City of Leola, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF LEOLA, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Leola, 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 City of Leola, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated August 19, 2025. These procedures were not performed for the Water and Sewer Department. Management of the City 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 2024 and 2023:

Mayor: William Woodson
Recorder/Treasurer: Steve Partridge (Appointed February 16, 2023)
Lindsey Groomes (Resigned February 28, 2023)

We evaluated the City'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

The City paid $900 for gifts for two retirees, in apparent conflict with Ark. Const. art. 12 § 5, as interpreted in Op. Att'y Gen. no. 91-410. In addition, this transaction lacked supporting documentation, therefore the validity of this purchase could not be determined.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City 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
August 19, 2025
LOM223224

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	$ 324,491	$ 644,586
Receipts:		
State aid	6,841	53,859
Property taxes	31,118	
Franchise fees	19,294	
Interest	2,402	1,826
Local permits and fees		3,773
Donations		9,249
Contribution from county	6,250	9,250
Other	3,484	
Transfers in		3,000
Total Receipts	69,389	80,957
Disbursements:		
General government	70,044	
Highways and streets		53,187
Public safety		15,747
Recreation and culture	1,245	
Contribution to water and sewer	46,573	
Water and sewer		103,591
Transfers out	3,000	
Unclassified		373
Total Disbursements	120,862	172,898
Cash Balance, December 31, 2024	$ 273,018	$ 552,645

CITY OF LEOLA, ARKANSAS

Schedule 2

COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

(UNAUDITED)

	Street	Fire Department	Rural Fire Protection - Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	$ 506,913	$ 32,366	$ 1,716	$ 103,591	$ 644,586
Receipts:					
State aid	37,826		16,033		53,859
Interest	1,826				1,826
Local permits and fees		3,773			3,773
Donations		9,249			9,249
Contribution from county		9,250			9,250
Transfers in		3,000			3,000
Total Receipts	39,652	25,272	16,033		80,957
Disbursements:					
Highways and streets	53,187				53,187
Public safety		15,747			15,747
Water and sewer				103,591	103,591
Unclassified	373				373
Total Disbursements	53,560	15,747		103,591	172,898
Cash Balance, December 31, 2024	$ 493,005	$ 41,891	$ 17,749	$ 0	$ 552,645

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	$ 293,909	$ 703,828
Receipts:		
State aid	6,994	53,641
Property taxes	49,117	33,437
Franchise fees	15,146	
Interest	1,273	1,612
Local permits and fees		10,298
Donations		1,710
Contribution from county	5,250	9,250
Other	6,732	
Unclassified		107
Total Receipts	84,512	110,055
Disbursements:		
General government	48,666	
Highways and streets		93,310
Public safety		75,737
Recreation and culture	4,920	
Unclassified	344	250
Total Disbursements	53,930	169,297
Cash Balance, December 31, 2023	$ 324,491	$ 644,586

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

Schedule 4

	Street	Fire Department	Rural Fire Protection - Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	$ 526,513	$ 37,085	$ 36,639	$ 103,591	$ 703,828
Receipts:					
State aid	38,804		14,837		53,641
Property taxes	33,437				33,437
Interest	1,612				1,612
Local permits and fees		10,298			10,298
Donations		1,710			1,710
Contribution from county		9,250			9,250
Unclassified	107				107
Total Receipts	73,960	21,258	14,837		110,055
Disbursements:					
Highways and streets	93,310				93,310
Public safety		25,977	49,760		75,737
Unclassified	250				250
Total Disbursements	93,560	25,977	49,760		169,297
Cash Balance, December 31, 2023	$ 506,913	$ 32,366	$ 1,716	$ 103,591	$ 644,586

CITY OF LEOLA, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

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

	December 31, 2024	December 31, 2023
Land	$ 53,240	$ 53,240
Buildings	133,321	133,321
Equipment	480,961	480,961
Totals	$ 667,522	$ 667,522