Town of Valley Springs, Arkansas

Financial and Compliance Report

December 31, 2024, 2023, and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE

TOWN OF VALLEY SPRINGS, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022

Financial and Compliance Report

	Schedule
2024	
Schedule of Financial Information (Unaudited)	1
2023	
Schedule of Financial Information (Unaudited)	2
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	3
2022	
Schedule of Financial Information (Unaudited)	4
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	5
2024, 2023, and 2022	
Other Information (Unaudited)	6

Arkansas

Sen. Jim Petty
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 Valley 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 Valley Springs, Arkansas, as of and for the years ended December 31, 2024, 2023, and 2022, and have issued our report thereon dated August 7, 2025. 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 relate to the following officials who held office during 2024, 2023, and 2022:

Mayor: Bob Yarbrough (appointed September 23, 2024)
Terry Crow (resigned August 26, 2024)
Recorder/Treasurer: Cheryl Breedlove

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.

Noncompliance with state law and accepted accounting practices was noted in the offices of the **Mayor** and **Recorder Treasurer**.

Mayor

An annual audit or agreed-upon procedures report was not obtained for the Town's Water Department for the years 2024, 2023, and 2022, as required by Ark. Code Ann. § 14-234-119.

The Town did not adopt budgets by ordinance or resolution, in noncompliance with Ark. Code Ann. § 14-58-202. Council minutes indicated budgets were adopted for 2023 and 2022; however, those budgets could not be provided. A budget was not adopted or provided for 2024; therefore, we were unable to compare appropriations to disbursements.

Recorder Treasurer

A detailed fixed asset listing was not provided, as required by Ark. Code Ann. § 14-59-107. A similar finding was issued in the previous two reports dating back to 2016.

The following deficiencies were noted while reviewing payroll records:

- 2024 Internal Revenue Service (IRS) Quarterly 941 Forms were not provided for the first and third quarter.
- 2022 IRS form W-3 was not provided.

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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 7, 2025
LOM316424

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

Schedule 1

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2024	$ 473,518	$ 163,905
Receipts:		
State aid	10,153	15,048
Property taxes	4,460	1,116
Franchise fees	8,414	
Sales taxes	42,713	
Interest	21,673	87
Other	1,550	25
Unclassified	542	
Total Receipts	89,505	16,276
Disbursements:		
General government	47,329	
Highways and streets		1,910
Recreation and culture	12,865	
Total Disbursements	60,194	1,910
Cash Balance, December 31, 2024	$ 502,829	$ 178,271

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

Schedule 2

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	$ 573,551	$ 149,016
Receipts:		
State aid	36,908	15,437
Property taxes	4,560	1,196
Franchise fees	8,352	
Sales taxes	41,787	
Interest	16,670	78
Local permits and fees	1,300	
Unclassified	59	
Total Receipts	109,636	16,711
Disbursements:		
General government	22,733	
Highways and streets		900
Recreation and culture	186,936	
Wastewater		922
Total Disbursements	209,669	1,822
Cash Balance, December 31, 2023	$ 473,518	$ 163,905

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

Schedule 3

	Street	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2023	$ 148,094	$ 922	$ 149,016
Receipts:			
State aid	15,437		15,437
Property taxes	1,196		1,196
Interest	78		78
Total Receipts	16,711		16,711
Disbursements:			
Highways and streets	900		900
Wastewater		922	922
Total Disbursements	900	922	1,822
Cash Balance, December 31, 2023	$ 163,905	$ 0	$ 163,905

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

Schedule 4

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	$ 584,590	$ 148,816
Receipts:		
State aid	2,730	15,800
Federal aid		17,507
Property taxes	4,037	917
Franchise fees	7,821	
Sales taxes	40,349	
Interest	1,929	70
Local permits and fees	575	
Unclassified	398	
Total Receipts	57,839	34,294
Disbursements:		
General government	49,022	
Recreation and culture	19,856	
Wastewater		34,094
Total Disbursements	68,878	34,094
Cash Balance, December 31, 2022	$ 573,551	$ 149,016

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

Schedule 5

	Street	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	$ 131,307	$ 17,509	$ 148,816
Receipts:			
State aid	15,800		15,800
Federal aid		17,507	17,507
Property taxes	917		917
Interest	70		70
Total Receipts	16,787	17,507	34,294
Disbursements:			
Wastewater		34,094	34,094
Cash Balance, December 31, 2022	$ 148,094	$ 922	$ 149,016

TOWN OF VALLEY SPRINGS, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(UNAUDITED)

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

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

	December 31, 2022
American Rescue Plan Act (ARPA)	$ 17,507