

Town of Franklin, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF FRANKLIN, ARKANSAS
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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



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Rep. Richard Womack
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Franklin, 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 Franklin, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated September 10, 2024. These procedures were not performed for the Water 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 and 2022:

Mayor: Louise Williams (January 1 – December 31, 2023)
Barbara Dusto (January 1 – December 31, 2022)
Recorder/Treasurer: Victoria Bigness (Appointed June 1, 2023)
Stevie Smith (Resigned May 31, 2023)

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 **Mayor**.

Mayor

The minutes of the governing body did not document the review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann. § 10-4-418. A similar finding was noted in the previous report.

Total disbursements for the Street Fund in 2023 exceeded appropriations by \$4,026 (28.76%), in noncompliance with Ark. Code Ann. § 14-58-203.

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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 10, 2024
LOM306123

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 73,927	\$ 105,126
Receipts:		
State aid	2,904	32,325
Federal aid		7,000
Property taxes	5,364	1,654
Franchise fees	7,513	
Sales taxes	32,058	14,532
Interest	179	266
Donations		1,665
Fire dues		13,614
Other	6,152	3,859
Transfers in	3,600	
Total Receipts	<u>57,770</u>	<u>74,915</u>
Disbursements:		
General government	58,808	
Highways and streets		18,026
Public safety		49,722
Transfers out		3,600
Contribution to water	4,659	
Total Disbursements	<u>63,467</u>	<u>71,348</u>
Cash Balance, December 31, 2023	<u>\$ 68,230</u>	<u>\$ 108,693</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>Fire Department Surplus</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 69,491	\$ 26,277	\$ 9,358	\$ 105,126
Receipts:				
State aid	16,112		16,213	32,325
Federal aid		7,000		7,000
Property taxes	1,654			1,654
Sales taxes	4,209	10,323		14,532
Interest	134	130	2	266
Donations		1,665		1,665
Fire dues		13,614		13,614
Other		3,859		3,859
Total Receipts	<u>22,109</u>	<u>36,591</u>	<u>16,215</u>	<u>74,915</u>
Disbursements:				
Highways and streets	18,026			18,026
Public safety		28,664	21,058	49,722
Transfers out		3,600		3,600
Total Disbursements	<u>18,026</u>	<u>32,264</u>	<u>21,058</u>	<u>71,348</u>
Cash Balance, December 31, 2023	<u>\$ 73,574</u>	<u>\$ 30,604</u>	<u>\$ 4,515</u>	<u>\$ 108,693</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 64,100	\$ 92,402
Receipts:		
State aid	2,850	31,230
Federal aid		19,786
Property taxes	5,244	2,839
Franchise fees	9,156	
Sales taxes	37,503	16,073
Interest	95	91
Donations		3,589
Fire dues		10,505
Other	861	1,728
Transfers in	4,800	
Total Receipts	<u>60,509</u>	<u>85,841</u>
Disbursements:		
General government	45,324	52
Highways and streets		2,574
Public safety		26,163
Transfers out		4,800
Contribution to water	5,358	39,528
Total Disbursements	<u>50,682</u>	<u>73,117</u>
Cash Balance, December 31, 2022	<u>\$ 73,927</u>	<u>\$ 105,126</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Department</u>	<u>Fire Department Surplus</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 47,302	\$ 17,630	\$ 7,682	\$ 19,788	\$ 92,402
Receipts:					
State aid	16,490		14,740		31,230
Federal aid				19,786	19,786
Property taxes	2,839				2,839
Sales taxes	5,358	10,715			16,073
Interest	76	8	1	6	91
Donations		3,589			3,589
Fire dues		10,505			10,505
Other		1,728			1,728
Total Receipts	<u>24,763</u>	<u>26,545</u>	<u>14,741</u>	<u>19,792</u>	<u>85,841</u>
Disbursements:					
General government				52	52
Highways and streets	2,574				2,574
Public safety		13,098	13,065		26,163
Transfers out		4,800			4,800
Contribution to water				39,528	39,528
Total Disbursements	<u>2,574</u>	<u>17,898</u>	<u>13,065</u>	<u>39,580</u>	<u>73,117</u>
Cash Balance, December 31, 2022	<u>\$ 69,491</u>	<u>\$ 26,277</u>	<u>\$ 9,358</u>	<u>\$ 0</u>	<u>\$ 105,126</u>

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

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

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

	December 31, 2023	December 31, 2022
Land	\$ 29,000	\$ 29,000
Buildings	66,200	66,200
Equipment	157,342	139,442
Totals	\$ 252,542	\$ 234,642

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

	December 31, 2023	December 31, 2022
American Rescue Plan Act (ARPA)		\$ 19,786
American Rescue Plan Act (Passed through IZARD County)	\$ 7,000	
Totals	\$ 7,000	\$ 19,786