

Town of Horseshoe Lake, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HORSESHOE LAKE, 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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Sen. Gary Stubblefield
Senate Vice Chair



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Rep. Nelda Speaks
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Horseshoe Lake, 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 Horseshoe Lake, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated July 13, 2022. These procedures were not performed for the Water and Sewer funds. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2021:

Mayor: Garry Hahne
Recorder/Treasurer: Carol Adams

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 **Recorder/Treasurer**.

Recorder/Treasurer

A review of the Town's payroll revealed wages and taxes withheld did not reconcile between the Internal Revenue Service (IRS) Quarterly 941 reports, the IRS W-3, and W-2s. The Arkansas AR3 Report was not prepared and submitted. Due to these discrepancies, it appears taxes withheld may not have been remitted to the appropriate taxing agencies. A similar finding was issued in the prior report.

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
July 13, 2022
LOM308421

TOWN OF HORSESHOE LAKE, 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	\$ 3,460	\$ 172,245
Receipts:		
State aid	4,669	40,109
Federal aid		28,177
Property taxes	10,701	1,124
Franchise fees	11,596	
Sales taxes	29,081	
Interest	31	198
Local permits and fees	2,468	22,436
Donations		3,905
Other	1,103	1,500
Total Receipts	<u>59,649</u>	<u>97,449</u>
Disbursements:		
General government	49,638	
Highways and streets		12,881
Public safety		54,616
Total Disbursements	<u>49,638</u>	<u>67,497</u>
Cash Balance, December 31, 2021	<u>\$ 13,471</u>	<u>\$ 202,197</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Fire Department	Fire Rescue	American Rescue Plan (ARPA)	Total
Cash Balance, January 1, 2021	\$ 112,457	\$ 54,778	\$ 897	\$ 4,113		\$ 172,245
Receipts:						
State aid	23,507	16,602				40,109
Federal aid					\$ 28,177	28,177
Property taxes	1,124					1,124
Interest	182		16			198
Local permits and fees			22,436			22,436
Donations			3,905			3,905
Other			1,500			1,500
Total Receipts	<u>24,813</u>	<u>16,602</u>	<u>27,857</u>		<u>28,177</u>	<u>97,449</u>
Disbursements:						
Highways and streets	12,881					12,881
Public safety		31,824	22,792			54,616
Total Disbursements	<u>12,881</u>	<u>31,824</u>	<u>22,792</u>			<u>67,497</u>
Cash Balance, December 31, 2021	<u>\$ 124,389</u>	<u>\$ 39,556</u>	<u>\$ 5,962</u>	<u>\$ 4,113</u>	<u>\$ 28,177</u>	<u>\$ 202,197</u>

TOWN OF HORSESHOE LAKE, 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:

	December 31, 2021
Land	\$ 97,000
Buildings	998,912
Equipment	<u>916,413</u>
Total	<u><u>\$ 2,012,325</u></u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u><u>\$ 28,177</u></u>