

Town of Allport, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF ALLPORT, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

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Arkansas

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Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Allport, 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 Town of Allport, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated May 1, 2023. Management of the Town 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:

Mayor: Kenneth Raynor
Recorder/Treasurer: Jeremy Allen

We evaluated the Town'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 offices of **Mayor** and **Recorder/Treasurer**.

Mayor and Recorder/Treasurer

Although Schedule 1 of this report shows a balance of \$54,534 in the General Fund, the Town owed significant amounts to the Street Fund, the HACT Regional Waste Treatment District, and for the completion of the Fun Park Project. As shown on Schedule 3 of this report, when these outstanding amounts were considered, the General Fund had a deficit of \$15,194. A similar finding was noted in the previous four reports.

Mayor

Total disbursements for the General Fund exceeded total appropriations by \$22,236 (142%), in noncompliance with Ark. Code Ann. § 14-58-203.

Recorder/Treasurer

State aid for highway funds for previous years was not transferred from the General Fund to the Street Fund, and an unallowable disbursement in a previous year was made from the Street Fund, in noncompliance with Ark. Code Ann. § 14-59-104. The Town made payments in 2022, of \$2,541 to reduce the balance owed to the Street Fund to \$11,548 as of December 31, 2022. A similar finding was noted in the previous fourteen reports dating back to 2003.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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
May 1, 2023
LOM300322

TOWN OF ALLPORT, 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	\$ 282	\$ 12,287
Receipts:		
State aid	74,986	
Federal aid		12,224
Property taxes	385	407
Franchise fees	2,748	
Sales taxes	14,028	
Transfers in		2,573
Total Receipts	<u>92,147</u>	<u>15,204</u>
Disbursements:		
General government	35,322	
Highways and streets		2,936
Transfers out	2,573	
Total Disbursements	<u>37,895</u>	<u>2,936</u>
Cash Balance, December 31, 2022	<u>\$ 54,534</u>	<u>\$ 24,555</u>

TOWN OF ALLPORT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 2

	Street	Community Center Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 60	\$ 35	\$ 12,192	\$ 12,287
Receipts:				
Federal aid			12,224	12,224
Property taxes	407			407
Transfers in	2,541		32	2,573
Total Receipts	<u>2,948</u>		<u>12,256</u>	<u>15,204</u>
Disbursements:				
Highways and streets	<u>2,936</u>			<u>2,936</u>
Cash Balance, December 31, 2022	<u>\$ 72</u>	<u>\$ 35</u>	<u>\$ 24,448</u>	<u>\$ 24,555</u>

TOWN OF ALLPORT, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

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

2. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2022
District Court	\$ 13

This balance represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2022
Land	\$ 8,000
Buildings	340,000
Equipment	17,000
Total	<u>\$ 365,000</u>

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

	December 31, 2022
Due to HACT Regional Waste Treatment District	<u>\$ 4,400</u>

TOWN OF ALLPORT, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

5. The schedules included on our Financial and Compliance Reports are typically cash basis. We are including additional information here, as the Town of Allport (Town) had significant balances due to the Street Fund, restricted grant funds, and delinquent payments to HACT Regional Waste Treatment District. The information below begins with the cash balance per Schedule 1 of this report. The computation includes increases and decreases to cash balances for amounts due to and due from funds within the Town.

Balances as of December 31, 2022	<u>General</u>	<u>Street</u>
Cash Balances per Schedule	\$ 54,534	\$ 72
Due to Street Fund *	(11,548)	
Due from General Fund		11,548
Restricted grant funds	(53,780)	
Due to HACT Regional Waste Treatment District	<u>(4,400)</u>	
Totals	<u>\$ (15,194)</u>	<u>\$ 11,620</u>

* \$9,548 for state aid for highway funds and \$2,000 for a 2017 transfer to General Fund from Street Fund without a documented allowable purpose.

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

	<u>December 31, 2022</u>
American Rescue Plan Act (ARPA)	<u>\$ 12,224</u>