

City of Elm Springs, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ELM SPRINGS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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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 year ended December 31, 2024, and have issued our report thereon dated July 29, 2025. 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 findings contained in this section relate to the following officials who held office during 2024:

Mayor: Harold Douthit
Clerk/Treasurer: Twila Taylor
Administrative Clerk/Director of Finance: Connie Newman
District Court Clerk: Audra Martin
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 **Administrative Clerk/Director of Finance**.

Administrative Clerk/Director of Finance

Per review of certificates of deposit for the City we noted the following: 1). Certificate of deposits were not accurately reflected in the City's general ledger at December 31, 2024, due to failure to record interest earned of \$93,082. 2). A subsidiary ledger of certificate of deposit activity was not maintained, which should include purchases, sales, interest earned, maturity dates, and interest rates. Upon request from audit, this information was obtained from the City's banking institutions.

Other Matter

An unauthorized withdrawal of \$14,564 was made from the City's bank account on October 9, 2024. City personnel discovered the unauthorized withdrawal upon review of the affected bank account, and funds were recovered from the bank.

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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 29, 2025
LOM120124

CITY OF ELM SPRINGS, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2024	\$ 3,317,785	\$ 565,758
Receipts:		
State aid	266,330	194,147
Property taxes	398,471	50,310
Franchise fees	163,627	
Sales taxes	940,067	
Fines, forfeitures, and costs	171,726	48,970
Interest	127,886	15,409
Local permits and fees	172,727	
Other	138,517	1,585
Transfers in		15,000
Total Receipts	<u>2,379,351</u>	<u>325,421</u>
Disbursements:		
General government	453,941	
Law enforcement	887,244	35,377
Highways and streets	211,359	396,481
Public safety	93,581	
Sanitation	50	
Recreation and culture	9,758	
Transfers out	15,000	
Total Disbursements	<u>1,670,933</u>	<u>431,858</u>
Cash Balance, December 31, 2024	<u>\$ 4,026,203</u>	<u>\$ 459,321</u>

CITY OF ELM SPRINGS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	Street	Emergency Vehicles (Act 988)	Forfeiture of Assets	Court Automation	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2024	\$ 416,397	\$ 12,768	\$ 1,886	\$ 8,706	\$ 126,001	\$ 565,758
Receipts:						
State aid	194,147					194,147
Property taxes	50,310					50,310
Fines, forfeitures, and costs		23,885		25,085		48,970
Interest	14,680	405	37	287		15,409
Other	1,543	42				1,585
Transfers in		15,000				15,000
Total Receipts	<u>260,680</u>	<u>39,332</u>	<u>37</u>	<u>25,372</u>		<u>325,421</u>
Disbursements:						
Law enforcement		21,989		13,388		35,377
Highways and streets	284,315				112,166	396,481
Total Disbursements	<u>284,315</u>	<u>21,989</u>		<u>13,388</u>	<u>112,166</u>	<u>431,858</u>
Cash Balance, December 31, 2024	<u>\$ 392,762</u>	<u>\$ 30,111</u>	<u>\$ 1,923</u>	<u>\$ 20,690</u>	<u>\$ 13,835</u>	<u>\$ 459,321</u>

CITY OF ELM SPRINGS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

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:

	<u>December 31,</u> <u>2024</u>
District Court	\$ 25,676
Administration of Justice	9,911

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:

	<u>December 31,</u> <u>2024</u>
Land	\$ 80,773
Buildings & Improvements	448,299
Equipment	<u>758,673</u>
Total	<u>\$ 1,287,745</u>