

City of Elm Springs, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ELM SPRINGS, ARKANSAS
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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
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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

City of Elm Springs, 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 City of Elm Springs, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated October 1, 2024. These procedures were not performed for the Sewer Fund. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Harold Douthit
Recorder/Treasurer: Twila Taylor
District Court Clerk: Audra Martin (May 25, 2023 – December 31, 2023)
 Telia Wright (May 26, 2022 – May 25, 2023)
 Megan Bonilla (January 1, 2022 – May 26, 2022)
Police Chief: Jason Hiatt

We evaluated the City'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 **Mayor**.

Mayor

An annual audit or agreed-upon procedures report has not been completed and submitted to Arkansas Legislative Audit for the City's Sewer Department for 2022, 2021, 2020, or 2019, as required by Ark. Code Ann. § 14-234-119. A similar finding was issued in the previous report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City 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", written over a white rectangular background.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 1, 2024
LOM120123

CITY OF ELM SPRINGS, 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	\$ 2,856,511	\$ 894,193
Receipts:		
State aid	38,449	199,166
Property taxes	359,125	47,215
Franchise fees	167,962	
Sales taxes	890,181	
Fines, forfeitures, and costs	176,434	51,207
Interest	36,572	14,715
Local permits and fees	111,515	
Other	2,790	35,795
Total Receipts	<u>1,783,028</u>	<u>348,098</u>
Disbursements:		
General government	410,374	
Law enforcement	793,584	137,689
Highways and streets	478	538,844
Public safety	59,408	
Sanitation	57,910	
Total Disbursements	<u>1,321,754</u>	<u>676,533</u>
Cash Balance, December 31, 2023	<u>\$ 3,317,785</u>	<u>\$ 565,758</u>

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

Schedule 2

	Street	Emergency Vehicles (Act 988)	Forfeiture of Assets	Court Automation	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2023	\$ 637,200	\$ 60,511	\$ 1,854	\$ 11,630	\$ 182,998	\$ 894,193
Receipts:						
State aid	199,166					199,166
Property taxes	47,215					47,215
Fines, forfeitures, and costs		30,835		20,372		51,207
Interest	13,718	867	32	98		14,715
Other	945	34,850				35,795
Total Receipts	<u>261,044</u>	<u>66,552</u>	<u>32</u>	<u>20,470</u>		<u>348,098</u>
Disbursements:						
Law enforcement		114,295		23,394		137,689
Highways and streets	481,847				56,997	538,844
Total Disbursements	<u>481,847</u>	<u>114,295</u>		<u>23,394</u>	<u>56,997</u>	<u>676,533</u>
Cash Balance, December 31, 2023	<u>\$ 416,397</u>	<u>\$ 12,768</u>	<u>\$ 1,886</u>	<u>\$ 8,706</u>	<u>\$ 126,001</u>	<u>\$ 565,758</u>

CITY OF ELM SPRINGS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 2,265,813	\$ 458,347
Receipts:		
State aid	65,239	203,841
Federal aid		256,074
Property taxes	260,744	75,132
Franchise fees	172,591	
Sales taxes	835,850	
Fines, forfeitures, and costs	171,022	43,297
Interest	5,194	2,513
Local permits and fees	241,409	
Court cost sharing agreement with Tontitown	65,771	
Other	37,123	13,155
Transfers in		165,000
Contribution from sewer department		2,439
Total Receipts	<u>1,854,943</u>	<u>761,451</u>
Disbursements:		
General government	318,425	12,804
Law enforcement	719,267	82,062
Highways and streets	510	230,739
Public safety	60,968	
Sanitation	75	
Transfers out	165,000	
Total Disbursements	<u>1,264,245</u>	<u>325,605</u>
Cash Balance, December 31, 2022	<u>\$ 2,856,511</u>	<u>\$ 894,193</u>

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

Schedule 4

	Street	Emergency Vehicles (Act 988)	Forfeiture of Assets	Court Automation	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 269,553	\$ 80,558	\$ 1,880	\$ 15,106	\$ 91,250	\$ 458,347
Receipts:						
State aid	203,841					203,841
Federal aid					256,074	256,074
Property taxes	75,132					75,132
Fines, forfeitures, and costs		25,519		17,778		43,297
Interest	2,327	147	4	35		2,513
Other	13,125		30			13,155
Transfers in	150,000	15,000				165,000
Contribution from sewer department	2,439					2,439
Total Receipts	<u>446,864</u>	<u>40,666</u>	<u>34</u>	<u>17,813</u>	<u>256,074</u>	<u>761,451</u>
Disbursements:						
General government					12,804	12,804
Law enforcement		60,713	60	21,289		82,062
Highways and streets	79,217				151,522	230,739
Total Disbursements	<u>79,217</u>	<u>60,713</u>	<u>60</u>	<u>21,289</u>	<u>164,326</u>	<u>325,605</u>
Cash Balance, December 31, 2022	<u>\$ 637,200</u>	<u>\$ 60,511</u>	<u>\$ 1,854</u>	<u>\$ 11,630</u>	<u>\$ 182,998</u>	<u>\$ 894,193</u>

CITY OF ELM SPRINGS, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022
District Court	\$ 121,743	\$ 16,617
Administration of Justice	10,211	94,740

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2023	December 31, 2022
Land	\$ 80,773	\$ 80,773
Buildings & Improvements	398,791	394,078
Equipment	662,642	592,015
Totals	\$ 1,142,206	\$ 1,066,866

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 256,074