

Town of Okolona, Arkansas

Financial and Compliance Report

December 31, 2022

***Including Financial Information
For
December 31, 2021 and 2020***

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF OKOLONA, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

Financial and Compliance Report

	<u>Schedule</u>
2022	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2021	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2020	
Schedule of Financial Information (Unaudited)	5
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	6
2022, 2021, and 2020	
Other Information (Unaudited)	7

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 Okolona, 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 Okolona, Arkansas, as of and for the year ended December 31, 2022. 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, 2021, and 2020, and have issued our report thereon dated March 29, 2023. These procedures were not performed for the Water and Sewer Fund. 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 relates to the following officials who held office during 2022, 2021, and 2020:

Mayor: Sara Smith
Recorder/Treasurer: Sandra Beardon

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
March 29, 2023
LOM312122

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 23,465	\$ 158,565
Receipts:		
State aid	2,143	18,778
Federal aid		14,192
Property taxes	2,763	484
Franchise fees	7,324	
Sales taxes		4,758
Interest	26	143
Local permits and fees	2,082	760
Donations/fundraising		253
Other	3,475	2,565
Unclassified		3
Total Receipts	<u>17,813</u>	<u>41,936</u>
Disbursements:		
General government	15,204	
Highways and streets		4,946
Public safety		13,180
Debt service	353	2,119
Contributions to water and sewer	696	28,384
Unclassified	3,721	1,569
Total Disbursements	<u>19,974</u>	<u>50,198</u>
Cash Balance, December 31, 2022	<u>\$ 21,304</u>	<u>\$ 150,303</u>

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

Schedule 2

	Street	Fire Department	Community Center	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 96,074	\$ 45,317	\$ 2,982	\$ 14,192	\$ 158,565
Receipts:					
State aid	8,375	10,403			18,778
Federal aid				14,192	14,192
Property taxes	484				484
Sales taxes		4,758			4,758
Interest	96	44	3		143
Local permits and fees		760			760
Donations/fundraising		253			253
Other		2,565			2,565
Unclassified		3			3
Total Receipts	8,955	18,786	3	14,192	41,936
Disbursements:					
Highways and streets	4,946				4,946
Public safety		13,180			13,180
Debt service	2,119				2,119
Contributions to water and sewer				28,384	28,384
Unclassified	513	1,056			1,569
Total Disbursements	7,578	14,236		28,384	50,198
Cash Balance, December 31, 2022	\$ 97,451	\$ 49,867	\$ 2,985	\$ 0	\$ 150,303

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 24,770	\$ 140,849
Receipts:		
State aid	2,246	20,659
Federal aid		14,192
Property taxes	4,246	475
Franchise fees	5,789	
Sales taxes		4,046
Interest	30	135
Local permits and fees	2,640	3,450
Donations/fundraising		1,505
Other	2,169	839
Total Receipts	<u>17,120</u>	<u>45,301</u>
Disbursements:		
General government	16,351	
Highways and streets		5,051
Public safety		20,191
Recreation and culture		100
Debt service		2,119
Unclassified	2,074	124
Total Disbursements	<u>18,425</u>	<u>27,585</u>
Cash Balance, December 31, 2021	<u>\$ 23,465</u>	<u>\$ 158,565</u>

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

Schedule 4

	Street	Fire Department	Community Center	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 91,693	\$ 46,077	\$ 3,079		\$ 140,849
Receipts:					
State aid	11,113	9,546			20,659
Federal aid				\$ 14,192	14,192
Property taxes	475				475
Sales taxes		4,046			4,046
Interest	87	45	3		135
Local permits and fees		3,450			3,450
Donations/fundraising		1,505			1,505
Other		839			839
Total Receipts	11,675	19,431	3	14,192	45,301
Disbursements:					
Highways and streets	5,051				5,051
Public safety		20,191			20,191
Recreation and culture			100		100
Debt service	2,119				2,119
Unclassified	124				124
Total Disbursements	7,294	20,191	100		27,585
Cash Balance, December 31, 2021	\$ 96,074	\$ 45,317	\$ 2,982	\$ 14,192	\$ 158,565

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

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 23,047	\$ 157,670
Receipts:		
State aid	2,181	22,146
Property taxes	4,023	443
Franchise fees	5,806	
Sales taxes		3,603
Interest	24	143
Local permits and fees	5,106	3,180
Donations/fundraising		1,665
Other	1,824	588
Unclassified	7,263	
Total Receipts	<u>26,227</u>	<u>31,768</u>
Disbursements:		
General government	24,504	
Highways and streets		3,695
Public safety		42,010
Recreation and culture		700
Debt service		2,119
Unclassified		65
Total Disbursements	<u>24,504</u>	<u>48,589</u>
Cash Balance, December 31, 2020	<u>\$ 24,770</u>	<u>\$ 140,849</u>

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

Schedule 6

	<u>Street</u>	<u>Fire Department</u>	<u>Community Center</u>	<u>Total</u>
Cash Balance, January 1, 2020	\$ 85,930	\$ 67,965	\$ 3,775	\$ 157,670
Receipts:				
State aid	11,106	11,040		22,146
Property taxes	443			443
Sales taxes		3,603		3,603
Interest	93	46	4	143
Local permits and fees		3,180		3,180
Donations/fundraising		1,665		1,665
Other		588		588
Total Receipts	<u>11,642</u>	<u>20,122</u>	<u>4</u>	<u>31,768</u>
Disbursements:				
Highways and streets	3,695			3,695
Public safety		42,010		42,010
Recreation and culture			700	700
Debt service	2,119			2,119
Unclassified	65			65
Total Disbursements	<u>5,879</u>	<u>42,010</u>	<u>700</u>	<u>48,589</u>
Cash Balance, December 31, 2020	<u>\$ 91,693</u>	<u>\$ 46,077</u>	<u>\$ 3,079</u>	<u>\$ 140,849</u>

TOWN OF OKOLONA, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(UNAUDITED)

Schedule 7

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

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 13,720	\$ 13,720	\$ 13,720
Buildings	69,255	69,255	69,255
Equipment	179,168	179,168	175,791
	<u>262,143</u>	<u>179,168</u>	<u>175,791</u>
Totals	<u>\$ 262,143</u>	<u>\$ 262,143</u>	<u>\$ 258,766</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Total Notes Payable	<u>\$ 4,077</u>	<u>\$ 7,953</u>	<u>\$ 11,607</u>

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)	<u>\$ 14,192</u>	<u>\$ 14,192</u>