

**Town of Okolona, Arkansas**

**Financial and Compliance Report**

**December 31, 2024 and 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF OKOLONA, ARKANSAS  
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# Arkansas



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**Sen. Jim Dotson**  
Senate Vice Chair

**Rep. Robin Lundstrum**  
House Chair  
**Rep. RJ Hawk**  
House Vice Chair

**Kevin William White, CPA, JD**  
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 years ended December 31, 2024 and 2023, and have issued our report thereon dated May 5, 2025. 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 relate to the following officials who held office during 2024 and 2023:

Mayor: Sara Cox  
Recorder/Treasurer: Sandra Bearden

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**. Additionally, during our evaluation, other issues came to our attention that would warrant disclosure in this report.

#### **Mayor**

In 2023, General Fund disbursements exceeded total appropriations by \$4,191 (28%), in noncompliance with Ark. Code Ann. § 14-58-203.

#### **Recorder/Treasurer**

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 – 14-59-119. The Town was in noncompliance with these codes and other accounting procedures as follows:

- Prenumbered checks were not issued for all disbursements.
- A fixed asset listing was provided but did not properly include beginning balances, additions, deletions, identification numbers, and totals by major category.
- Bank accounts were not properly reconciled to the journals, and reconciliations were not approved by someone other than the preparer.
- Cash receipts journals were not properly maintained and were not reconciled to total deposits per bank.
- Cash disbursements journals were not properly maintained and were not reconciled to total disbursements per bank.
- Adequate supporting documentation was not maintained for tested disbursements.
- Annual financial statements were not prepared and posted.
- The Recorder/Treasurer did not submit detailed monthly financial reports to the council.
- Prenumbered receipts were not issued for all funds received.

#### **Other Issues**

Thirty-nine unauthorized withdrawals totaling \$19,134 were made from a Town bank account from April 3 through May 20, 2024. Entity personnel discovered the unauthorized withdrawals upon review of the affected bank account, and the funds were recovered from the bank.

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



Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
May 5, 2025  
LOM312124

TOWN OF OKOLONA, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2024	\$ 20,146	\$ 171,412
Receipts:		
State aid	1,443	20,340
Property taxes	5,280	415
Franchise fees	6,565	
Sales taxes		5,126
Interest	21	165
Local permits and fees		7,350
Rent	5,995	
Donations/fundraising		6,615
Other	530	689
Total Receipts	<u>19,834</u>	<u>40,700</u>
Disbursements:		
General government	19,004	
Highways and streets		5,277
Public safety		49,136
Total Disbursements	<u>19,004</u>	<u>54,413</u>
Cash Balance, December 31, 2024	<u>\$ 20,976</u>	<u>\$ 157,699</u>

TOWN OF OKOLONA, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>Community Center</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 101,464	\$ 67,367	\$ 2,581	\$ 171,412
Receipts:				
State aid	7,976	12,364		20,340
Property taxes	415			415
Sales taxes		5,126		5,126
Interest	104	58	3	165
Local permits and fees		7,350		7,350
Donations/fundraising		6,615		6,615
Other		689		689
Total Receipts	<u>8,495</u>	<u>32,202</u>	<u>3</u>	<u>40,700</u>
Disbursements:				
Highways and streets	5,277			5,277
Public safety		49,136		49,136
Total Disbursements	<u>5,277</u>	<u>49,136</u>		<u>54,413</u>
Cash Balance, December 31, 2024	<u>\$ 104,682</u>	<u>\$ 50,433</u>	<u>\$ 2,584</u>	<u>\$ 157,699</u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 21,304	\$ 150,303
Receipts:		
State aid	1,475	19,625
Property taxes	5,673	778
Franchise fees	6,840	
Sales taxes		4,805
Interest	21	164
Local permits and fees		7,565
Rent	3,210	
Donations/fundraising		5,893
Other	914	921
Total Receipts	<u>18,133</u>	<u>39,751</u>
Disbursements:		
General government	18,112	
Highways and streets	94	4,936
Public safety	538	13,187
Recreation and culture		519
Unclassified	547	
Total Disbursements	<u>19,291</u>	<u>18,642</u>
Cash Balance, December 31, 2023	<u>\$ 20,146</u>	<u>\$ 171,412</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Department</u>	<u>Community Center</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 97,451	\$ 49,867	\$ 2,985	\$ 150,303
Receipts:				
State aid	8,183	11,442		19,625
Property taxes	778			778
Sales taxes		4,805		4,805
Interest	100	61	3	164
Local permits and fees		7,565		7,565
Donations/fundraising		5,893		5,893
Other		921		921
Total Receipts	<u>9,061</u>	<u>30,687</u>	<u>3</u>	<u>39,751</u>
Disbursements:				
Highways and streets	4,936			4,936
Public safety		13,187		13,187
Recreation and culture	112		407	519
Total Disbursements	<u>5,048</u>	<u>13,187</u>	<u>407</u>	<u>18,642</u>
Cash Balance, December 31, 2023	<u>\$ 101,464</u>	<u>\$ 67,367</u>	<u>\$ 2,581</u>	<u>\$ 171,412</u>

TOWN OF OKOLONA, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
 (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, 2024	December 31, 2023
	<u>          </u>	<u>          </u>
Land	\$ 13,720	\$ 13,720
Buildings	69,255	69,255
Equipment	<u>194,315</u>	<u>177,479</u>
Totals	<u>\$ 277,290</u>	<u>\$ 260,454</u>