

Town of Whelen Springs, Arkansas

Financial and Compliance Report

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF WHELEN SPRINGS, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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Arkansas

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Sen. John Payton
Senate Vice Chair



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Whelen 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 Town of Whelen Springs, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated December 6, 2023. These procedures were not performed for the Water Department. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

Mayor: Glen Hughes
Recorder/Treasurer: Brittney Sparks

We evaluated the Town's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

During our evaluation noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

Restricted funds from previous years of \$2,862 were not transferred to the Street Fund from the General Fund and Water Department, as required by Ark. Code Ann. § 27-70-207. The Town made payments in 2022 and 2021 of \$1,440 and \$60 respectively, to reduce the balance owed to the Street Fund. The Town Council passed Ordinance No. 2023-10-16-2 to pay \$120 per month of General Fund revenues to the Street Fund until the balance is paid in full, which would be 12% of 2022 General Fund revenues.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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
December 6, 2023
LOM317322

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 4,355	\$ 21,658
Receipts:		
State aid	701	14,461
Federal aid		8,805
Property taxes	2,398	247
Franchise fees	3,488	
Sales taxes		4,758
Interest	17	57
Local permits and fees		780
Sanitation fees	5,184	
Contributions from water department		240
Other		10
Transfers in		1,200
Total Receipts	<u>11,788</u>	<u>30,558</u>
Disbursements:		
General government	8,160	
Highways and streets		6,505
Public safety		10,228
Sanitation	4,043	
Water and sewer	240	
Debt service		2,852
Transfers out	1,200	
Total Disbursements	<u>13,643</u>	<u>19,585</u>
Cash Balance, December 31, 2022	<u>\$ 2,500</u>	<u>\$ 32,631</u>

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

Schedule 2

	Street	Fire Department	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 11,336	\$ 10,299	\$ 23	\$ 21,658
Receipts:				
State aid	4,058	10,403		14,461
Federal aid			8,805	8,805
Property taxes	247			247
Sales taxes		4,758		4,758
Interest	33	24		57
Local permits and fees		780		780
Contributions from water department	240			240
Other		10		10
Transfers in	1,200			1,200
Total Receipts	<u>5,778</u>	<u>15,975</u>	<u>8,805</u>	<u>30,558</u>
Disbursements:				
Highways and streets	6,505			6,505
Public safety		10,228		10,228
Debt service	2,852			2,852
Total Disbursements	<u>9,357</u>	<u>10,228</u>		<u>19,585</u>
Cash Balance, December 31, 2022	<u>\$ 7,757</u>	<u>\$ 16,046</u>	<u>\$ 8,828</u>	<u>\$ 32,631</u>

TOWN OF WHELEN SPRINGS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 4,368	\$ 22,116
Receipts:		
State aid	1,366	16,226
Federal aid		8,805
Property taxes	1,941	228
Franchise fees	3,244	
Sales taxes		4,046
Interest	9	36
Local permits and fees		1,170
Sanitation fees	5,916	
Other	90	1,307
Transfers in		60
Total Receipts	<u>12,566</u>	<u>31,878</u>
Disbursements:		
General government	8,264	
Highways and streets		6,345
Public safety		14,357
Sanitation	3,791	
Contributions to water department		8,782
Debt service		2,852
Transfers out	60	
Unclassified	464	
Total Disbursements	<u>12,579</u>	<u>32,336</u>
Cash Balance, December 31, 2021	<u>\$ 4,355</u>	<u>\$ 21,658</u>

TOWN OF WHELEN SPRINGS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 4

	Street	Fire Department	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 12,232	\$ 9,884		\$ 22,116
Receipts:				
State aid	6,680	9,546		16,226
Federal aid			\$ 8,805	8,805
Property taxes	228			228
Sales taxes		4,046		4,046
Interest	26	10		36
Local permits and fees		1,170		1,170
Other	1,307			1,307
Transfers in	60			60
Total Receipts	<u>8,301</u>	<u>14,772</u>	<u>8,805</u>	<u>31,878</u>
Disbursements:				
Highways and streets	6,345			6,345
Public safety		14,357		14,357
Contributions to water department			8,782	8,782
Debt service	2,852			2,852
Total Disbursements	<u>9,197</u>	<u>14,357</u>	<u>8,782</u>	<u>32,336</u>
Cash Balance, December 31, 2021	<u>\$ 11,336</u>	<u>\$ 10,299</u>	<u>\$ 23</u>	<u>\$ 21,658</u>

TOWN OF WHELEN SPRINGS, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)

Schedule 5

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

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

	December 31, 2022	December 31, 2021
Land and buildings	\$ 280,000	\$ 280,000
Equipment	58,378	58,378
Totals	<u>\$ 338,378</u>	<u>\$ 338,378</u>

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

	December 31, 2022	December 31, 2021
Financed purchases	<u>\$ 7,368</u>	<u>\$ 10,220</u>

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 8,805</u>	<u>\$ 8,805</u>