

**Town of Twin Groves, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF TWIN GROVES, ARKANSAS  
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# Arkansas



**Sen. Jim Petty**  
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**Sen. Jim Dotson**  
Senate Vice Chair

**Rep. Robin Lundstrum**  
House Chair  
**Rep. RJ Hawk**  
House Vice Chair

**Kevin William White, CPA, JD**  
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 years ended December 31, 2023 and 2022, and have issued our report thereon dated June 2, 2025. 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: Theodore Brown (January 1, 2023 – December 31, 2023)  
Wesley Tyus (January 1, 2022 - December 31, 2022)  
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**

Schedules 1 and 3 show a General Fund balance of \$30,224 and \$20,135, as of December 31, 2023 and 2022, respectively. However, when the outstanding amounts owed to the Street Fund for state aid totaling \$52,529 and \$58,529 for each respective are considered, the General Fund has a deficit balance of \$22,305 and \$38,394 for 2023 and 2022, respectively. A similar finding was issued in the previous two reports.

#### **Recorder/Treasurer**

State aid for highway funds for previous years was not transferred from the General Fund to the Street Fund, as required by Ark. Code Ann. §§ 14-59-104, 27-70-207. The Town made payments of \$6,000 in 2023 and 2022, respectively, to reduce the balance owed to the Street Fund to \$52,529 and \$58,529 as of December 31, 2023 and 2022, respectively, in accordance with the Legislative Joint Auditing Committee's repayment plan as approved on December 1, 2022.

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 Williams White".

Kevin Williams White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
June 2, 2025  
LOM319023

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 20,135	\$ 139,705
Receipts:		
State aid	4,819	34,629
Property taxes	13,438	4,299
Franchise fees	10,179	
Sales taxes	36,428	
Interest		6
Local permits and fees		7,511
Donations		500
Other	640	
Transfers in		6,000
Unclassified	1,850	
Total Receipts	67,354	52,944
Disbursements:		
General government	50,832	294
Highways and streets		14,759
Public safety	150	5,019
Sanitation	284	
Debt service		14,254
Transfers out	6,000	
Total Disbursements	57,266	34,326
Cash Balance, December 31, 2023	\$ 30,224	\$ 158,323

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

Schedule 2

	Street	Fire	Fire Equipment and Training (ACT 833)	USDA Rural Development Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 67,186	\$ 9,809	\$ 6,267	\$ 14,552	\$ 41,891	\$ 139,705
Receipts:						
State aid	26,741		7,888			34,629
Property taxes	4,299					4,299
Interest				6		6
Local permits and fees		7,511				7,511
Donations		500				500
Transfers in	6,000					6,000
Total Receipts	<u>37,040</u>	<u>8,011</u>	<u>7,888</u>	<u>6</u>		<u>52,944</u>
Disbursements:						
General government					294	294
Highways and streets	14,759					14,759
Public safety		413	4,606			5,019
Debt service			1,966	12,288		14,254
Total Disbursements	<u>14,759</u>	<u>413</u>	<u>6,572</u>	<u>12,288</u>	<u>294</u>	<u>34,326</u>
Cash Balance, December 31, 2023	<u>\$ 89,467</u>	<u>\$ 17,407</u>	<u>\$ 7,583</u>	<u>\$ 2,270</u>	<u>\$ 41,597</u>	<u>\$ 158,323</u>

TOWN OF TWIN GROVES, 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	\$ 12,694	\$ 113,853
Receipts:		
State aid	4,729	34,825
Federal aid		27,562
Property taxes	13,368	4,251
Franchise fees	9,350	8,637
Sales taxes	34,770	
Interest		17
Local permits and fees		7,711
Donations	600	586
Other	1,373	56
Transfers in		6,000
Unclassified	899	
Total Receipts	65,089	89,645
Disbursements:		
General government	50,042	13,212
Highways and streets		30,411
Public safety	60	6,306
Sanitation	1,546	
Debt service		13,864
Transfers out	6,000	
Total Disbursements	57,648	63,793
Cash Balance, December 31, 2022	\$ 20,135	\$ 139,705

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

Schedule 4

	Street	Fire	Fire Equipment and Training (Act 833)	USDA Rural Development Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 59,921	\$ 3,777	\$ 5,452	\$ 17,162	\$ 27,541	\$ 113,853
Receipts:						
State aid	27,369		7,456			34,825
Federal aid					27,562	27,562
Property taxes	4,251					4,251
Franchise fees				8,637		8,637
Interest				17		17
Local permits and fees		7,711				7,711
Donations		586				586
Other	56					56
Transfers in	6,000					6,000
Total Receipts	<u>37,676</u>	<u>8,297</u>	<u>7,456</u>	<u>8,654</u>	<u>27,562</u>	<u>89,645</u>
Disbursements:						
General government					13,212	13,212
Highways and streets	30,411					30,411
Public safety		1,665	4,641			6,306
Debt service		600	2,000	11,264		13,864
Total Disbursements	<u>30,411</u>	<u>2,265</u>	<u>6,641</u>	<u>11,264</u>	<u>13,212</u>	<u>63,793</u>
Cash Balance, December 31, 2022	<u>\$ 67,186</u>	<u>\$ 9,809</u>	<u>\$ 6,267</u>	<u>\$ 14,552</u>	<u>\$ 41,891</u>	<u>\$ 139,705</u>

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

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
Buildings	\$ 1,021,399	\$ 1,021,399
Equipment	300,783	300,783
Totals	\$ 1,322,182	\$ 1,322,182

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

3. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2023	December 31, 2022
Financed purchases	\$ 147,148	\$ 154,251 *

\* The 2020 Paycheck Protection Program (PPP) loan for \$5,700 was forgiven on July 9, 2021; however, it was still included in the debt at 2021. The 2021 PPP loan for \$5,565 was forgiven on August 25, 2022.

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 27,562

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

Schedule 5

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

	General	Street
Balances as of December 31, 2023		
Cash balances per Schedules	\$ 30,224	\$ 89,467
State aid for highway owed to Street	(52,529)	52,529
Restated balances as of December 31, 2023	\$ (22,305)	\$ 141,996
Balances as of December 31, 2022		
Cash balances per Schedules	\$ 20,135	\$ 67,186
State aid for highway owed to Street	(58,529)	58,529
Restated balances as of December 31, 2022	\$ (38,394)	\$ 125,715