

Town of Magness, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MAGNESS, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial and Compliance Report

	<u>Schedule</u>
2024	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2023	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2024 and 2023	
Other Information (Unaudited)	5

Arkansas

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Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Magness, 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 Magness, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated September 29, 2025. These procedures were not performed for the Water and Sewer 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 relate to the following officials who held office during 2024 and 2023:

Mayor: Johnathan Hall
Recorder/Treasurer: Teresa Goings

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

The Town entered into a seven year financing agreement, on August 14, 2024, in the amount of \$41,506 to finance a tractor and attachments, which appears to be in conflict with Ark. Const. Amend, 78 § 2, limiting short-term financing obligations for a period not to exceed five years for the purpose of acquiring, constructing, installing, or renting real property or tangible property having a useful life of more than one year.

In 2023, Street Fund disbursements exceeded appropriations by \$12,012 (38%), in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the previous two reports dating back to 2020.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 29, 2025

TOWN OF MAGNESS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	\$ 72,340	\$ 13,552
Receipts:		
State aid	3,272	18,090
Property taxes	10,028	4,049
Sales taxes	49,822	
Interest	931	6
Other	30,065	
Total Receipts	<u>94,118</u>	<u>22,145</u>
Disbursements:		
General government	73,169	
Highways and streets		23,766
Sanitation	15,912	
Contribution to water		16
Total Disbursements	<u>89,081</u>	<u>23,782</u>
Cash Balance, December 31, 2024	<u>\$ 77,377</u>	<u>\$ 11,915</u>

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

Schedule 2

	Street	American Rescue Plan Act	Park	Total
Cash Balance, January 1, 2024	\$ 12,116	\$ 16	\$ 1,420	\$ 13,552
Receipts:				
State aid	18,090			18,090
Property taxes	4,049			4,049
Interest	6			6
Total Receipts	<u>22,145</u>			<u>22,145</u>
Disbursements:				
Highways and streets	23,766			23,766
Contribution to water		16		16
Total Disbursements	<u>23,766</u>	<u>16</u>		<u>23,782</u>
Cash Balance, December 31, 2024	<u>\$ 10,495</u>	<u>\$ 0</u>	<u>\$ 1,420</u>	<u>\$ 11,915</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 77,866	\$ 46,169
Receipts:		
State aid	3,345	18,558
Property taxes	7,717	3,732
Sales taxes	46,811	
Interest	1,113	15
Other	17,186	
Total Receipts	<u>76,172</u>	<u>22,305</u>
Disbursements:		
General government	66,543	
Highways and streets		44,004
Sanitation	15,155	
Recreation and culture		10,918
Total Disbursements	<u>81,698</u>	<u>54,922</u>
Cash Balance, December 31, 2023	<u>\$ 72,340</u>	<u>\$ 13,552</u>

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

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Park</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 33,818	\$ 10,931	\$ 1,420	\$ 46,169
Receipts:				
State aid	18,558			18,558
Property taxes	3,732			3,732
Interest	<u>12</u>	<u>3</u>		<u>15</u>
Total Receipts	<u>22,302</u>	<u>3</u>		<u>22,305</u>
Disbursements:				
Highways and streets	44,004			44,004
Recreation and culture		10,918		10,918
Total Disbursements	<u>44,004</u>	<u>10,918</u>		<u>54,922</u>
Cash Balance, December 31, 2023	<u><u>\$ 12,116</u></u>	<u><u>\$ 16</u></u>	<u><u>\$ 1,420</u></u>	<u><u>\$ 13,552</u></u>

TOWN OF MAGNESS, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(UNAUDITED)

Schedule 5

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

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

	December 31, 2024	December 31, 2023
Land	\$ 61,550	\$ 61,550
Buildings	242,500	242,500
Equipment	74,800	34,400
Totals	<u>\$ 378,850</u>	<u>\$ 338,450</u>

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

	December 31, 2024
Financed purchases	<u>\$ 41,506</u>