

City of Mammoth Spring, Arkansas

Financial and Compliance Report

December 31, 2023

*Including Financial Information
For
December 31, 2022*

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MAMMOTH SPRING, 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
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Mammoth Spring, 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 Mammoth Spring, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the year ended December 31, 2022, and have issued our report thereon dated September 17, 2024. These procedures were not performed for the Water and Sewer Department. 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: Danny Busch (January 1, 2023 – December 31, 2023)
Charles Vaughn (January 1, 2022 – December 31, 2022)
Recorder/Treasurer: June Grant
Police Chief: James Turnbough (Appointed April 28, 2022)
Michael Davis (Resigned April 27, 2022)

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

The minutes of the governing body did not document the review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann. § 10-4-418.

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
September 17, 2024
LOM211923

CITY OF MAMMOTH SPRING, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 107,321	\$ 325,334
Receipts:		
State aid	29,091	78,367
Federal aid		186,576
Property taxes	54,977	9,124
Franchise fees	60,796	
Sales taxes	195,300	63,655
Fines, forfeitures, and costs	6,537	
Interest	1,757	5,427
Local permits and fees	25	
Advertising and promotion taxes		3,396
Loan proceeds	26,335	
Other	37,233	628
Transfers in	3,671	8,000
Total Receipts	<u>415,722</u>	<u>355,173</u>
Disbursements:		
General government	162,550	
Law enforcement	215,958	
Highways and streets		213,383
Public safety	31,401	2,720
Recreation and culture	9,363	
Community development		186,576
Advertising and promotion		18,874
Wastewater		204,319
Debt service	29,327	
Transfers out	8,000	3,671
Total Disbursements	<u>456,599</u>	<u>629,543</u>
Cash Balance, December 31, 2023	<u>\$ 66,444</u>	<u>\$ 50,964</u>

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

Schedule 2

	Street	Advertising and Promotions (A & P)	Local Police & Fire Retirement (LOPFI)	American Rescue Plan Act	Arkansas Economic Development Commission	United States Department of Agriculture	Total
Cash Balance, January 1, 2023	\$ 98,510	\$ 18,953	\$ 7,696	\$ 200,181	\$ (6)		\$ 325,334
Receipts:							
State aid	78,367						78,367
Federal aid					186,576		186,576
Property taxes	9,124						9,124
Sales taxes	63,655						63,655
Interest	954	196	139	4,138			5,427
Advertising and promotion taxes		3,396					3,396
Other	612				16		628
Transfers in						\$ 8,000	8,000
Total Receipts	<u>152,712</u>	<u>3,592</u>	<u>139</u>	<u>4,138</u>	<u>186,592</u>	<u>8,000</u>	<u>355,173</u>
Disbursements:							
Highways and streets	213,383						213,383
Public safety			2,720				2,720
Community development					186,576		186,576
Advertising and promotion		18,874					18,874
Wastewater				204,319			204,319
Transfers out		3,671					3,671
Total Disbursements	<u>213,383</u>	<u>22,545</u>	<u>2,720</u>	<u>204,319</u>	<u>186,576</u>		<u>629,543</u>
Cash Balance, December 31, 2023	<u>\$ 37,839</u>	<u>\$ 0</u>	<u>\$ 5,115</u>	<u>\$ 0</u>	<u>\$ 10</u>	<u>\$ 8,000</u>	<u>\$ 50,964</u>

CITY OF MAMMOTH SPRING, 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	\$ 102,273	\$ 195,746
Receipts:		
State aid	27,466	80,207
Federal aid		99,446
Property taxes	45,843	9,158
Franchise fees	57,176	
Sales taxes	199,318	64,503
Fines, forfeitures, and costs	17,016	
Interest	211	1,488
Local permits and fees	50	
Advertising and promotion taxes		14,488
Other	41,264	3,762
Total Receipts	<u>388,344</u>	<u>273,052</u>
Disbursements:		
General government	100,302	16
Law enforcement	203,718	
Highways and streets		129,800
Public safety	29,872	2,844
Recreation and culture	3,777	
Advertising and promotion		10,804
Debt service	45,627	
Total Disbursements	<u>383,296</u>	<u>143,464</u>
Cash Balance, December 31, 2022	<u>\$ 107,321</u>	<u>\$ 325,334</u>

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

Schedule 4

	Street	Advertising and Promotions (A & P)	Local Police & Fire Retirement (LOPFI)	American Rescue Plan Act	Arkansas Economic Development Commission	Total
Cash Balance, January 1, 2022	\$ 70,623	\$ 15,112	\$ 10,481	\$ 99,520	\$ 10	\$ 195,746
Receipts:						
State aid	80,207					80,207
Federal aid				99,446		99,446
Property taxes	9,158					9,158
Sales taxes	64,503					64,503
Interest	85	129	59	1,215		1,488
Advertising and promotion taxes		14,488				14,488
Other	3,734	28				3,762
Total Receipts	<u>157,687</u>	<u>14,645</u>	<u>59</u>	<u>100,661</u>		<u>273,052</u>
Disbursements:						
General government					16	16
Highways and streets	129,800					129,800
Public safety			2,844			2,844
Advertising and promotion		10,804				10,804
Total Disbursements	<u>129,800</u>	<u>10,804</u>	<u>2,844</u>		<u>16</u>	<u>143,464</u>
Cash Balance, December 31, 2022	<u>\$ 98,510</u>	<u>\$ 18,953</u>	<u>\$ 7,696</u>	<u>\$ 200,181</u>	<u>\$ (6)</u>	<u>\$ 325,334</u>

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

Schedule 5

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General and Equipment

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

	December 31, 2023	December 31, 2022
Land	\$ 203,500	\$ 144,000
Buildings	684,402	476,414
Equipment	988,816	926,878
Totals	\$ 1,876,718	\$ 1,547,292

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

	December 31, 2023
Financed purchases	\$ 131,060

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 99,446