

Town of Horseshoe Lake, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HORSESHOE LAKE, ARKANSAS
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Arkansas

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Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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 Horseshoe Lake, 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 Horseshoe Lake, Arkansas, as of and for the year ended December 31, 2020, and have issued our report thereon dated December 2, 2021. These procedures were not performed for the Water and Sewer Funds. 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 2020:

Mayor: Garry Hahne
Recorder/Treasurer: Carol Adams

We evaluated the Town's compliance with certain state laws concerning general 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

An agreed-upon procedures and compilation report was not obtained for the Water and Sewer Funds for 2019, in noncompliance with Ark. Code Ann. § 14-234-119.

Recorder/Treasurer

The following issues were noted concerning the Town's payroll:

- Wages and taxes withheld did not reconcile between the Internal Revenue Service (IRS) Quarterly 941 reports, the IRS Forms W-3 and W-2, and the Arkansas Department of Finance and Administration AR3 report. Due to these discrepancies it appears taxes withheld may not have been fully remitted to the appropriate taxing agencies.
- The Recorder/Treasurer's (payroll preparer) salary per the IRS Form W-2 exceeded the payroll journals by \$413.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
December 2, 2021
LOM308420

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 2,003	\$ 152,874
Receipts:		
State aid	4,332	37,806
Property taxes	10,218	1,125
Franchise fees	11,062	
Sales taxes	26,144	
Interest	7	169
Local permits and fees	2,020	21,165
Other	4,224	
Total Receipts	<u>58,007</u>	<u>60,265</u>
Disbursements:		
General government	56,550	
Highways and streets		6,625
Public safety		34,269
Total Disbursements	<u>56,550</u>	<u>40,894</u>
Cash Balance, December 31, 2020	<u>\$ 3,460</u>	<u>\$ 172,245</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>Fire Department</u>	<u>Fire Rescue</u>	<u>Total</u>
Cash Balance, January 1, 2020	\$ 95,757	\$ 48,653	\$ 3,351	\$ 5,113	\$ 152,874
Receipts:					
State aid	22,043	15,763			37,806
Property taxes	1,125				1,125
Interest	157		12		169
Local permits and fees			21,165		21,165
Total Receipts	<u>23,325</u>	<u>15,763</u>	<u>21,177</u>		<u>60,265</u>
Disbursements:					
Highways and streets	6,625				6,625
Public safety		9,638	23,631	1,000	34,269
Total Disbursements	<u>6,625</u>	<u>9,638</u>	<u>23,631</u>	<u>1,000</u>	<u>40,894</u>
Cash Balance, December 31, 2020	<u>\$ 112,457</u>	<u>\$ 54,778</u>	<u>\$ 897</u>	<u>\$ 4,113</u>	<u>\$ 172,245</u>

TOWN OF HORSESHOE LAKE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.
2. The Municipality's capital assets records are summarized below:

	<u>December 31, 2020</u>
Land	\$ 97,000
Buildings	994,555
Equipment	<u>908,745</u>
Total	<u><u>\$ 2,000,300</u></u>