

City of Mountain Pine, Arkansas

Financial and Compliance Report

December 31, 2022

**Including Financial Information
For
December 31, 2021 and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MOUNTAIN PINE, ARKANSAS
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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

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Mountain Pine, 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 Mountain Pine, Arkansas, as of and for the years ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated April 26, 2023. These procedures were not performed for the Water and Sewer Fund. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2022, 2021, and 2020:

Mayor: Malinda Henson (May 17, 2021 - present);
Morgan Wiles (January 1, 2020 - March 16, 2021)
Recorder/Treasurer: Dawn Thompson (October 17, 2022 - present);
April Nevels (May 16, 2021 - October 1, 2022)
Malinda Henson (January 1, 2020 - May 16, 2021)
Police Chief: Joshua Jester (September 19, 2021 - present);
Miguel Hernandez (January 1, 2020 - July 19, 2021)

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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 cursive script that reads "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
April 26, 2023
LOM213422

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 101,540	\$ 159,980
Receipts:		
State aid	35,640	50,507
Federal aid		81,111
Property taxes	12,183	
Franchise fees	28,539	
Sales taxes	135,336	32,918
Interest	493	285
Local permits and fees	2,397	55,621
Reimbursement for school resource officer		50,829
Rental income	19,060	
Dumping fees	33,000	
Other	7,314	300
Total Receipts	<u>273,962</u>	<u>271,571</u>
Disbursements:		
General government	58,196	
Law enforcement	205,491	
Highways and streets		84,204
Sanitation	1,551	31,683
Debt service		5,386
Unclassified	48,391	360
Total Disbursements	<u>313,629</u>	<u>121,633</u>
Cash Balance, December 31, 2022	<u>\$ 61,873</u>	<u>\$ 309,918</u>

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

Schedule 2

	Street	Solid Waste	Jail	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 71,747	\$ 4,549	\$ 10,765	\$ 72,919	\$ 159,980
Receipts:					
State aid	50,507				50,507
Federal aid				81,111	81,111
Sales taxes	32,918				32,918
Interest	195	90			285
Local permits and fees		55,621			55,621
Reimbursement for school resource officer	50,829				50,829
Other	300				300
Total Receipts	<u>134,749</u>	<u>55,711</u>		<u>81,111</u>	<u>271,571</u>
Disbursements:					
Highways and streets	84,204				84,204
Sanitation		31,683			31,683
Debt service		5,386			5,386
Bank fees	118	140	102		360
Total Disbursements	<u>84,322</u>	<u>37,209</u>	<u>102</u>		<u>121,633</u>
Cash Balance, December 31, 2022	<u><u>\$ 122,174</u></u>	<u><u>\$ 23,051</u></u>	<u><u>\$ 10,663</u></u>	<u><u>\$ 154,030</u></u>	<u><u>\$ 309,918</u></u>

CITY OF MOUNTAIN PINE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 110,085	\$ 74,264
Receipts:		
State aid	11,990	59,756
Federal aid		81,112
Property taxes	13,094	
Franchise fees	28,329	
Sales taxes	159,645	
Interest	339	212
Local permits and fees	525	33,709
Rental income	17,312	
Dumping fees	30,250	
Other	866	2,959
Transfers in		10
Total Receipts	<u>262,350</u>	<u>177,758</u>
Disbursements:		
General government	45,983	
Law enforcement	156,483	101
Highways and streets		42,040
Sanitation		45,271
Debt service		4,630
Transfers out	10	
Taxes remitted to Garland County	68,419	
Total Disbursements	<u>270,895</u>	<u>92,042</u>
Cash Balance, December 31, 2021	<u>\$ 101,540</u>	<u>\$ 159,980</u>

CITY OF MOUNTAIN PINE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 4

	Street	Solid Waste	Jail	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 51,146	\$ 12,262	\$ 10,856		\$ 74,264
Receipts:					
State aid	59,756				59,756
Federal aid				\$ 81,112	81,112
Interest	166	46			212
Local permits and fees		33,709			33,709
Other	2,719	240			2,959
Transfers in			10		10
Total Receipts	<u>62,641</u>	<u>33,995</u>	<u>10</u>	<u>81,112</u>	<u>177,758</u>
Disbursements:					
Law enforcement			101		101
Highways and streets	42,040				42,040
Sanitation		37,078		8,193	45,271
Debt service		4,630			4,630
Total Disbursements	<u>42,040</u>	<u>41,708</u>	<u>101</u>	<u>8,193</u>	<u>92,042</u>
Cash Balance, December 31, 2021	<u>\$ 71,747</u>	<u>\$ 4,549</u>	<u>\$ 10,765</u>	<u>\$ 72,919</u>	<u>\$ 159,980</u>

CITY OF MOUNTAIN PINE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 59,746	\$ 117,881
Receipts:		
State aid	11,424	58,128
Property taxes	14,078	
Franchise fees	28,859	
Sales taxes	150,955	
Interest	162	255
Local permits and fees	135	32,741
Reimbursement for school resource officer	59,320	
Rental income	19,824	
Dumping fees	30,800	
Other	15,665	15
Total Receipts	<u>331,222</u>	<u>91,139</u>
Disbursements:		
General government	69,563	
Law enforcement	141,674	77
Highways and streets		67,975
Sanitation		62,641
Debt service		4,063
Sales taxes remitted to Garland County	69,646	
Total Disbursements	<u>280,883</u>	<u>134,756</u>
Cash Balance, December 31, 2020	<u>\$ 110,085</u>	<u>\$ 74,264</u>

CITY OF MOUNTAIN PINE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 6

	Street	Solid Waste	Jail	Total
Cash Balance, January 1, 2020	\$ 60,822	\$ 46,126	\$ 10,933	\$ 117,881
Receipts:				
State aid	58,128			58,128
Interest	156	99		255
Local permits and fees		32,741		32,741
Other	15			15
Total Receipts	<u>58,299</u>	<u>32,840</u>		<u>91,139</u>
Disbursements:				
Law enforcement			77	77
Highways and streets	67,975			67,975
Sanitation		62,641		62,641
Debt service		4,063		4,063
Total Disbursements	<u>67,975</u>	<u>66,704</u>	<u>77</u>	<u>134,756</u>
Cash Balance, December 31, 2020	<u>\$ 51,146</u>	<u>\$ 12,262</u>	<u>\$ 10,856</u>	<u>\$ 74,264</u>

CITY OF MOUNTAIN PINE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(UNAUDITED)

Schedule 7

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

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 51,817	\$ 51,817	\$ 51,817
Buildings	203,081	203,081	203,081
Equipment	<u>250,238</u>	<u>250,238</u>	<u>250,238</u>
Totals	<u><u>\$ 505,136</u></u>	<u><u>\$ 505,136</u></u>	<u><u>\$ 505,136</u></u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Finance purchase	<u><u>\$ 8,164</u></u>	<u><u>\$ 12,981</u></u>	<u><u>\$ 17,550</u></u>

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	<u><u>\$ 81,111</u></u>	<u><u>\$ 81,112</u></u>