

Town of Georgetown, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF GEORGETOWN, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial and Compliance Report		Schedule
	2023	
Schedule of Financial Information (Unaudited)		1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)		2
	2022	
Schedule of Financial Information (Unaudited)		3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)		4
	2023 and 2022	
Other Information (Unaudited)		5

Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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, 2023 and 2022, and have issued our report thereon dated December 30, 2024. 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: Bobby Bryant (appointed February 2023)
Debra Bryant (appointed acting mayor November and December 2022)
Ron Snyder (resigned October 2022)
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 offices of **Mayor** and **Recorder/Treasurer**.

Mayor and Recorder/Treasurer

Council minutes were not readily available for inspection as required by Ark. Code Ann. § 14-45-107.

Recorder/Treasurer

1. Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 – 14-59-119. The Town was in noncompliance with these codes as follows:
 - Receipts were not deposited in a timely manner.
 - Cash receipts and disbursements journals were not properly maintained.
 - Adequate supporting documentation was not maintained for tested disbursements of \$1,708 (4%) in 2023 and \$31,419 (65%) in 2022.
 - A detailed fixed asset listing was established but was not maintained properly with additions.
 - Internal Revenue Service (IRS) Quarterly 941 Forms were not provided.
 - Arkansas Department of Finance and Administration Form AR3 was not provided.
 - W-2 Forms were not provided.

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

A similar finding was noted in the prior report.

2. The Town's accounts were under collateralized by \$426,514 (63% of total deposits) at December 31, 2023, and were undercollateralized by \$293,294 (54% of total deposits) at December 31, 2022, in noncompliance with Ark. Code Ann. § 19-8-107. A similar finding was noted in the prior 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". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 30, 2024
LOM318523

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 103,776	\$ 448,559
Receipts:		
State aid	1,231	6,833
Property taxes	1,893	283
Franchise fees	32	2,905
Sales taxes	17,045	
Contributions from county		133,156
Other	200	
Transfers in		27,348
Total Receipts	<u>20,401</u>	<u>170,525</u>
Disbursements:		
General government	14,680	
Highways and streets		6,037
Public safety		19,247
Transfers out		27,348
Total Disbursements	<u>14,680</u>	<u>52,632</u>
Cash Balance, December 31, 2023	<u>\$ 109,497</u>	<u>\$ 566,452</u>

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

Schedule 2

	Street	Fire	American Rescue Plan	Total
Cash Balance, January 1, 2023	\$ 36,913	\$ 384,298	\$ 27,348	\$ 448,559
Receipts:				
State aid	6,833			6,833
Property taxes	283			283
Franchise fees	2,905			2,905
Contributions from county		133,156		133,156
Transfers in	27,348			27,348
Total Receipts	<u>37,369</u>	<u>133,156</u>		<u>170,525</u>
Disbursements:				
Highways and streets	6,037			6,037
Public safety		19,247		19,247
Transfers out			27,348	27,348
Total Disbursements	<u>6,037</u>	<u>19,247</u>	<u>27,348</u>	<u>52,632</u>
Cash Balance, December 31, 2023	<u>\$ 68,245</u>	<u>\$ 498,207</u>	<u>\$ 0</u>	<u>\$ 566,452</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 108,966	\$ 343,721
Receipts:		
State aid	1,208	19,193
Federal aid		13,674
Property taxes	1,844	278
Franchise fees	33	2,152
Sales taxes	15,505	
Contributions from county		129,628
Other	377	
Unclassified		39
Total Receipts	18,967	164,964
Disbursements:		
General government	24,157	
Highways and streets		13,241
Public safety		46,885
Total Disbursements	24,157	60,126
Cash Balance, December 31, 2022	\$ 103,776	\$ 448,559

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

Schedule 4

	Street	Fire	American Rescue Plan	Total
Cash Balance, January 1, 2022	\$ 40,730	\$ 289,317	\$ 13,674	\$ 343,721
Receipts:				
State aid	6,994	12,199		19,193
Federal aid			13,674	13,674
Property taxes	278			278
Franchise fees	2,152			2,152
Contributions from county		129,628		129,628
Unclassified		39		39
Total Receipts	<u>9,424</u>	<u>141,866</u>	<u>13,674</u>	<u>164,964</u>
Disbursements:				
Highways and streets	13,241			13,241
Public safety		46,885		46,885
Total Disbursements	<u>13,241</u>	<u>46,885</u>		<u>60,126</u>
Cash Balance, December 31, 2022	<u>\$ 36,913</u>	<u>\$ 384,298</u>	<u>\$ 27,348</u>	<u>\$ 448,559</u>

TOWN OF GEORGETOWN, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (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, 2023	December 31, 2022
Land	\$ 21,323	\$ 21,323
Buildings	348,555	345,237
Equipment	346,349	344,844
Totals	\$ 716,227	\$ 711,404

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 13,674