

Town of Banks, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF BANKS, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas



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Sen. Jim Dotson
Senate Vice Chair

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House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Banks, 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 Banks, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated October 16, 2025. 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 finding contained in this section relates to the following officials who held office during 2024:

Mayor: Keeton Hudson
Recorder/Treasurer: Leah Via

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 office of **Recorder/Treasurer**.

Recorder/Treasurer

A review of the Town's payroll records revealed Internal Revenue Service (IRS) quarterly 941 reports were not prepared, and the Town did not remit payroll withholdings for reporting periods dating back to 2020. On September 26, 2025, the Town remitted \$2,549 to the IRS for 2018 and on September 29, 2025, the Town remitted \$2,689 to the IRS for 2019. 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

A handwritten signature in black ink, appearing to read "Kevin White", written over a white background.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 16, 2025
LOM301124

TOWN OF BANKS, 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	\$ 4,013	\$ 115,569
Receipts:		
State aid	1,294	27,305
Property taxes	1,982	1,598
Franchise fees	4,075	
Sales taxes	19,258	
Interest	20	61
Donations		11,695
Festival proceeds		15,167
Other	100	
Unclassified	8,150	1,415
Total Receipts	34,879	57,241
Disbursements:		
General government	25,163	
Highways and streets		7,765
Public safety		16,895
Recreation and culture	1,516	19,447
Unclassified		7,931
Total Disbursements	26,679	52,038
Cash Balance, December 31, 2024	\$ 12,213	\$ 120,772

TOWN OF BANKS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	Street	Fire Department	Fire Department ACEDP Grant	Fire Department Special Acct	USDA-RD HVAC Grant	Buck Fever	American Rescue Plan Act	Buck Fever T-Shirts	Total
Cash Balance, January 1, 2024	\$ 39,636	\$ 55,033	\$ 98	\$ 97	\$ 439	\$ 12,150	\$ 7,931	\$ 185	\$ 115,569
Receipts:									
State aid	7,154	20,151							27,305
Property taxes	1,598								1,598
Interest	61								61
Donations						11,695			11,695
Festival proceeds						15,167			15,167
Unclassified		1,415							1,415
Total Receipts	<u>8,813</u>	<u>21,566</u>				<u>26,862</u>			<u>57,241</u>
Disbursements:									
Highways and streets	7,765								7,765
Public safety		16,895							16,895
Recreation and culture						19,447			19,447
Unclassified							7,931		7,931
Total Disbursements	<u>7,765</u>	<u>16,895</u>				<u>19,447</u>	<u>7,931</u>		<u>52,038</u>
Cash Balance, December 31, 2024	<u>\$ 40,684</u>	<u>\$ 59,704</u>	<u>\$ 98</u>	<u>\$ 97</u>	<u>\$ 439</u>	<u>\$ 19,565</u>	<u>\$ 0</u>	<u>\$ 185</u>	<u>\$ 120,772</u>

TOWN OF BANKS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(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,</u> <u>2024</u>
Land	\$ 23,674
Buildings	134,706
Equipment	<u>27,594</u>
Total	<u>\$ 185,974</u>