

Town of Beaver, Arkansas

Financial and Compliance Report

December 31, 2022, 2021, and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF BEAVER, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
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 Beaver, 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 Beaver, Arkansas, as of and for the years ended December 31, 2022, 2021, and 2020, and have issued our report thereon dated September 5, 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, 2021, and 2020:

Mayor: Ann Shoffit (resigned August 2021)
Lynn Going (appointed August 2021)

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 office of **Mayor**.

Mayor

In 2022, the Town paid \$1,540 to the Mayor for park attendant services and \$4,770 to the spouse of the Mayor for bookkeeping and park attendant services. These payments were made without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-42-107.

Prenumbered receipts were not issued for all funds received, as required by Ark. Code Ann. § 14-59-109. A similar finding was issued in the previous report.

Adequate supporting documentation was not maintained for all disbursements, as required by Ark. Code Ann. § 14-59-105.

General Fund expenditures exceeded appropriations in 2022, and 2021 by \$31,186 (47%), and \$22,405 (39%) respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the previous two reports dating back to 2015.

General and Street Fund budgets were not adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202. A similar finding was issued in the previous report.

The governing body did not review the prior year report and accompanying comments, as required by Ark. Code Ann. § 10-4-418.

Prenumbered checks were not issued for all disbursements, as required by Ark. Code Ann. § 14-59-105.

The bank accounts were not properly reconciled, and reconciliations were not approved by someone other than the preparer, as required by Ark. Code Ann. § 14-59-108.

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
September 5, 2023
LOM301422

TOWN OF BEAVER, 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	\$ 97,174	\$ 117,320
Receipts:		
State aid	9,106	5,785
Federal aid		9,841
Sales taxes	7,070	
Interest	515	936
Rent	6,250	
Campground fees	82,729	
Other	15,920	
Unclassified	170	
Total Receipts	121,760	16,562
Disbursements:		
General government	31,975	
Highways and streets		17,790
Recreation and culture	66,188	
Total Disbursements	98,163	17,790
Cash Balance, December 31, 2022	\$ 120,771	\$ 116,092

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

Schedule 2

	Street	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 107,505	\$ 9,815	\$ 117,320
Receipts:			
State aid	5,785		5,785
Federal aid		9,841	9,841
Interest	798	138	936
Total Receipts	6,583	9,979	16,562
Disbursements:			
Highways and streets	17,790		17,790
Cash Balance, December 31, 2022	\$ 96,298	\$ 19,794	\$ 116,092

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2021	\$ 86,396	\$ 100,191
Receipts:		
State aid	1,531	7,580
Federal aid	26	9,815
Sales taxes	9,245	
Interest	233	209
Rent	4,977	
Campground fees	71,464	
Other	3,135	
Total Receipts	<u>90,611</u>	<u>17,604</u>
Disbursements:		
General government	17,723	
Highways and streets		475
Recreation and culture	62,110	
Total Disbursements	<u>79,833</u>	<u>475</u>
Cash Balance, December 31, 2021	<u>\$ 97,174</u>	<u>\$ 117,320</u>

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

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2021	<u>\$ 100,191</u>		<u>\$ 100,191</u>
Receipts:			
State aid	7,580		7,580
Federal aid		\$ 9,815	9,815
Interest	<u>209</u>		<u>209</u>
Total Receipts	<u>7,789</u>	<u>9,815</u>	<u>17,604</u>
Disbursements:			
Highways and streets	<u>475</u>		<u>475</u>
Cash Balance, December 31, 2021	<u><u>\$ 107,505</u></u>	<u><u>\$ 9,815</u></u>	<u><u>\$ 117,320</u></u>

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

Schedule 5

	General Fund	Special Revenue Fund (Street)
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 82,810	\$ 92,958
Receipts:		
State aid	1,484	7,549
Sales taxes	8,756	
Interest	432	275
Rent	4,168	
Campground fees	48,046	
Other	3,908	
Total Receipts	<u>66,794</u>	<u>7,824</u>
Disbursements:		
General government	20,263	
Highways and streets		591
Recreation and culture	42,945	
Total Disbursements	<u>63,208</u>	<u>591</u>
Cash Balance, December 31, 2020	<u>\$ 86,396</u>	<u>\$ 100,191</u>

TOWN OF BEAVER, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
 (UNAUDITED)

1. Cash balances on the Financial Schedules include demand and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, RV Park, and Park Credit Card
3. The Municipality's capital assets records are summarized below:

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 14,000	\$ 14,000	\$ 14,000
Buildings	71,375	71,375	71,375
Equipment	28,892	28,892	28,892
Totals	\$ 114,267	\$ 114,267	\$ 114,267

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 9,841	\$ 9,841