

Town of Georgetown, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF GEORGETOWN, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Georgetown, 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 Georgetown, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated May 6, 2022. 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 2021 and 2020:

Mayor: Ron Snyder
Recorder/Treasurer: Debra Bryant

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:

1. The City's accounts were under collateralized by \$202,687 (45% of total deposits) at December 31, 2021, in noncompliance with Ark. Code Ann. § 19-8-107.
2. Prenumbered receipts were not issued for all funds received in the Street Fund, as required by Ark. Code Ann. § 14-59-109.
3. A fixed asset listing was established, but did not include all additions, as required by Ark. Code Ann. § 14-59-107.
4. Adequate supporting documentation was not maintained for tested disbursements of \$2,453 (15%) in 2020, in noncompliance with Ark. Code Ann. § 14-59-105.
5. The following issues were noted concerning the Town's 2021 and 2020 payroll:
 - Internal Revenue Service (IRS) Quarterly 941 Forms were not provided.
 - Arkansas Department of Finance and Administration Form AR3 was not provided.

We were unable to determine if the proper amounts of withholdings were remitted; therefore additional penalties and interest could be due.

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
May 6, 2022
LOM318521

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 100,113	\$ 261,791
Receipts:		
State aid	1,893	15,074
Federal aid	13,674	
Property taxes	1,866	282
Franchise fees	21	2,802
Sales taxes	20,263	
Contributions from county		104,230
Other	100	27
Total Receipts	<u>37,817</u>	<u>122,415</u>
Disbursements:		
General government	15,290	
Highways and streets		4,147
Public safety		50,012
Total Disbursements	<u>15,290</u>	<u>54,159</u>
Cash Balance, December 31, 2021	<u>\$ 122,640</u>	<u>\$ 330,047</u>

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

Schedule 2

	<u>Street</u>	<u>Fire</u>	<u>Total</u>
Cash Balance, January 1, 2021	<u>\$ 32,408</u>	<u>\$ 229,383</u>	<u>\$ 261,791</u>
Receipts:			
State aid	9,358	5,716	15,074
Property taxes	282		282
Franchise fees	2,802		2,802
Contributions from county		104,230	104,230
Other	27		27
Total Receipts	<u>12,469</u>	<u>109,946</u>	<u>122,415</u>
Disbursements:			
Highways and streets	4,147		4,147
Public safety		50,012	50,012
Total Disbursements	<u>4,147</u>	<u>50,012</u>	<u>54,159</u>
Cash Balance, December 31, 2021	<u><u>\$ 40,730</u></u>	<u><u>\$ 289,317</u></u>	<u><u>\$ 330,047</u></u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 90,283	\$ 166,931
Receipts:		
State aid	1,840	16,161
Property taxes	1,732	256
Franchise fees	26	2,467
Sales taxes	19,665	
Contributions from county		100,234
Other	400	
Total Receipts	<u>23,663</u>	<u>119,118</u>
Disbursements:		
General government	13,833	
Highways and streets		2,549
Public safety		21,709
Total Disbursements	<u>13,833</u>	<u>24,258</u>
Cash Balance, December 31, 2020	<u>\$ 100,113</u>	<u>\$ 261,791</u>

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

Schedule 4

	<u>Street</u>	<u>Fire</u>	<u>Total</u>
Cash Balance, January 1, 2020	<u>\$ 22,873</u>	<u>\$ 144,058</u>	<u>\$ 166,931</u>
Receipts:			
State aid	9,361	6,800	16,161
Property taxes	256		256
Franchise fees	2,467		2,467
Contributions from county		100,234	100,234
Total Receipts	<u>12,084</u>	<u>107,034</u>	<u>119,118</u>
Disbursements:			
Highways and streets	2,549		2,549
Public safety		21,709	21,709
Total Disbursements	<u>2,549</u>	<u>21,709</u>	<u>24,258</u>
Cash Balance, December 31, 2020	<u><u>\$ 32,408</u></u>	<u><u>\$ 229,383</u></u>	<u><u>\$ 261,791</u></u>

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

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts.

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

	December 31, 2021	December 31, 2020
Land	\$ 21,323	\$ 21,323
Buildings	345,237	345,237
Equipment	<u>333,439</u>	<u>306,740</u>
Totals	<u>\$ 699,999</u>	<u>\$ 673,300</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 13,674</u>