

Town of Oil Trough, Arkansas

Financial and Compliance Report

December 31, 2023, 2022, and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF OIL TROUGH, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

Financial and Compliance Report	<u>Schedule</u>
2023	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2022	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2021	
Schedule of Financial Information (Unaudited)	5
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	6
2023, 2022, and 2021	
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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Oil Trough, 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 Oil Trough, Arkansas, as of and for the years ended December 31, 2023, 2022, and 2021, and have issued our report thereon dated September 23, 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 findings contained in this section relate to the following officials who held office during 2023, 2022, and 2021:

Mayor: Bobby Carroll
Recorder/Treasurer: Judy Smotherman

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 and 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:

- Invoices and supporting documentation were not provided for disbursements.
- Payroll records were not provided. A similar finding was noted in the previous report dating back to 2019.
- A detailed fixed asset listing was not provided.
- Bank accounts were not reconciled. A similar finding was noted in the previous five reports dating back to 2011.
- Prenumbered receipts were not issued. A similar finding was noted in the previous five reports dating back to 2011.
- Cash receipts and disbursements journals were not established. A similar finding was noted in the previous two reports dating back to 2017.
- The Recorder/Treasurer did not submit monthly financial reports to the council.
- Annual financial statements were not posted. A similar finding was noted in the previous report dating back to 2019.

Town Council minutes were not provided for inspection, in accordance with Ark. Code Ann. § 14-45-107.

Mayor

Budgets were not provided, in noncompliance with Ark. Code Ann. §§ 14-58-202, -203.

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". The signature is written in a cursive style with a large, sweeping flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 23, 2024
LOM319223

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 78,921	\$ 430,770
Receipts:		
State aid	3,436	130,083
Property taxes	2,841	1,709
Sales taxes	48,087	159,609
Interest		1,796
Contributions from Independence County	12,891	2,070
Unclassified	38,005	347
Total Receipts	<u>105,260</u>	<u>295,614</u>
Disbursements:		
Law enforcement	7,004	
Highways and streets		17,072
Public safety		47,787
Social services		2,001
Unclassified	103,634	500
Total Disbursements	<u>110,638</u>	<u>67,360</u>
Cash Balance, December 31, 2023	<u>\$ 73,543</u>	<u>\$ 659,024</u>

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

Schedule 2

	Street	Fire Equipment and Training	Fire Department Special Purpose	Senior Citizens	American Rescue Plan Act	Park Grant	Total
Cash Balance, January 1, 2023	\$ 58,253	\$ 86,250	\$ 244,845	\$ 5,593	\$ 35,829		\$ 430,770
Receipts:							
State aid	19,064	11,019				\$ 100,000	130,083
Property taxes	1,709						1,709
Sales taxes		30,465	129,144				159,609
Interest	257	43			18	1,478	1,796
Contributions from Independence County	1,070			1,000			2,070
Unclassified			3	344			347
Total Receipts	<u>22,100</u>	<u>41,527</u>	<u>129,147</u>	<u>1,344</u>	<u>18</u>	<u>101,478</u>	<u>295,614</u>
Disbursements:							
Highways and streets	17,072						17,072
Public safety		18,340	29,447				47,787
Social services				2,001			2,001
Unclassified					500		500
Total Disbursements	<u>17,072</u>	<u>18,340</u>	<u>29,447</u>	<u>2,001</u>	<u>500</u>		<u>67,360</u>
Cash Balance, December 31, 2023	<u>\$ 63,281</u>	<u>\$ 109,437</u>	<u>\$ 344,545</u>	<u>\$ 4,936</u>	<u>\$ 35,347</u>	<u>\$ 101,478</u>	<u>\$ 659,024</u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2022	\$ 65,641	\$ 347,929
Receipts:		
State aid	3,371	29,531
Federal aid		28,384
Property taxes	2,620	1,572
Sales taxes	45,658	134,655
Interest		308
Contributions from Independence County	14,126	2,097
Unclassified	42,327	301
Total Receipts	<u>108,102</u>	<u>196,848</u>
Disbursements:		
Law enforcement	12,418	
Highways and streets		16,360
Public safety		90,542
Social services		1,312
Unclassified	82,404	5,793
Total Disbursements	<u>94,822</u>	<u>114,007</u>
Cash Balance, December 31, 2022	<u>\$ 78,921</u>	<u>\$ 430,770</u>

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

Schedule 4

	Street	Fire Equipment and Training	Fire Department Special Purpose	Senior Citizens	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 51,878	\$ 81,132	\$ 195,786	\$ 5,904	\$ 13,229	\$ 347,929
Receipts:						
State aid	19,512	10,019				29,531
Federal aid					28,384	28,384
Property taxes	1,572					1,572
Sales taxes		21,613	113,042			134,655
Interest	255	44			9	308
Contributions from Independence County	1,096			1,001		2,097
Unclassified	300		1			301
Total Receipts	<u>22,735</u>	<u>31,676</u>	<u>113,043</u>	<u>1,001</u>	<u>28,393</u>	<u>196,848</u>
Disbursements:						
Highways and streets	16,360					16,360
Public safety		26,558	63,984			90,542
Social services				1,312		1,312
Unclassified					5,793	5,793
Total Disbursements	<u>16,360</u>	<u>26,558</u>	<u>63,984</u>	<u>1,312</u>	<u>5,793</u>	<u>114,007</u>
Cash Balance, December 31, 2022	<u>\$ 58,253</u>	<u>\$ 86,250</u>	<u>\$ 244,845</u>	<u>\$ 5,593</u>	<u>\$ 35,829</u>	<u>\$ 430,770</u>

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

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 99,978	\$ 212,103
Receipts:		
State aid	4,131	29,942
Federal aid	74	28,310
Property taxes	3,012	1,815
Sales taxes	50,013	166,336
Interest		482
Contributions from Independence County	11,571	1,971
Unclassified	52,242	891
Total Receipts	121,043	229,747
Disbursements:		
Law enforcement	40,319	
Highways and streets		29,311
Public safety		48,643
Social services		883
Unclassified	115,061	15,084
Total Disbursements	155,380	93,921
Cash Balance, December 31, 2021	\$ 65,641	\$ 347,929

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

Schedule 6

	Street	Fire Equipment and Training	Fire Department Special Purpose	Senior Citizens	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 57,101	\$ 52,383	\$ 96,985	\$ 5,634		\$ 212,103
Receipts:						
State aid	20,749	9,193				29,942
Federal aid					\$ 28,310	28,310
Property taxes	1,815					1,815
Sales taxes		36,707	129,629			166,336
Interest	436	43			3	482
Contributions from Independence County	1,088			883		1,971
Unclassified		500	121	270		891
Total Receipts	<u>24,088</u>	<u>46,443</u>	<u>129,750</u>	<u>1,153</u>	<u>28,313</u>	<u>229,747</u>
Disbursements:						
Highways and streets	29,311					29,311
Public safety		17,694	30,949			48,643
Social services				883		883
Unclassified					15,084	15,084
Total Disbursements	<u>29,311</u>	<u>17,694</u>	<u>30,949</u>	<u>883</u>	<u>15,084</u>	<u>93,921</u>
Cash Balance, December 31, 2021	<u>\$ 51,878</u>	<u>\$ 81,132</u>	<u>\$ 195,786</u>	<u>\$ 5,904</u>	<u>\$ 13,229</u>	<u>\$ 347,929</u>

TOWN OF OIL TROUGH, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
 (UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General and Law Enforcement
3. The Municipality's capital assets records were not available.
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>\$ 28,384</u>	<u>\$ 28,310</u>