

Town of Knoxville, Arkansas

Financial and Compliance Report

December 31, 2023

*Including Financial Information
For
December 31, 2022 and 2021*

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF KNOXVILLE, ARKANSAS
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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Knoxville, 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 Knoxville, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2022, and 2021, and have issued our report thereon dated November 4, 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 commentary contained in this section relates to the following officials who held office during 2023, 2022, and 2021:

Mayor: John Tyson
Recorder/Treasurer: Lori Emerson (appointed March 9, 2021)
Terry Freyaldenhoven (resigned February 14, 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.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 4, 2024
LOM309223

TOWN OF KNOXVILLE, 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	\$ 739,058	\$ 272,249
Receipts:		
State aid	10,035	66,325
Property taxes	36,736	11,009
Franchise fees	36,756	
Sales taxes	108,649	
Interest	4,290	261
Fire dues		20,624
Insurance proceeds	48,250	
Other	29,842	15,638
Total Receipts	<u>274,558</u>	<u>113,857</u>
Disbursements:		
General government	262,757	
Highways and streets	742	121,099
Public safety	354	62,434
Recreation and culture	54,317	
Water and sewer		26,854
Total Disbursements	<u>318,170</u>	<u>210,387</u>
Cash Balance, December 31, 2023	<u>\$ 695,446</u>	<u>\$ 175,719</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Dept.</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 156,816	\$ 85,950	\$ 29,483	\$ 272,249
Receipts:				
State aid	55,675	10,650		66,325
Property taxes	11,009			11,009
Interest	129	131	1	261
Fire dues		20,624		20,624
Other		15,638		15,638
Total Receipts	<u>66,813</u>	<u>47,043</u>	<u>1</u>	<u>113,857</u>
Disbursements:				
Highways and streets	121,099			121,099
Public safety		62,434		62,434
Water and sewer			26,854	26,854
Total Disbursements	<u>121,099</u>	<u>62,434</u>	<u>26,854</u>	<u>210,387</u>
Cash Balance, December 31, 2023	<u>\$ 102,530</u>	<u>\$ 70,559</u>	<u>\$ 2,630</u>	<u>\$ 175,719</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 711,784	\$ 242,713
Receipts:		
State aid	9,846	66,759
Federal aid		78,314
Property taxes	40,081	12,044
Franchise fees	37,181	
Sales taxes	106,056	
Interest	597	264
Fire dues		21,032
Other	1,390	7,500
Total Receipts	<u>195,151</u>	<u>185,913</u>
Disbursements:		
General government	167,481	62,557
Highways and streets		67,732
Public safety	354	19,248
Recreation and culture	42	
Water and sewer		6,840
Total Disbursements	<u>167,877</u>	<u>156,377</u>
Cash Balance, December 31, 2022	<u>\$ 739,058</u>	<u>\$ 272,249</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Dept.</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 155,383	\$ 66,768	\$ 20,562	\$ 242,713
Receipts:				
State aid	56,982	9,777		66,759
Federal aid			78,314	78,314
Property taxes	12,044			12,044
Interest	139	121	4	264
Fire dues		21,032		21,032
Other		7,500		7,500
Total Receipts	<u>69,165</u>	<u>38,430</u>	<u>78,318</u>	<u>185,913</u>
Disbursements:				
General government			62,557	62,557
Highways and streets	67,732			67,732
Public safety		19,248		19,248
Water and sewer			6,840	6,840
Total Disbursements	<u>67,732</u>	<u>19,248</u>	<u>69,397</u>	<u>156,377</u>
Cash Balance, December 31, 2022	<u>\$ 156,816</u>	<u>\$ 85,950</u>	<u>\$ 29,483</u>	<u>\$ 272,249</u>

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

Schedule 5

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2021	\$ 674,746	\$ 222,935
Receipts:		
State aid	11,685	67,541
Federal aid		78,315
Property taxes	36,595	10,764
Franchise fees	36,018	
Sales taxes	103,950	
Interest	1,434	243
Fire dues		19,512
Other	4,009	6,092
Total Receipts	<u>193,691</u>	<u>182,467</u>
Disbursements:		
General government	155,328	
Highways and streets		105,369
Public safety	354	18,887
Recreation and culture	971	
Water and sewer		38,433
Total Disbursements	<u>156,653</u>	<u>162,689</u>
Cash Balance, December 31, 2021	<u>\$ 711,784</u>	<u>\$ 242,713</u>

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

Schedule 6

	<u>Street</u>	<u>Fire Dept.</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2021	\$ 171,667	\$ 51,268		\$ 222,935
Receipts:				
State aid	58,830	8,711		67,541
Federal aid			\$ 78,315	78,315
Property taxes	10,764			10,764
Interest	169	72	2	243
Fire dues		19,512		19,512
Other		6,092		6,092
Total Receipts	<u>69,763</u>	<u>34,387</u>	<u>78,317</u>	<u>182,467</u>
Disbursements:				
Highways and streets	86,047		19,322	105,369
Public safety		18,887		18,887
Water and sewer			38,433	38,433
Total Disbursements	<u>86,047</u>	<u>18,887</u>	<u>57,755</u>	<u>162,689</u>
Cash Balance, December 31, 2021	<u>\$ 155,383</u>	<u>\$ 66,768</u>	<u>\$ 20,562</u>	<u>\$ 242,713</u>

TOWN OF KNOXVILLE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
 (UNAUDITED)

Schedule 7

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land	\$ 55,070	\$ 55,070	\$ 59,000
Buildings and improvements	119,592	119,592	119,592
Equipment	<u>485,261</u>	<u>429,606</u>	<u>406,501</u>
Totals	<u>\$ 659,923</u>	<u>\$ 604,268</u>	<u>\$ 585,093</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>\$ 78,314</u>	<u>\$ 78,315</u>