

Town of Casa, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF CASA, ARKANSAS
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Arkansas



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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Casa, 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 Casa, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated December 10, 2024. These procedures were not performed for the Water and Sewer Department. 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 2023 and 2022:

Mayor: Josie Payne (2023)
Loyra Rainey (2022)
Recorder/Treasurer: Lelah Donnelly

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

An audit or agreed upon procedures report for the Water and Sewer Department was not obtained, as required by Ark. Code Ann. § 14-234-119. However, the Town is engaged with a CPA firm to obtain an audit for 2022. A similar finding was noted in the previous two reports.

In 2023, General Fund disbursements exceeded total appropriations by \$24,385 (48%), in noncompliance with Ark. Code Ann. § 14-58-203.

Recorder/Treasurer

Federal payroll taxes were not remitted to the Internal Revenue Service. A similar finding was noted in the previous two reports.

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The Town was in noncompliance with these codes and other proper accounting procedures as noted below:

- Cash receipts journals were not properly maintained and were not reconciled to total deposits per bank for the General and Fire Funds.
- Bank accounts were not reconciled properly for the General and Fire Funds.

Mayor and Recorder/Treasurer

The Town ended the year with a negative cash balance in the General Fund at December 31, 2023, of \$4,586.

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 black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 10, 2024
LOM303623

TOWN OF CASA, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 40,697	\$ 77,090
Receipts:		
State aid	1,824	19,470
Property taxes	6,587	1,188
Franchise fees	7,925	
Sales taxes	11,028	
Interest	138	35
Local permits and fees		5,600
Grants		25,000
Other	2,200	326
Total Receipts	<u>29,702</u>	<u>51,619</u>
Disbursements:		
General government	74,985	
Highways and streets		8,366
Public safety		12,742
Total Disbursements	<u>74,985</u>	<u>21,108</u>
Cash Balance, December 31, 2023	<u>\$ (4,586)</u>	<u>\$ 107,601</u>

TOWN OF CASA, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street	Fire	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 11,839	\$ 30,651	\$ 34,600	\$ 77,090
Receipts:				
State aid	10,123	9,347		19,470
Property taxes	1,188			1,188
Interest	35			35
Local permits and fees		5,600		5,600
Grants		25,000		25,000
Other	47	279		326
Total Receipts	<u>11,393</u>	<u>40,226</u>		<u>51,619</u>
Disbursements:				
Highways and streets	8,366			8,366
Public safety		12,742		12,742
Total Disbursements	<u>8,366</u>	<u>12,742</u>		<u>21,108</u>
Cash Balance, December 31, 2023	<u>\$ 14,866</u>	<u>\$ 58,135</u>	<u>\$ 34,600</u>	<u>\$ 107,601</u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2022	\$ 76,114	\$ 56,821
Receipts:		
State aid	1,790	18,858
Federal aid		17,300
Franchise fees	5,695	
Sales taxes	10,721	
Fines, forfeitures, and costs	895	
Interest	85	14
Local permits and fees		5,665
Other	2,242	
Total Receipts	<u>21,428</u>	<u>41,837</u>
Disbursements:		
General government	56,845	
Highways and streets		13,733
Public safety		7,835
Total Disbursements	<u>56,845</u>	<u>21,568</u>
Cash Balance, December 31, 2022	<u>\$ 40,697</u>	<u>\$ 77,090</u>

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

Schedule 4

	Street	Fire	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 15,198	\$ 24,323	\$ 17,300	\$ 56,821
Receipts:				
State aid	10,360	8,498		18,858
Federal aid			17,300	17,300
Interest	14			14
Local permits and fees		5,665		5,665
Total Receipts	<u>10,374</u>	<u>14,163</u>	<u>17,300</u>	<u>41,837</u>
Disbursements:				
Highways and streets	13,733			13,733
Public safety		7,835		7,835
Total Disbursements	<u>13,733</u>	<u>7,835</u>		<u>21,568</u>
Cash Balance, December 31, 2022	<u>\$ 11,839</u>	<u>\$ 30,651</u>	<u>\$ 34,600</u>	<u>\$ 77,090</u>

TOWN OF CASA, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

Schedule 5

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

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

	December 31, 2023	December 31, 2022
Land	\$ 21,929	\$ 21,929
Buildings	59,005	59,005
Equipment	175,012	175,012
Totals	\$ 255,946	\$ 255,946

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 17,300