

**City of Mulberry, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF MULBERRY, ARKANSAS  
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial and Compliance Report

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# Arkansas

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Senate Vice Chair



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House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Mulberry, 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 Mulberry, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated June 27, 2024. These procedures were not performed for the Water, Sewer, and Sanitation Fund and the Industrial Development 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 2023 and 2022:

Mayor: Gary Baxter  
Recorder/Treasurer: Carla Dickerson  
District Court Clerk: Sarah Kizer  
Police Chief: Shannon Gregory

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
June 27, 2024  
LOM213723

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund (Grant)
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2023	363,058	970,088	46,394	110,502
Receipts:				
State aid	27,261	146,008		205,008
Federal aid	4,000			244,226
Property taxes	90,107	27,190		
Franchise fees	113,177		35,505	
Sales taxes	304,694	669,060		
Fines, forfeitures, and costs	55,087	2,047		
Interest	1,022	6,888	123	1
Local permits and fees	81,169	6,100		
Donations	34,408	24,239		
Grant proceeds	47,333			
Contribution from water, sewer, and sanitation fund	79,938			
Insurance proceeds	145,539			
Other	56,052	51,174		
Transfers in	1,488		15,000	
Total Receipts	<u>1,041,275</u>	<u>932,706</u>	<u>50,628</u>	<u>449,235</u>
Disbursements:				
General government	447,700			
Law enforcement	300,050	154,140		
Highways and streets		493,556		147,236
Public safety	101,040	18,925		
Recreation and culture	55,625			159,812
Social services		74,266		179,448
Debt service	10,532		20,037	
Transfers out	15,000	1,488		
Sales tax remitted to water, sewer, and sanitation fund		357,261		
Contribution to water, sewer, and sanitation fund	131,619			
Total Disbursements	<u>1,061,566</u>	<u>1,099,636</u>	<u>20,037</u>	<u>486,496</u>
Cash Balance, December 31, 2023	<u>\$ 342,767</u>	<u>\$ 803,158</u>	<u>\$ 76,985</u>	<u>\$ 73,241</u>

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

Schedule 2

	Street	Act 833	Sales Tax	Local Police and Fire Retirement (LOPFI)	Community Development	Court Automation	Cemetery	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2023	\$ 49,180	\$ 7,065	\$ 618,013	\$ 3,169	\$ 42,265	\$ 5,960	\$ 112,343	\$ 132,093	\$ 970,088
Receipts:									
State aid	130,162	15,846							146,008
Property taxes	27,190								27,190
Sales taxes	178,354		490,706						669,060
Fines, forfeitures, and costs				1,499		548			2,047
Interest	136		4,599		93	12	1,976	72	6,888
Local permits and fees							6,100		6,100
Donations							24,239		24,239
Other	24,133			19,241			7,800		51,174
Total Receipts	<u>359,975</u>	<u>15,846</u>	<u>495,305</u>	<u>20,740</u>	<u>93</u>	<u>560</u>	<u>40,115</u>	<u>72</u>	<u>932,706</u>
Disbursements:									
Law enforcement				21,975				132,165	154,140
Highways and streets	386,557		106,999						493,556
Public safety		17,116		1,809					18,925
Social services			65,000				9,266		74,266
Transfers out			1,488						1,488
Sales tax remitted to water, sewer, and sanitation fund			357,261						357,261
Total Disbursements	<u>386,557</u>	<u>17,116</u>	<u>530,748</u>	<u>23,784</u>			<u>9,266</u>	<u>132,165</u>	<u>1,099,636</u>
Cash Balance, December 31, 2023	<u>\$ 22,598</u>	<u>\$ 5,795</u>	<u>\$ 582,570</u>	<u>\$ 125</u>	<u>\$ 42,358</u>	<u>\$ 6,520</u>	<u>\$ 143,192</u>	<u>\$ 0</u>	<u>\$ 803,158</u>

CITY OF MULBERRY, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 3

	<u>Franchise Fee</u>	<u>Revenue Bond</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 46,242	\$ 152	\$ 46,394
Receipts:			
Franchise fees	15,385	20,120	35,505
Interest	122	1	123
Transfers in	15,000		15,000
Total Receipts	<u>30,507</u>	<u>20,121</u>	<u>50,628</u>
Disbursements:			
Debt service		<u>20,037</u>	<u>20,037</u>
Cash Balance, December 31, 2023	<u>\$ 76,749</u>	<u>\$ 236</u>	<u>\$ 76,985</u>

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

Schedule 4

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund (Grant)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2022	\$ 260,683	\$ 1,075,626	\$ 18,128	\$ 79,474
Receipts:				
State aid	43,061	150,609		1,219
Federal aid	3,000	175,274		22,376
Property taxes	119,202	35,826		
Franchise fees	83,000		48,763	
Sales taxes	218,297	490,395		
Fines, forfeitures, and costs	52,563	2,191		
Interest	642	2,313	33	
Local permits and fees	98,280	3,950		
Donations	13,074	22,425		
Grant proceeds	1,000			
Contribution from water, sewer, and sanitation fund	79,918			
Other	76,417	29,128		
Transfers in				38,327
Total Receipts	<u>788,454</u>	<u>912,111</u>	<u>48,796</u>	<u>61,922</u>
Disbursements:				
General government	339,545			
Law enforcement	149,827	238,329		
Highways and streets		424,805		
Public safety	108,074	26,609		
Recreation and culture	56,418			14,100
Social services		65,972		16,794
Debt service	10,532		20,530	
Transfers out		38,327		
Sales tax remitted to water, sewer, and sanitation fund		223,607		
Contribution to water, sewer, and sanitation fund	21,683			
Total Disbursements	<u>686,079</u>	<u>1,017,649</u>	<u>20,530</u>	<u>30,894</u>
Cash Balance, December 31, 2022	<u>\$ 363,058</u>	<u>\$ 970,088</u>	<u>\$ 46,394</u>	<u>\$ 110,502</u>

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

Schedule 5

	Street	Act 833	Sales Tax	Local Police and Fire Retirement (LOPFI)	Community Development	Court Automation	Cemetery	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 42,084	\$ 9,834	\$ 692,063	\$ 6,846	\$ 52,730	\$ 5,759	\$ 90,846	\$ 175,464	\$ 1,075,626
Receipts:									
State aid	133,217	15,904	1,488						150,609
Federal aid								175,274	175,274
Property taxes	35,826								35,826
Sales taxes	228,864		261,531						490,395
Fines, forfeitures, and costs				1,499		692			2,191
Interest	96		1,494		110	9	198	406	2,313
Local permits and fees	150						3,800		3,950
Donations					25		22,400		22,425
Other	7,590	6,308		15,230					29,128
Total Receipts	<u>405,743</u>	<u>22,212</u>	<u>264,513</u>	<u>16,729</u>	<u>135</u>	<u>701</u>	<u>26,398</u>	<u>175,680</u>	<u>912,111</u>
Disbursements:									
Law enforcement				18,778		500		219,051	238,329
Highways and streets	398,647		26,158						424,805
Public safety		24,981		1,628					26,609
Social services			50,471		10,600		4,901		65,972
Transfers out			38,327						38,327
Sales tax remitted to water, sewer, and sanitation fund			223,607						223,607
Total Disbursements	<u>398,647</u>	<u>24,981</u>	<u>338,563</u>	<u>20,406</u>	<u>10,600</u>	<u>500</u>	<u>4,901</u>	<u>219,051</u>	<u>1,017,649</u>
Cash Balance, December 31, 2022	<u>\$ 49,180</u>	<u>\$ 7,065</u>	<u>\$ 618,013</u>	<u>\$ 3,169</u>	<u>\$ 42,265</u>	<u>\$ 5,960</u>	<u>\$ 112,343</u>	<u>\$ 132,093</u>	<u>\$ 970,088</u>



CITY OF MULBERRY, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 6

	<u>Franchise Fee</u>	<u>Revenue Bond</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 127	\$ 18,001	\$ 18,128
Receipts:			
Franchise fees	46,088	2,675	48,763
Interest	<u>27</u>	<u>6</u>	<u>33</u>
Total Receipts	<u>46,115</u>	<u>2,681</u>	<u>48,796</u>
Disbursements:			
Debt service		<u>20,530</u>	<u>20,530</u>
Cash Balance, December 31, 2022	<u>\$ 46,242</u>	<u>\$ 152</u>	<u>\$ 46,394</u>

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

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
 General, Volunteer Fire, and Parks and Recreation

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Payroll	\$ 11,648	\$ 9,461
District Court Fund	14,915	12,225

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	\$ 279,030	\$ 279,030
Buildings & improvements	2,110,842	2,110,842
Equipment	<u>1,615,567</u>	<u>1,483,661</u>
Totals	<u>\$ 4,005,439</u>	<u>\$ 3,873,533</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financed purchases	\$ 34,344	\$ 44,510
Bonds payable	<u>150,234</u>	<u>165,234</u>
Totals	<u>\$ 184,578</u>	<u>\$ 209,744</u>

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

Schedule 7

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

	December 31, 2023	December 31, 2022
2018 Franchise Fee Revenue Bond, dated March 29, 2018, in the amount of \$210,000; proceeds used to purchase a fire truck; 15 annual principals payments (4 of \$10,000, 10 of \$15,000, and a final payment of \$20,000) beginning March 2019 and ending March 2033; interest at 3.15% paid in semiannual payments beginning September 2018. Payments to be made from the Revenue Bond Debt Service Fund.	\$ 150,234	\$ 165,234
Financed purchase agreement with Bank OZK in the amount of \$20,000, dated September 27, 2019, for the purchase of communication equipment; 5 annual payments of \$4,532 at 4.25% interest, payments beginning September 2020 through September 2024. Payments to be made from the Volunteer Fire Fund.	4,344	8,510
Financed purchase agreement with Today's Bank in the amount of \$54,000, dated December 30, 2019, for the purchase of property for a food pantry; 59 monthly payments of \$500 and 1 balloon payment of \$24,500 at 0.00% interest, payments beginning January 2020 through December 2024. Payments to be made from the General Fund.	30,000	36,000
Totals	\$ 184,578	\$ 209,744

6. The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Financed Purchases	Bonds	Total
2024	\$ 34,533	\$ 19,570	\$ 54,103
2025		19,078	19,078
2026		18,598	18,598
2027		18,119	18,119
2028		83,422	83,422
2029 through 2033		15,475	15,475
Total Obligations	34,533	174,262	208,795
Less Interest	189	24,028	24,217
Total Principal	\$ 34,344	\$ 150,234	\$ 184,578

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

Schedule 7

6. The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Financed Purchases	Bonds	Total
2023	\$ 10,532	\$ 20,037	\$ 30,569
2024	34,533	19,570	54,103
2025		19,078	19,078
2026		18,598	18,598
2027		18,119	18,119
2028 through 2032		83,422	83,422
2033		15,475	15,475
Total Obligations	<u>45,065</u>	<u>194,299</u>	<u>239,364</u>
Less Interest	<u>555</u>	<u>29,065</u>	<u>29,620</u>
Total Principal	<u>\$ 44,510</u>	<u>\$ 165,234</u>	<u>\$ 209,744</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 175,274</u>