

**Town of Louann, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF LOUANN, 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 Louann, 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 Louann, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated December 5, 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 finding contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Melvin McDonald  
Recorder/Treasurer: Stephanie Boothe

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 **Mayor**.

#### **Mayor**

The City's bank accounts were under collateralized by \$172,197, (41% of total deposits) as of December 31, 2023, and \$149,848, (37% of total deposits) as of December 31, 2022, in noncompliance with Ark. Code Ann. § 19-8-107.

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 5, 2024  
LOM310023

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2023	\$ 135,924	\$ 263,923
Receipts:		
State aid	2,326	32,084
Property taxes	7,343	2,195
Franchise fees	6,847	
Sales taxes	25,707	
Other	575	
Total Receipts	<u>42,798</u>	<u>34,279</u>
Disbursements:		
General government	29,264	
Highways and streets		5,646
Public safety		10,842
Sanitation	9,792	
Total Disbursements	<u>39,056</u>	<u>16,488</u>
Cash Balance, December 31, 2023	<u>\$ 139,666</u>	<u>\$ 281,714</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Training and Equipment (Act 833)</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 126,785	\$ 105,854	\$ 31,284	\$ 263,923
Receipts:				
State aid	12,906	19,178		32,084
Property taxes	<u>2,195</u>			<u>2,195</u>
Total Receipts	<u>15,101</u>	<u>19,178</u>		<u>34,279</u>
Disbursements:				
Highways and streets	5,646			5,646
Public safety		<u>10,842</u>		<u>10,842</u>
Total Disbursements	<u>5,646</u>	<u>10,842</u>		<u>16,488</u>
Cash Balance, December 31, 2023	<u>\$ 136,240</u>	<u>\$ 114,190</u>	<u>\$ 31,284</u>	<u>\$ 281,714</u>

TOWN OF LOUANN, 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	\$ 122,962	\$ 224,142
Receipts:		
State aid	2,283	35,082
Federal aid		15,642
Property taxes	4,407	1,316
Franchise fees	6,628	
Sales taxes	25,108	
Other	1,222	708
Total Receipts	<u>39,648</u>	<u>52,748</u>
Disbursements:		
General government	16,894	
Highways and streets		6,563
Public safety		6,404
Sanitation	9,792	
Total Disbursements	<u>26,686</u>	<u>12,967</u>
Cash Balance, December 31, 2022	<u>\$ 135,924</u>	<u>\$ 263,923</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Training and Equipment (Act 833)</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 118,114	\$ 90,386	\$ 15,642	\$ 224,142
Receipts:				
State aid	13,210	21,872		35,082
Federal aid			15,642	15,642
Property taxes	1,316			1,316
Other	708			708
Total Receipts	<u>15,234</u>	<u>21,872</u>	<u>15,642</u>	<u>52,748</u>
Disbursements:				
Highways and streets	6,563			6,563
Public safety		6,404		6,404
Total Disbursements	<u>6,563</u>	<u>6,404</u>		<u>12,967</u>
Cash Balance, December 31, 2022	<u>\$ 126,785</u>	<u>\$ 105,854</u>	<u>\$ 31,284</u>	<u>\$ 263,923</u>

TOWN OF LOUANN, 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	\$ 6,750	\$ 6,750
Buildings and Improvements	153,079	153,079
Equipment	362,568	362,568
Totals	\$ 522,397	\$ 522,397

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 15,642