

Town of Blue Eye, Arkansas

Financial and Compliance Report

December 31, 2022, 2021, and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF BLUE EYE, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

Financial and Compliance Report

	<u>Schedule</u>
2022	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2021	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2020	
Schedule of Financial Information (Unaudited)	5
2022, 2021, and 2020	
Other Information (Unaudited)	6



David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

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

Financial and Compliance Report

Town of Blue Eye, 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 Blue Eye, Arkansas, as of and for the years ended December 31, 2022, 2021, and 2020, and have issued our report thereon dated August 3, 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: Darryl Malotte (resigned – February 25, 2021)
Sondra Eby (appointed February 25, 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.

Mayor

In 2020, the Town paid \$1,180 and \$800 to the Mayor and a Council member, respectively, for mowing without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-42-107.

Cash receipts and disbursements journals were not properly posted to include all items of income and disbursements, as required by Ark. Code Ann. §§ 14-59-110 – 14-59-111.

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.

Annual financial statements were not prepared, as required by Ark. Code Ann. § 14-59-116.

Budgets were not adopted, as required by Ark. Code Ann. § 14-58-202. A similar finding was issued in the previous four reports dating back to 2011.

The governing body did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

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

Pre-numbered receipts were not issued for all funds received during 2022 for the General and Street Funds, as required by Ark. Code Ann. § 14-59-109.

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



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

Little Rock, Arkansas
August 3, 2023
LOM302622

TOWN OF BLUE EYE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund (Mo-Ark Academy)</u>
Cash Balance, January 1, 2022	\$ 30,944	\$ 5,193	\$ 588
Receipts:			
State aid	472	3,971	
Federal aid		1,127	
Sales taxes	4,854		
Unclassified	2,311	6,135	
Total Receipts	<u>7,637</u>	<u>11,233</u>	
Disbursements:			
General government	11,140		
Highways and streets		5,760	
Total Disbursements	<u>11,140</u>	<u>5,760</u>	
Cash Balance, December 31, 2022	<u>\$ 27,441</u>	<u>\$ 10,666</u>	<u>\$ 588</u>

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

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	<u>\$ 3,177</u>	<u>\$ 2,016</u>	<u>\$ 5,193</u>
Receipts:			
State aid	3,971		3,971
Federal aid		1,127	1,127
Unclassified	6,135		6,135
Total Receipts	<u>10,106</u>	<u>1,127</u>	<u>11,233</u>
Disbursements:			
Highways and streets	<u>5,760</u>		<u>5,760</u>
Cash Balance, December 31, 2022	<u><u>\$ 7,523</u></u>	<u><u>\$ 3,143</u></u>	<u><u>\$ 10,666</u></u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund (Mo-Ark Academy)</u>
Cash Balance, January 1, 2021	\$ 30,378	\$ 11,545	\$ 587
Receipts:			
State aid	534	2,794	
Federal aid		2,016	
Property taxes	1,804		
Franchise fees	429		
Sales taxes	3,463		
Interest	16	3	1
Unclassified		128	
Total Receipts	<u>6,246</u>	<u>4,941</u>	<u>1</u>
Disbursements:			
General government	5,680		
Highways and streets		11,293	
Total Disbursements	<u>5,680</u>	<u>11,293</u>	
Cash Balance, December 31, 2021	<u>\$ 30,944</u>	<u>\$ 5,193</u>	<u>\$ 588</u>

TOWN OF BLUE EYE, 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	\$ 11,545		\$ 11,545
Receipts:			
State aid	2,794		2,794
Federal aid		\$ 2,016	2,016
Interest	3		3
Unclassified	128		128
Total Receipts	<u>2,925</u>	<u>2,016</u>	<u>4,941</u>
Disbursements:			
Highways and streets	<u>11,293</u>		<u>11,293</u>
Cash Balance, December 31, 2021	<u>\$ 3,177</u>	<u>\$ 2,016</u>	<u>\$ 5,193</u>

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

Schedule 5

	General Fund	Special Revenue Fund (Street)	Capital Projects Fund (Mo-Ark Academy)
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 26,920	\$ 10,629	\$ 629
Receipts:			
State aid	445	2,265	
Property taxes	1,622		
Franchise fees	1,108		
Sales taxes	2,627		
Interest	29	11	1
Total Receipts	<u>5,831</u>	<u>2,276</u>	<u>1</u>
Disbursements:			
General government	2,373		
Highways and streets		1,360	
Recreation and culture			43
Total Disbursements	<u>2,373</u>	<u>1,360</u>	<u>43</u>
Cash Balance, December 31, 2020	<u>\$ 30,378</u>	<u>\$ 11,545</u>	<u>\$ 587</u>

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

Schedule 6

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	\$ 8,000	\$ 8,000	\$ 8,000
Buildings	25,000	25,000	25,000
Equipment	<u>112</u>	<u>112</u>	<u>112</u>
Totals	<u>\$ 33,112</u>	<u>\$ 33,112</u>	<u>\$ 33,112</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
American Rescue Plan Act (ARPA)	<u>\$ 1,127</u>	<u>\$ 2,016</u>