

**Town of Keo, Arkansas**

**Financial and Compliance Report**

**December 31, 2021 and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
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 Keo, 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 Keo, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated April 11, 2022. 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 commentary contained in this section relates to the following officials who held office during 2021 and 2020:

Mayor: Stephanie White (appointed November 12, 2020)  
James Pearson (resigned September 21, 2020)  
Recorder/Treasurer: Clara Hughes

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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  
April 11, 2022  
LOM309121

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

Schedule 1

|                                 | General<br>Fund   | Special<br>Revenue<br>Funds |
|---------------------------------|-------------------|-----------------------------|
|                                 | <u>          </u> | <u>          </u>           |
| Cash Balance, January 1, 2021   | \$ 177,707        | \$ 82,077                   |
|                                 | <u>          </u> | <u>          </u>           |
| Receipts:                       |                   |                             |
| State aid                       | 17,222            | 33,511                      |
| Federal aid                     | 26,001            |                             |
| Property taxes                  | 3,884             | 4,749                       |
| Franchise fees                  | 6,458             |                             |
| Sales taxes                     | 58,304            |                             |
| Interest                        | 234               | 75                          |
| Other                           | 7,730             | 833                         |
| Transfers in                    |                   | 4,000                       |
| Total Receipts                  | <u>119,833</u>    | <u>43,168</u>               |
|                                 | <u>          </u> | <u>          </u>           |
| Disbursements:                  |                   |                             |
| General government              | 39,655            |                             |
| Highways and streets            |                   | 24,037                      |
| Public safety                   | 5,566             | 9,795                       |
| Sanitation                      | 25,913            |                             |
| Health                          | 13,924            |                             |
| Recreation and culture          |                   | 3,570                       |
| Transfers out                   | 4,000             |                             |
| Unclassified                    | 10,000            |                             |
| Total Disbursements             | <u>99,058</u>     | <u>37,402</u>               |
|                                 | <u>          </u> | <u>          </u>           |
| Cash Balance, December 31, 2021 | <u>\$ 198,482</u> | <u>\$ 87,843</u>            |

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

Schedule 2

|                                 | Street           | Fire<br>Department | Veteran's<br>Memorial | Total            |
|---------------------------------|------------------|--------------------|-----------------------|------------------|
| Cash Balance, January 1, 2021   | \$ 42,914        | \$ 36,856          | \$ 2,307              | \$ 82,077        |
| Receipts:                       |                  |                    |                       |                  |
| State aid                       | 20,118           | 13,393             |                       | 33,511           |
| Property taxes                  | 4,749            |                    |                       | 4,749            |
| Interest                        |                  | 75                 |                       | 75               |
| Other                           |                  | 833                |                       | 833              |
| Transfers in                    |                  |                    | 4,000                 | 4,000            |
| Total Receipts                  | <u>24,867</u>    | <u>14,301</u>      | <u>4,000</u>          | <u>43,168</u>    |
| Disbursements:                  |                  |                    |                       |                  |
| Highways and streets            | 24,037           |                    |                       | 24,037           |
| Public safety                   |                  | 9,795              |                       | 9,795            |
| Recreation and culture          |                  |                    | 3,570                 | 3,570            |
| Total Disbursements             | <u>24,037</u>    | <u>9,795</u>       | <u>3,570</u>          | <u>37,402</u>    |
| Cash Balance, December 31, 2021 | <u>\$ 43,744</u> | <u>\$ 41,362</u>   | <u>\$ 2,737</u>       | <u>\$ 87,843</u> |

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

Schedule 3

|                                 | General<br>Fund   | Special<br>Revenue<br>Funds |
|---------------------------------|-------------------|-----------------------------|
| Cash Balance, January 1, 2020   | \$ 157,438        | \$ 105,570                  |
| Receipts:                       |                   |                             |
| State aid                       | 3,798             | 38,140                      |
| Federal aid                     | 10,135            |                             |
| Property taxes                  | 3,548             | 3,061                       |
| Franchise fees                  | 5,401             |                             |
| Sales taxes                     | 54,470            |                             |
| Interest                        | 453               | 147                         |
| Other                           | 30                |                             |
| Total Receipts                  | <u>77,835</u>     | <u>41,348</u>               |
| Disbursements:                  |                   |                             |
| General government              | 39,065            |                             |
| Highways and streets            |                   | 54,590                      |
| Public safety                   | 5,695             | 7,740                       |
| Sanitation                      | 6,148             |                             |
| Health                          | 6,658             |                             |
| Recreation and culture          |                   | 2,511                       |
| Total Disbursements             | <u>57,566</u>     | <u>64,841</u>               |
| Cash Balance, December 31, 2020 | <u>\$ 177,707</u> | <u>\$ 82,077</u>            |

TOWN OF KEO, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020  
 (UNAUDITED)

Schedule 4

|                                 | Street           | Fire<br>Department | Veteran's<br>Memorial | Total            |
|---------------------------------|------------------|--------------------|-----------------------|------------------|
| Cash Balance, January 1, 2020   | \$ 75,117        | \$ 25,635          | \$ 4,818              | \$ 105,570       |
| Receipts:                       |                  |                    |                       |                  |
| State aid                       | 19,326           | 18,814             |                       | 38,140           |
| Property taxes                  | 3,061            |                    |                       | 3,061            |
| Interest                        |                  | 147                |                       | 147              |
| Total Receipts                  | <u>22,387</u>    | <u>18,961</u>      |                       | <u>41,348</u>    |
| Disbursements:                  |                  |                    |                       |                  |
| Highways and streets            | 54,590           |                    |                       | 54,590           |
| Public safety                   |                  | 7,740              |                       | 7,740            |
| Recreation and culture          |                  |                    | 2,511                 | 2,511            |
| Total Disbursements             | <u>54,590</u>    | <u>7,740</u>       | <u>2,511</u>          | <u>64,841</u>    |
| Cash Balance, December 31, 2020 | <u>\$ 42,914</u> | <u>\$ 36,856</u>   | <u>\$ 2,307</u>       | <u>\$ 82,077</u> |

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

Schedule 5

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General checking, General reserve, and General certificate of deposit

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

|           | December 31,<br>2021 | December 31,<br>2020 |
|-----------|----------------------|----------------------|
| Land      | \$ 115,125           | \$ 115,125           |
| Buildings | 137,700              | 137,700              |
| Equipment | 190,450              | 195,950              |
| Total     | <u>\$ 443,275</u>    | <u>\$ 448,775</u>    |

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

|   | December 31,<br>2021 | December 31,<br>2020 |
|---|----------------------|----------------------|
| Coronavirus Aid, Relief and Economic Security Act (CARES) |                      | \$ 10,135            |
| American Rescue Plan Act (ARPA)                           | \$ 26,001            |                      |
| Total   | <u>\$ 26,001</u>     | <u>\$ 10,135</u>     |