

Town of Banks, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF BANKS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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Arkansas

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Sen. John Payton
Senate Vice Chair



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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 Banks, 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 Banks, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated October 10, 2024. These procedures were not performed for the Water and Sewer 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:

Mayor: Keeton Hudson
Recorder/Treasurer: Leah Via

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

A review of the Town's payroll records revealed Internal Revenue Service (IRS) quarterly 941 reports were not prepared, and the Town did not remit payroll withholdings for reporting periods dating back to 2018. Because the Town had not received any correspondence from the IRS, we were unable to determine the total amount owed by the Town, including any potential penalties and interest.

Prenumbered receipts were not issued for all monies received, in noncompliance with Ark. Code Ann. § 14-59-109. A similar finding was noted in the previous two reports.

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", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 10, 2024
LOM301123

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund - Fire Department Construction Grant
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 9,153	\$ 133,604	\$ 51,683
Receipts:			
State aid	1,323	37,625	
Federal aid		71,625	
Property taxes	992	1,207	
Franchise fees	4,168		
Sales taxes	12,451		
Interest	31	61	
Fire dues		1,780	
Donations		9,796	
Festival proceeds		9,224	
Insurance proceeds		3,270	
Other	390		
Transfers in		3,275	
Unclassified	19,184		
Total Receipts	<u>38,539</u>	<u>137,863</u>	
Disbursements:			
General government	42,421	16,102	
Highways and streets		13,609	
Public safety		106,915	51,683
Recreation and culture	1,258	19,272	
Total Disbursements	<u>43,679</u>	<u>155,898</u>	<u>51,683</u>
Cash Balance, December 31, 2023	<u>\$ 4,013</u>	<u>\$ 115,569</u>	<u>\$ 0</u>

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

Schedule 2

	Street	Fire Department	Fire Department ACEDP Grant	Fire Department Special Acct	USDA-RD HVAC Grant	Buck Fever	American Rescue Plan Act	Buck Fever T-shirts	Total
Cash Balance, January 1, 2023	\$ 41,363	\$ 54,985	\$ 100	\$ 97	\$ 439	\$ 12,587	\$ 24,033		\$ 133,604
Receipts:									
State aid	7,339	30,286							37,625
Federal aid			71,625						71,625
Property taxes	1,207								1,207
Interest	61								61
Fire dues		1,780							1,780
Donations						9,796			9,796
Festival proceeds						9,039		\$ 185	9,224
Insurance proceeds		3,270							3,270
Transfers in	3,275								3,275
Total Receipts	<u>11,882</u>	<u>35,336</u>	<u>71,625</u>			<u>18,835</u>		<u>185</u>	<u>137,863</u>
Disbursements:									
General government							16,102		16,102
Highways and streets	13,609								13,609
Public safety		35,288	71,627						106,915
Recreation and culture						19,272			19,272
Total Disbursements	<u>13,609</u>	<u>35,288</u>	<u>71,627</u>			<u>19,272</u>	<u>16,102</u>		<u>155,898</u>
Cash Balance, December 31, 2023	<u>\$ 39,636</u>	<u>\$ 55,033</u>	<u>\$ 98</u>	<u>\$ 97</u>	<u>\$ 439</u>	<u>\$ 12,150</u>	<u>\$ 7,931</u>	<u>\$ 185</u>	<u>\$ 115,569</u>

TOWN OF BANKS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

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

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

	<u>December 31,</u> <u>2023</u>
Land	\$ 23,675
Buildings	134,706
Equipment	<u>27,594</u>
Total	<u>\$ 185,975</u>