

**City of Chidester, Arkansas**

**Financial and Compliance Report**

**December 31, 2021 and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF CHIDESTER, ARKANSAS  
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# Arkansas

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**Sen. John Payton**  
Senate Vice Chair



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House Chair  
**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 Chidester, 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 Chidester, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated February 22, 2023. These procedures were not performed for the Water and Sewer Department. Management of the City 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 2021 and 2020:

Mayor: Bobby Box, Sr.  
Recorder/Treasurer: Jeanette Ponder  
District Court Clerk: Jeanette Ponder  
Police Chief: Jarrod Purifoy

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.

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

### **MAYOR**

An annual audit or agreed upon procedures report for the City's water and sewer system has not been completed since 2013, as required by Ark. Code Ann. § 14-234-119. A similar finding was noted in the prior two reports.

Expenditures exceeded budgeted appropriations in 2020 for the Street Fund by \$7,592 (42%) and in 2021 for the General and Street Fund by \$31,033 (23%) and \$6,933 (36%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the prior four reports dating back to 2014.

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  
February 22, 2023  
LOM203121

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 187,857	\$ 14,836
Receipts:		
State aid	4,597	39,099
Federal aid		26,934
Property taxes	9,148	2,727
Franchise fees	13,766	
Sales taxes	104,845	
Fines, forfeitures, and costs	6,207	
Interest	16	
Fire dues	6,315	
Rental income	26,484	
Contribution from Ouachita County		9,000
Other	2,704	54
Transfers in		64
Total Receipts	<u>174,082</u>	<u>77,878</u>
Disbursements:		
General government	114,480	
Law enforcement	14,654	
Highways and streets	10,170	26,436
Public safety	2,825	12,336
Sanitation	1,696	
Recreation and culture		4,228
Social services	7,800	
Debt service	13,433	8,042
Transfers out	64	
Total Disbursements	<u>165,122</u>	<u>51,042</u>
Cash Balance, December 31, 2021	<u>\$ 196,817</u>	<u>\$ 41,672</u>

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

Schedule 2

	Street	Fire Equipment and Training (ACT 833)	Community Library	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 909	\$ 13,777	\$ 150		\$ 14,836
Receipts:					
State aid	23,099	16,000			39,099
Federal aid				\$ 26,934	26,934
Property taxes	2,727				2,727
Contribution from Ouachita County			9,000		9,000
Other			54		54
Transfers in		64			64
Total Receipts	<u>25,826</u>	<u>16,064</u>	<u>9,054</u>	<u>26,934</u>	<u>77,878</u>
Disbursements:					
Highways and streets	26,436				26,436
Public safety		12,336			12,336
Recreation and culture			4,228		4,228
Debt service		8,042			8,042
Total Disbursements	<u>26,436</u>	<u>20,378</u>	<u>4,228</u>		<u>51,042</u>
Cash Balance, December 31, 2021	<u>\$ 299</u>	<u>\$ 9,463</u>	<u>\$ 4,976</u>	<u>\$ 26,934</u>	<u>\$ 41,672</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 36,269	\$ 18,611
Receipts:		
State aid	4,288	37,008
Property taxes	8,785	2,654
Franchise fees	11,884	
Sales taxes	79,934	
Fines, forfeitures, and costs	5,315	
Interest	5	
Fire dues	4,900	
Rental income	22,480	
Insurance Proceeds	161,503	
Contribution from Ouachita County		9,000
Sale of Assets	28,880	
Other	6,945	220
Transfers in		2,937
Total Receipts	<u>334,919</u>	<u>51,819</u>
Disbursements:		
General government	85,609	
Law enforcement	21,149	
Highways and streets	8,086	25,587
Public safety	2,294	14,668
Sanitation	1,866	
Recreation and culture		11,221
Social services	42,481	
Debt service	18,909	4,118
Transfers out	2,937	
Total Disbursements	<u>183,331</u>	<u>55,594</u>
Cash Balance, December 31, 2020	<u>\$ 187,857</u>	<u>\$ 14,836</u>

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

Schedule 4

	Street	Fire Equipment and Training (ACT 833)	Community Library	Total
Cash Balance, January 1, 2020	\$ 1,355	\$ 16,885	\$ 371	\$ 18,611
Receipts:				
State aid	21,817	15,191		37,008
Property taxes	2,654			2,654
Contribution from Ouachita County			9,000	9,000
Other	120	100		220
Transfers in	550	387	2,000	2,937
Total Receipts	<u>25,141</u>	<u>15,678</u>	<u>11,000</u>	<u>51,819</u>
Disbursements:				
Highways and streets	25,587			25,587
Public safety		14,668		14,668
Recreation and culture			11,221	11,221
Debt service		4,118		4,118
Total Disbursements	<u>25,587</u>	<u>18,786</u>	<u>11,221</u>	<u>55,594</u>
Cash Balance, December 31, 2020	<u>\$ 909</u>	<u>\$ 13,777</u>	<u>\$ 150</u>	<u>\$ 14,836</u>

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

Schedule 5

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Police Car and Equipment, Willow Street Apartments-Rent, Willow Street Apartments-Deposit, and Reserve.

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

	December 31, 2021	December 31, 2020
Police Bond and Fine	\$ 2,614	\$ 3,064
Payroll	8,403	2,970

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:

	December 31, 2021	December 31, 2020
Land	\$ 161,823	\$ 161,823
Buildings	3,039,699	3,039,699
Equipment	521,210	521,210
Total	<u>\$ 3,722,732</u>	<u>\$ 3,722,732</u>

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

	December 31, 2021	December 31, 2020
Notes payable	<u>\$ 20,339</u>	<u>\$ 28,931</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 26,934</u>