

Town of Omaha, Arkansas

Financial and Compliance Report

December 31, 2022, 2021, and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF OMAHA, 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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Omaha, 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 Omaha, Arkansas, as of and for the years ended December 31, 2022, 2021, and 2020, and have issued our report thereon dated August 18, 2023. These procedures were not performed for the Water 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, 2021, and 2020:

Mayor: Leslie King
Police Chief: Troy Burleson

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 **Police Chief**.

Mayor

Adequate supporting documentation was not maintained for all disbursements, as required by Ark. Code Ann. § 14-59-105. A similar finding was noted in the previous report.

A fixed asset listing was established, but not properly updated for additions and deletions, and a fixed assets policy had not been adopted, in noncompliance with Ark. Code Ann. § 14-59-107. A similar finding was noted in the previous report.

Annual financial statements were not prepared and posted, as required by Ark. Code Ann. § 14-59-116.

The following deficiencies were noted regarding the City's receipting process, in noncompliance with Ark Code Ann. § 14-59-109:

- Prenumbered receipts were not issued for all funds received.
- Receipts were not always issued in sequential order.
- Receipts were not deposited in a timely manner.
- Receipts were not formally receipted at the time of collection or earliest opportunity.

A similar finding was noted in the previous report.

Bank reconciliations were not properly prepared for all bank accounts or approved by a municipal official or employee other than the person preparing the reconciliation, as required by Ark. Code Ann. § 14-59-108. A similar finding was noted in the previous report.

Cash receipts and disbursements journals were not properly posted and reconciled with bank deposits and withdrawals, in noncompliance with Ark. Code Ann. §§ 14-59-108, 110, 111. A similar finding was noted in the previous report.

The governing body did not review the prior year report and accompanying comments, as required by Ark. Code Ann. § 10-4-418.

Mayor (Continued)

The City has not obtained an audit or agreed-upon procedures report for the City's Water Department since 2018, as required by Ark. Code Ann. § 14-234-119.

Council did not designate an official, agency, or department who shall be primarily responsible for the collection of fines assessed in the District Court, in noncompliance with Ark. Code Ann. § 16-13-709. A similar finding was noted in the previous report.

Police Chief

A list of all uniform citation books and the corresponding range of citations in each book was not maintained, as required by Ark. Code Ann. § 16-10-205. A similar finding was noted in the previous 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



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

Little Rock, Arkansas
August 18, 2023
LOM312222

TOWN OF OMAHA, 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	\$ 9,819	\$ 44,812
Receipts:		
State aid	1,910	11,051
Federal aid		17,921
Property taxes	3,472	762
Franchise fees	7,051	
Sales taxes	28,222	
Fines, forfeitures, and costs	2,357	
Interest	12	15
Local permits and fees	785	
Resource officer reimbursement	15,690	
Rent	2,835	
Other	7,354	
Total Receipts	<u>69,688</u>	<u>29,749</u>
Disbursements:		
General government	35,340	26,842
Law enforcement	16,668	
Highways and streets		7,367
Contribution to water		9,000
Unclassified	677	
Total Disbursements	<u>52,685</u>	<u>43,209</u>
Cash Balance, December 31, 2022	<u>\$ 26,822</u>	<u>\$ 31,352</u>

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

Schedule 2

	Street	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 26,891	\$ 17,921	\$ 44,812
Receipts:			
State aid	11,051		11,051
Federal aid		17,921	17,921
Property taxes	762		762
Interest	15		15
Total Receipts	<u>11,828</u>	<u>17,921</u>	<u>29,749</u>
Disbursements:			
General government		26,842	26,842
Highways and streets	7,367		7,367
Contribution to water		9,000	9,000
Total Disbursements	<u>7,367</u>	<u>35,842</u>	<u>43,209</u>
Cash Balance, December 31, 2022	<u>\$ 31,352</u>	<u>\$ 0</u>	<u>\$ 31,352</u>

TOWN OF OMAHA, 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	\$ 24,198	\$ 16,406
Receipts:		
State aid	2,630	13,107
Federal aid		17,921
Property taxes	4,753	820
Franchise fees	2,208	
Sales taxes	33,304	
Fines, forfeitures, and costs	246	
Interest	13	12
Resource officer reimbursement	8,745	
Rent	3,125	
Other	20,275	
Total Receipts	<u>75,299</u>	<u>31,860</u>
Disbursements:		
General government	78,638	
Law enforcement	10,640	
Highways and streets		3,454
Unclassified	400	
Total Disbursements	<u>89,678</u>	<u>3,454</u>
Cash Balance, December 31, 2021	<u>\$ 9,819</u>	<u>\$ 44,812</u>

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

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2021	<u>\$ 16,406</u>		<u>\$ 16,406</u>
Receipts:			
State aid	13,107		13,107
Federal aid		\$ 17,921	17,921
Property taxes	820		820
Interest	12		12
Total Receipts	<u>13,939</u>	<u>17,921</u>	<u>31,860</u>
Disbursements:			
Highways and streets	<u>3,454</u>		<u>3,454</u>
Cash Balance, December 31, 2021	<u>\$ 26,891</u>	<u>\$ 17,921</u>	<u>\$ 44,812</u>

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

Schedule 5

	General Fund	Special Revenue Fund (Street)
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 9,887	\$ 10,834
Receipts:		
State aid	2,508	12,758
Property taxes	1,305	705
Sales taxes	30,979	
Interest	19	13
Local permits and fees	450	
Resource officer reimbursement	1,740	
Other	36,669	
Total Receipts	<u>73,670</u>	<u>13,476</u>
Disbursements:		
General government	57,025	
Highways and streets		4,937
Public safety	2,037	
Debt service	297	2,967
Total Disbursements	<u>59,359</u>	<u>7,904</u>
Cash Balance, December 31, 2020	<u>\$ 24,198</u>	<u>\$ 16,406</u>

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

Schedule 6

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General and Park
3. The Municipality's capital assets records are summarized below:

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 27,199	\$ 27,199	\$ 27,199
Buildings	436,200	436,200	436,200
Equipment	80,036	80,036	80,036
Totals	\$ 543,435	\$ 543,435	\$ 543,435

7. 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)	\$ 17,921	\$ 17,921