

City of Holland, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HOLLAND, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

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 Holland, 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 Holland, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 21, 2022. 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 2021:

Mayor: Benjamin Damron
Recorder/Treasurer: Megan Damron

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 **Recorder/Treasurer**.

Recorder/Treasurer

State aid for highway funds from previous years of \$12,697 was not transferred from the General Fund to the Street Fund, in noncompliance with Ark. Code Ann. § 14-59-104. A similar finding has been noted in the previous four 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 cursive script, reading "Roger A. Norman".

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

Little Rock, Arkansas
April 21, 2022
LOM222321

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 5,383	\$ 103,294
Receipts:		
State aid	9,144	57,809
Federal aid		59,772
Property taxes		7,200
Sales taxes	59,226	
Local permits and fees	7,288	11,147
Other		247
Transfers in	23,413	2,634
Total Receipts	<u>99,071</u>	<u>138,809</u>
Disbursements:		
General government	34,330	18,038
Highways and streets	450	9,958
Public safety	4,594	17,612
Sanitation	353	
Debt service	17,419	9,103
Transfers out	2,250	23,797
Total Disbursements	<u>59,396</u>	<u>78,508</u>
Cash Balance, December 31, 2021	<u>\$ 45,058</u>	<u>\$ 163,595</u>

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

Schedule 2

	Street	Fire	Park	Non-entitlement Unit	Total
Cash Balance, January 1, 2021	\$ 90,401	\$ 12,771	\$ 122		\$ 103,294
Receipts:					
State aid	46,495	11,314			57,809
Federal aid				\$ 59,772	59,772
Property taxes	7,200				7,200
Local permits and fees		11,147			11,147
Other	85	162			247
Transfers in	2,250	384			2,634
Total Receipts	<u>56,030</u>	<u>23,007</u>		<u>59,772</u>	<u>138,809</u>
Disbursements:					
General government				18,038	18,038
Highways and streets	9,958				9,958
Public safety		17,612			17,612
Debt service		5,401		3,702	9,103
Transfers out				23,797	23,797
Total Disbursements	<u>9,958</u>	<u>23,013</u>		<u>45,537</u>	<u>78,508</u>
Cash Balance, December 31, 2021	<u>\$ 136,473</u>	<u>\$ 12,765</u>	<u>\$ 122</u>	<u>\$ 14,235</u>	<u>\$ 163,595</u>

CITY OF HOLLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

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

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

	<u>December 31, 2021</u>
Land	\$ 246,500
Buildings	334,312
Equipment	<u>677,048</u>
Total	<u><u>\$ 1,257,860</u></u>

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

	<u>December 31, 2021</u>
Notes payable	<u><u>\$ 142,748</u></u>

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

	<u>December 31, 2021</u>
American Rescue Plan Act (ARPA)	<u><u>\$ 59,772</u></u>