

City of Chidester, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHIDESTER, ARKANSAS
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Arkansas

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Senate Vice Chair



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Rep. Richard Womack
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Kevin William White, CPA, JD
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, 2023 and 2022, and have issued our report thereon dated January 13, 2025. 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 finding contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Bobby Box, Sr.
Recorder: Debra Szymanski (appointed June 6, 2022)
Jeanette Ponder (January 1, 2022 - May 2022)
Treasurer: Mary Gosvenor (appointed June 6, 2022)
Jeanette Ponder (January 1, 2022 - May 2022)
District Court Clerk: Mary Gosvenor (appointed June 6, 2022)
Jeanette Ponder (until May 2022)
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 **Mayor**.

Mayor

Street Fund expenditures exceeded budgeted appropriations in 2023 and 2022 by \$5,989 (31%) and \$5,297 (28%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the prior five 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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
January 13, 2025
LOM203123

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 200,396	\$ 88,774
Receipts:		
State aid	3,847	40,520
Property taxes	10,336	3,083
Franchise fees	13,180	
Sales taxes	106,044	
Fines, forfeitures, and costs	5,303	
Interest	71	
Rental income	26,817	
Fire dues	100	4,875
Contribution from Ouachita County		15,200
Other	6,013	186
Total Receipts	<u>171,711</u>	<u>63,864</u>
Disbursements:		
General government	143,580	130
Law enforcement	17,556	
Highways and streets	15,652	24,740
Public safety	3,061	26,692
Sanitation	2,389	
Recreation and culture		8,657
Social services	16,746	
Wastewater		40,632
Debt service	11,225	4,428
Total Disbursements	<u>210,209</u>	<u>105,279</u>
Cash Balance, December 31, 2023	<u>\$ 161,898</u>	<u>\$ 47,359</u>

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

Schedule 2

	Street	Fire Equipment and Training (ACT 833)	Community Library	American Rescue Plan Act	Fire Department	Total
Cash Balance, January 1, 2023	\$ 917	\$ 9,668	\$ 3,860	\$ 53,696	\$ 20,633	\$ 88,774
Receipts:						
State aid	21,342	19,178				40,520
Property taxes	3,083					3,083
Fire dues					4,875	4,875
Contribution from Ouachita County			9,200		6,000	15,200
Other			36		150	186
Total Receipts	<u>24,425</u>	<u>19,178</u>	<u>9,236</u>		<u>11,025</u>	<u>63,864</u>
Disbursements:						
General government				130		130
Highways and streets	24,740					24,740
Public safety		6,655			20,037	26,692
Recreation and culture			8,657			8,657
Wastewater				40,632		40,632
Debt service	509	3,919				4,428
Total Disbursements	<u>25,249</u>	<u>10,574</u>	<u>8,657</u>	<u>40,762</u>	<u>20,037</u>	<u>105,279</u>
Cash Balance, December 31, 2023	<u>\$ 93</u>	<u>\$ 18,272</u>	<u>\$ 4,439</u>	<u>\$ 12,934</u>	<u>\$ 11,621</u>	<u>\$ 47,359</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 196,817	\$ 41,672
Receipts:		
State aid	3,774	39,279
Federal aid		26,933
Property taxes	10,327	3,176
Franchise fees	12,673	
Sales taxes	106,278	
Fines, forfeitures, and costs	4,904	
Interest	37	
Rental income	27,728	
Fire dues	200	3,110
Contribution from Ouachita County		9,000
Rural development grant		32,650
Other	3,915	4,215
Total Receipts	<u>169,836</u>	<u>118,363</u>
Disbursements:		
General government	106,796	171
Law enforcement	18,100	
Highways and streets	12,459	24,401
Public safety	2,853	33,617
Sanitation	2,244	
Recreation and culture		10,133
Social services	16,250	
Debt service	7,555	2,939
Total Disbursements	<u>166,257</u>	<u>71,261</u>
Cash Balance, December 31, 2022	<u>\$ 200,396</u>	<u>\$ 88,774</u>

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

Schedule 4

	Street	Fire Equipment and Training (ACT 833)	Community Library	American Rescue Plan Act	Fire Department	Total
Cash Balance, January 1, 2022	\$ 299	\$ 9,463	\$ 4,976	\$ 26,934		\$ 41,672
Receipts:						
State aid	21,843	17,436				39,279
Federal aid				26,933		26,933
Property taxes	3,176					3,176
Fire dues					\$ 3,110	3,110
Contribution from Ouachita County			9,000			9,000
Rural development grant					32,650	32,650
Other		139	17		4,059	4,215
Total Receipts	<u>25,019</u>	<u>17,575</u>	<u>9,017</u>	<u>26,933</u>	<u>39,819</u>	<u>118,363</u>
Disbursements:						
General government				171		171
Highways and streets	24,401					24,401
Public safety		14,431			19,186	33,617
Recreation and culture			10,133			10,133
Debt service		2,939				2,939
Total Disbursements	<u>24,401</u>	<u>17,370</u>	<u>10,133</u>	<u>171</u>	<u>19,186</u>	<u>71,261</u>
Cash Balance, December 31, 2022	<u>\$ 917</u>	<u>\$ 9,668</u>	<u>\$ 3,860</u>	<u>\$ 53,696</u>	<u>\$ 20,633</u>	<u>\$ 88,774</u>

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

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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
District Court	\$ 1,059	\$ 1,585
Payroll	3,852	7,735

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	\$ 163,323	\$ 161,823
Buildings	3,039,699	3,039,699
Equipment	566,957	521,210
Totals	<u>\$ 3,769,979</u>	<u>\$ 3,722,732</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable	\$ 294,652	
Financed purchases	16,667	\$ 10,810
Totals	<u>\$ 311,319</u>	<u>\$ 10,810</u>

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

	<u>December 31, 2022</u>
American Rescue Plan Act (ARPA)	<u>\$ 26,933</u>