

Arkansas



Sen. Ronald Caldwell
Senate Chair
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

TO: Auditee

FROM: Marti Steel, CPA
Deputy Legislative Auditor

DATE: May 27, 2022

SUBJECT: Legislative Joint Auditing Committee Review Of:

Town of Keo
December 31, 2021 and 2020

With the approval of the Chairs of the Legislative Joint Auditing Committee, the enclosed report will be presented to the Legislative Joint Auditing Committee for its review at **1:30 p.m.**, on **Thursday, June 2, 2022, in Conference Room 151, State Capitol Building, Little Rock, Arkansas.**

If your presence at the meeting is requested, you will be notified in a separate letter.

Please refer to the "Meetings" tab on our website at arklegaudit.gov or the meeting calendar on the General Assembly webpage at arkleg.state.ar.us for any additional changes to meeting dates.

If you should have any questions or comments regarding this matter, please feel free to contact us.

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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Keo, 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 Keo, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated April 11, 2022. 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 commentary contained in this section relates to the following officials who held office during 2021 and 2020:

Mayor: Stephanie White (appointed November 12, 2020)
James Pearson (resigned September 21, 2020)
Recorder/Treasurer: Clara Hughes

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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

Handwritten signature of Roger A. Norman in cursive script.

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

Little Rock, Arkansas
April 11, 2022
LOM309121

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 177,707	\$ 82,077
Receipts:		
State aid	17,222	33,511
Federal aid	26,001	
Property taxes	3,884	4,749
Franchise fees	6,458	
Sales taxes	58,304	
Interest	234	75
Other	7,730	833
Transfers in		4,000
Total Receipts	<u>119,833</u>	<u>43,168</u>
Disbursements:		
General government	39,655	
Highways and streets		24,037
Public safety	5,566	9,795
Sanitation	25,913	
Health	13,924	
Recreation and culture		3,570
Transfers out	4,000	
Unclassified	10,000	
Total Disbursements	<u>99,058</u>	<u>37,402</u>
Cash Balance, December 31, 2021	\$ 198,482	\$ 87,843

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

Schedule 2

	Street	Fire Department	Veteran's Memorial	Total
Cash Balance, January 1, 2021	\$ 42,914	\$ 36,856	\$ 2,307	\$ 82,077
Receipts:				
State aid	20,118	13,393		33,511
Property taxes	4,749			4,749
Interest		75		75
Other		833		833
Transfers in			4,000	4,000
Total Receipts	<u>24,867</u>	<u>14,301</u>	<u>4,000</u>	<u>43,168</u>
Disbursements:				
Highways and streets	24,037			24,037
Public safety		9,795		9,795
Recreation and culture			3,570	3,570
Total Disbursements	<u>24,037</u>	<u>9,795</u>	<u>3,570</u>	<u>37,402</u>
Cash Balance, December 31, 2021	<u>\$ 43,744</u>	<u>\$ 41,362</u>	<u>\$ 2,737</u>	<u>\$ 87,843</u>

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 157,438	\$ 105,570
Receipts:		
State aid	3,798	38,140
Federal aid	10,135	
Property taxes	3,548	3,061
Franchise fees	5,401	
Sales taxes	54,470	
Interest	453	147
Other	30	
Total Receipts	<u>77,835</u>	<u>41,348</u>
Disbursements:		
General government	39,065	54,590
Highways and streets		7,740
Public safety	5,695	
Sanitation	6,148	
Health	6,658	
Recreation and culture		2,511
Total Disbursements	<u>57,566</u>	<u>64,841</u>
Cash Balance, December 31, 2020	<u>\$ 177,707</u>	<u>\$ 82,077</u>

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

Schedule 4

	Street	Fire Department	Veteran's Memorial	Total
Cash Balance, January 1, 2020	\$ 75,117	\$ 25,635	\$ 4,818	\$ 105,570
Receipts:				
State aid	19,326	18,814		38,140
Property taxes	3,061			3,061
Interest		147		147
Total Receipts	<u>22,387</u>	<u>18,961</u>		<u>41,348</u>
Disbursements:				
Highways and streets	54,590	7,740		62,330
Public safety			2,511	2,511
Recreation and culture	54,590	7,740	2,511	64,841
Total Disbursements	<u>54,590</u>	<u>7,740</u>	<u>2,511</u>	<u>64,841</u>
Cash Balance, December 31, 2020	<u>\$ 42,914</u>	<u>\$ 36,856</u>	<u>\$ 2,307</u>	<u>\$ 82,077</u>

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

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General checking, General reserve, and General certificate of deposit

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

	December 31, 2021	December 31, 2020
Land	\$ 115,125	\$ 115,125
Buildings	137,700	137,700
Equipment	190,450	195,950
Total	\$ 443,275	\$ 448,775

4. The Town received federal funding in the following amounts related to COVID-19 relief:

	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)	\$ 26,001	\$ 10,135
American Rescue Plan Act (ARPA)	\$ 26,001	\$ 10,135
Total	\$ 52,002	\$ 20,270

