

**Town of Twin Groves, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF TWIN GROVES, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas

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**Sen. Gary Stubblefield**  
Senate Vice Chair



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**Rep. Nelda Speaks**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

Town of Twin Groves, 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 Twin Groves, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated October 17, 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:

Mayor: Wesley Tyus  
Recorder/Treasurer: Mae Lyon

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**

Although Schedule 1 of this report shows a General Fund balance of \$12,694, as of December 31, 2021, the amount owed to the Street Fund for state aid totaled \$64,529. As shown in Note 5 on Schedule 3, when this outstanding amount was considered, the General Fund has a deficit balance of \$51,835. A similar finding was issued in the prior report.

#### **Mayor**

Minutes did not indicate that the budget was adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202.

#### **Recorder/Treasurer**

1. State aid for highway funds from previous years of \$64,529 was not transferred from the General Fund to the Street Fund, as required by Ark. Code Ann. § 14-59-104. A similar finding has been noted in the previous twelve reports dating back to 2004.
2. The annual financial statement was not published/posted, as required by Ark. Code Ann. § 14-59-116.

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, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas  
October 17, 2022  
LOM319021

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2021	\$ 7,458	\$ 53,000
Receipts:		
State aid	5,397	33,851
Federal aid		27,563
Property taxes	11,951	3,801
Franchise fees	8,765	12,955
Sales taxes	34,713	
Interest		18
Local permits and fees		6,996
Donations	142	1,000
Other	1,974	6
Transfers in		4,894
Note proceeds	5,565	
Total Receipts	<u>68,507</u>	<u>91,084</u>
Disbursements:		
General government	51,320	22
Highways and streets		8,392
Public safety	225	6,099
Sanitation	1,335	
Debt service	5,497	15,718
Transfers out	4,894	
Total Disbursements	<u>63,271</u>	<u>30,231</u>
Cash Balance, December 31, 2021	<u>\$ 12,694</u>	<u>\$ 113,853</u>

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

Schedule 2

	Street	Fire	Fire Equipment and Training (Act 833)	USDA Rural Development Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 32,366	\$ 1,622	\$ 1,511	\$ 17,501		\$ 53,000
Receipts:						
State aid	27,252		6,599			33,851
Federal aid					\$ 27,563	27,563
Property taxes	3,801					3,801
Franchise fees				12,955		12,955
Interest				18		18
Local permits and fees		6,996				6,996
Donations		1,000				1,000
Other		6				6
Transfers in	4,894					4,894
Total Receipts	<u>35,947</u>	<u>8,002</u>	<u>6,599</u>	<u>12,973</u>	<u>27,563</u>	<u>91,084</u>
Disbursements:						
General government					22	22
Highways and streets	8,392					8,392
Public safety		3,841	2,258			6,099
Debt service		2,006	400	13,312		15,718
Total Disbursements	<u>8,392</u>	<u>5,847</u>	<u>2,658</u>	<u>13,312</u>	<u>22</u>	<u>30,231</u>
Cash Balance, December 31, 2021	<u>\$ 59,921</u>	<u>\$ 3,777</u>	<u>\$ 5,452</u>	<u>\$ 17,162</u>	<u>\$ 27,541</u>	<u>\$ 113,853</u>

TOWN OF TWIN GROVES, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 3

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

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

	December 31, 2021
Buildings	\$ 907,500
Equipment	299,362
Total	<u>\$ 1,206,862</u>

The Municipality's capital assets records did not contain cost amounts for land.

3. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2021
Notes payable	<u>\$ 172,452</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 27,563</u>

5. Deficit Balance in General Fund after amounts owed to Street Fund

Balances as of December 31, 2021	General	Street
Cash balances per Schedules	\$ 12,694	\$ 59,921
State aid for highway owed to Street	<u>(64,529)</u>	<u>64,529</u>
Restated balances as of December 31, 2021	<u>\$ (51,835)</u>	<u>\$ 124,450</u>