

Town of Letona, Arkansas

Financial and Compliance Report

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF LETONA, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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Arkansas

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Senate Vice Chair



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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 Letona, 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 Letona, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated October 9, 2023. These procedures were not performed for the 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 2022 and 2021:

Mayor: Sherrel Bennett
Recorder/Treasurer: Shirley Bennett

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

The Town did not obtain an annual audit or agreed-upon procedures and compilation report for the Sewer Department, as required by Ark. Code Ann. § 14-234-119. A similar finding was noted in the previous four reports.

Recorder/Treasurer

The minutes of the governing body did not document review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann. § 10-4-418.

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

Handwritten signature of Roger A. Norman in black ink.

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

Little Rock, Arkansas
October 9, 2023
LOM309722

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 107,812	\$ 239,461
Receipts:		
State aid	78,580	22,194
Federal aid		25,276
Property taxes	5,327	3,595
Franchise fees	9,207	
Sales taxes	45,939	
Interest	174	37
Contributions from county		111,809
Other	5,086	23,462
Total Receipts	<u>144,313</u>	<u>186,373</u>
Disbursements:		
General government	51,421	
Highways and streets		17,709
Public safety		186,590
Sanitation	323	
Recreation and culture	3,696	
Contributions to wastewater		25,342
Debt service		5,869
Total Disbursements	<u>55,440</u>	<u>235,510</u>
Cash Balance, December 31, 2022	<u>\$ 196,685</u>	<u>\$ 190,324</u>

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

Schedule 2

	Street	Fire	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 40,502	\$ 198,893	\$ 66	\$ 239,461
Receipts:				
State aid	20,721	1,473		22,194
Federal aid			25,276	25,276
Property taxes	3,595			3,595
Interest	37			37
Contributions from county		111,809		111,809
Other		23,462		23,462
Total Receipts	<u>24,353</u>	<u>136,744</u>	<u>25,276</u>	<u>186,373</u>
Disbursements:				
Highways and streets	17,709			17,709
Public safety		186,590		186,590
Contributions to wastewater			25,342	25,342
Debt service	5,869			5,869
Total Disbursements	<u>23,578</u>	<u>186,590</u>	<u>25,342</u>	<u>235,510</u>
Cash Balance, December 31, 2022	<u>\$ 41,277</u>	<u>\$ 149,047</u>	<u>\$ 0</u>	<u>\$ 190,324</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 92,905	\$ 193,679
Receipts:		
State aid	4,105	29,791
Federal aid		25,276
Property taxes	2,461	3,401
Franchise fees	8,806	
Sales taxes	45,076	
Interest	68	27
Local permits and fees	35	
Contributions from county		112,971
Other	5,199	500
Total Receipts	<u>65,750</u>	<u>171,966</u>
Disbursements:		
General government	49,015	
Highways and streets		12,196
Public safety		82,909
Sanitation	579	
Recreation and culture	1,249	
Contributions to wastewater		25,210
Debt service		5,869
Total Disbursements	<u>50,843</u>	<u>126,184</u>
Cash Balance, December 31, 2021	<u>\$ 107,812</u>	<u>\$ 239,461</u>

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

Schedule 4

	Street	Fire	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 34,421	\$ 159,258		\$ 193,679
Receipts:				
State aid	20,718	9,073		29,791
Federal aid			\$ 25,276	25,276
Property taxes	3,401			3,401
Interest	27			27
Contributions from county		112,971		112,971
Other		500		500
Total Receipts	<u>24,146</u>	<u>122,544</u>	<u>25,276</u>	<u>171,966</u>
Disbursements:				
Highways and streets	12,196			12,196
Public safety		82,909		82,909
Contributions to wastewater			25,210	25,210
Debt service	5,869			5,869
Total Disbursements	<u>18,065</u>	<u>82,909</u>	<u>25,210</u>	<u>126,184</u>
Cash Balance, December 31, 2021	<u>\$ 40,502</u>	<u>\$ 198,893</u>	<u>\$ 66</u>	<u>\$ 239,461</u>

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

Schedule 5

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

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

	December 31, 2022	December 31, 2021
Land	\$ 89,000	\$ 89,000
Buildings	432,965	432,965
Equipment	465,812	334,787
Totals	\$ 987,777	\$ 856,752

3. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2022	December 31, 2021
Financed purchases	\$ 9,321	\$ 14,513

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 25,276	\$ 25,276