompanying schedule of cash receipts, disbursements and changes in cash basis fund balances, combining schedule of cash receipts, disbursements and changes in cash basis fund balances – special revenue funds, and selected information (the “Statements”) of City of Smackover, Arkansas (the “City”) as of December 31, 2022, in accordance with the cash basis of accounting and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statement.

We draw attention to Note 1 of the selected information, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in the financial statements prepared under the cash basis of accounting. If the omitted disclosures were included with the Statements, they might influence the user’s conclusions about the City’s financial position, results of operations and cash flows. Accordingly, these Statements are not designed for those who are not informed about such matters.

EGP, PLLC

March 3, 2023

Certified Public Accountants & Consultants
Bryant, Arkansas

City of Smackover, Arkansas
Schedule of Cash Receipts, Disbursements and
Changes in Cash Basis Fund Balances
For the Year Ended December 31, 2022
(See independent accountant's compilation report.)
(Unaudited)

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Firemen's Pension</u>
Cash Balance, January 1, 2022	\$ 467,723	1,427,240	11,303
Receipts:			
State aid	24,317	347,270	-
County aid	153,294	45,209	-
Sales taxes	844,080	-	-
Fine, forfeitures, and costs	16,327	-	-
Interest	984	2,825	-
Local permits, licenses, and fees	98,777	-	-
ARPA funds	350,465	-	-
Other	400,885	-	-
Transfers in	-	476,770	-
Total Receipts	<u>1,889,129</u>	<u>872,074</u>	<u>-</u>
Disbursements:			
General government	1,020,515	527,603	-
Law enforcement	309,599	-	-
Highways and streets	-	414,739	-
Public safety	1,935	134,902	-
Transfers out	476,770	-	-
Total Disbursements	<u>1,808,819</u>	<u>1,077,244</u>	<u>-</u>
Cash Balance, December 31, 2022	<u>\$ 548,033</u>	<u>1,222,070</u>	<u>11,303</u>

City of Smackover, Arkansas
Combining Schedule of Cash Receipts, Disbursements and Changes
in Cash Basis Fund Balances - Special Revenue Funds
For the Year Ended December 31, 2022
(See independent accountant's compilation report.)
(Unaudited)

	Street Funds	Capital Improvement/ Solid Waste Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 299,802	937,476
Receipts:		
State aid	210,160	-
County aid	45,209	-
Transfers in	-	476,770
Interest	605	2,220
Other	-	-
Total Receipts	<u>255,974</u>	<u>478,990</u>
Disbursements:		
General government	-	527,407
Highways and streets	414,739	-
Public safety	-	-
Total Disbursements	<u>414,739</u>	<u>527,407</u>
Cash Balance, December 31, 2022	<u>\$ 141,037</u>	<u>889,059</u>

Fire Department Funds	Fire Truck Funds	Total
<u>77,629</u>	<u>112,333</u>	<u>1,427,240</u>
137,110	-	347,270
-	-	45,209
-	-	476,770
-	-	2,825
-	-	-
<u>137,110</u>	<u>-</u>	<u>872,074</u>
196	-	527,603
-	-	414,739
134,902	-	134,902
<u>135,098</u>	<u>-</u>	<u>1,077,244</u>
<u>79,641</u>	<u>112,333</u>	<u>1,222,070</u>

City of Smackover, Arkansas
Selected Information
(Substantially All Disclosures Ordinarily Included Under the
Cash Basis of Accounting Are Not Included)
For the Year Ended December 31, 2022
(See independent accountant's compilation report.)
(Unaudited)

1. The schedule of cash receipts, disbursements and changes in cash basis fund balances, combining schedule of cash receipts, disbursements and changes in cash basis fund balances – special revenue funds, and selected information omit the water and sewer system, solid waste fund and cemetery fund of the City of Smackover.
2. The Municipality's capital assets records are summarized below as of December 31, 2022:

Equipment	\$ 1,228,067
Buildings	1,133,656
Infrastructure	349,611
Vehicles	672,381
Improvements	180,345
Land	<u>203,341</u>
Total	<u>\$ 3,767,401</u>

3. Cash balances on the Financial Schedules include demand accounts and certificates of deposits.
4. The schedule of cash receipts, disbursements and changes in cash basis fund balances, combining schedule of cash receipts, disbursements and changes in cash basis fund balances – special revenue funds, and other information are prepared on the cash basis of accounting. Therefore, income and expenses are recognized only as cash is received or paid, and receivables, payables, and accrued expenses are not reflected.
5. The cash balance at January 1, 2022 was restated to include ARPA funds of \$174,994 which were omitted in the December 31, 2021 financial statements.