

**City of Gurdon, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

*Including Financial Information  
For  
December 31, 2022 and 2021*

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF GURDON, 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

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Gurdon, 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 Gurdon, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2022 and 2021, and have issued our report thereon dated July 30, 2024. These procedures were not performed for the Municipal Water and Airport Commission. 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 2023, 2022, and 2021:

Mayor: Larry Thomerson (2023)  
Sherry Kelley (2022)  
Recorder/Treasurer: Amy Woods  
Marshal: Don Childres

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 offices of **Mayor**, **Recorder/Treasurer**, and **Marshal**.

#### **Mayor, Recorder/Treasurer, and Marshal**

The City Marshal, an elected official, was paid Worker's Compensation Benefits and a full salary simultaneously, resulting in salary overpayments of \$53,672, in noncompliance with Ark. Code Ann. § 11-9-807. These overpayments occurred from December 13, 2020 through August 30, 2021, January 6, 2022 through March 30, 2022, and June 1, 2022 through June 6, 2022.

In December 2020, the City sold a 2006 Police Department vehicle for \$1,000, according to a bill of sale signed by the City Marshal. The proceeds from this sale were not deposited into a City account.

#### **Mayor and Recorder/Treasurer**

City funds totaling \$2,294 were used for a catered holiday dinner for employees and guests, in apparent conflict with Ark. Const. art. 12, § 5, as interpreted by Op. Att'y Gen. no. 1991-410.

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" with a stylized flourish at the end.

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
July 30, 2024  
LOM207523

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Pension Trust Funds</u>
Cash Balance, January 1, 2023	\$ 197,881	\$ 82,004	\$ 270
Receipts:			
State aid	27,976	172,932	
Property taxes	71,462	13,586	
Franchise fees	126,237		
Sales taxes	388,153		
Fines, forfeitures, and costs	16,860	6,108	
Interest	611	228	
Local permits and fees	29,840		
Sanitation fees	143,266		
Contributions from water and sewer	56,250		
Donations	25,580	33,500	
Other	117,745	35,021	
Transfers in		95,656	
Total Receipts	<u>1,003,980</u>	<u>357,031</u>	
Disbursements:			
General government	151,335		
Law enforcement	622,203	11,680	
Highways and streets	2,072	328,571	
Public safety	101,537	17,319	
Sanitation	114,508		
Recreation and culture	9,877	149	
Cemetery	13,887		
Contribution to water and sewer	20,000		
Debt service	33,810		
Transfers out	95,656		
Total Disbursements	<u>1,164,885</u>	<u>357,719</u>	
Cash Balance, December 31, 2023	<u>\$ 36,976</u>	<u>\$ 81,316</u>	<u>\$ 270</u>

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

Schedule 2

	<u>Street</u>	<u>Local Police and Fire Retirement</u>	<u>No Liability Insurance</u>	<u>City Court Cost</u>	<u>Market on Main</u>	<u>Act 833</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 3,378	\$ 41,339	\$ 8,217	\$ 8,709	\$ 654	\$ 19,707	\$ 82,004
Receipts:							
State aid	155,216					17,716	172,932
Property taxes	7,869	5,717					13,586
Fines, forfeitures, and costs			3,855	2,253			6,108
Interest	41	187					228
Donations	33,500						33,500
Other	35,021						35,021
Transfers in	95,251			405			95,656
Total Receipts	<u>326,898</u>	<u>5,904</u>	<u>3,855</u>	<u>2,658</u>		<u>17,716</u>	<u>357,031</u>
Disbursements:							
Law enforcement			4,513	7,167			11,680
Highways and streets	328,571						328,571
Public safety		2,894				14,425	17,319
Recreation and culture					149		149
Total Disbursements	<u>328,571</u>	<u>2,894</u>	<u>4,513</u>	<u>7,167</u>	<u>149</u>	<u>14,425</u>	<u>357,719</u>
Cash Balance, December 31, 2023	<u>\$ 1,705</u>	<u>\$ 44,349</u>	<u>\$ 7,559</u>	<u>\$ 4,200</u>	<u>\$ 505</u>	<u>\$ 22,998</u>	<u>\$ 81,316</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Pension Trust Fund
Cash Balance, January 1, 2022	\$ 247,946	\$ 70,893	\$ 72
Receipts:			
State aid	27,450	174,967	
Federal aid	218,988		
Property taxes	67,496	13,665	
Franchise fees	116,380		
Sales taxes	354,421		
Fines, forfeitures, and costs	19,141	3,928	
Interest	271	110	
Local permits and fees	11,140		
Sanitation fees	108,423		
Contributions from water and sewer	75,000		
Donations	5,537		
Other	87,504	22,137	270
Transfers in		74,534	
Total Receipts	<u>1,091,751</u>	<u>289,341</u>	<u>270</u>
Disbursements:			
General government	196,048		
Law enforcement	682,416	1,500	
Highways and streets		261,274	
Public safety	58,261	15,306	38
Sanitation	94,149		
Recreation and culture	24,178	150	
Cemetery	1,541		
Debt service	10,723		
Transfers out	74,500		34
Total Disbursements	<u>1,141,816</u>	<u>278,230</u>	<u>72</u>
Cash Balance, December 31, 2022	<u>\$ 197,881</u>	<u>\$ 82,004</u>	<u>\$ 270</u>

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

Schedule 4

	Street	Local Police and Fire Retirement	No Liability Insurance	City Court Cost	Market on Main	Act 833	Total
Cash Balance, January 1, 2022	\$ 4,128	\$ 36,311	\$ 8,617	\$ 5,881	\$ 94	\$ 15,862	\$ 70,893
Receipts:							
State aid	158,859					16,108	174,967
Property taxes	7,518	6,147					13,665
Fines, forfeitures, and costs			1,100	2,828			3,928
Interest	20	90					110
Other	19,627				710	1,800	22,137
Transfers in	74,500	34					74,534
Total Receipts	<u>260,524</u>	<u>6,271</u>	<u>1,100</u>	<u>2,828</u>	<u>710</u>	<u>17,908</u>	<u>289,341</u>
Disbursements:							
Law enforcement			1,500				1,500
Highways and streets	261,274						261,274
Public safety		1,243				14,063	15,306
Recreation and culture					150		150
Total Disbursements	<u>261,274</u>	<u>1,243</u>	<u>1,500</u>		<u>150</u>	<u>14,063</u>	<u>278,230</u>
Cash Balance, December 31, 2022	<u>\$ 3,378</u>	<u>\$ 41,339</u>	<u>\$ 8,217</u>	<u>\$ 8,709</u>	<u>\$ 654</u>	<u>\$ 19,707</u>	<u>\$ 82,004</u>



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

Schedule 5

	General Fund	Special Revenue Funds	Pension Trust Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and Investment Balance, January 1, 2021	\$ 113,031	\$ 98,638	\$ 280,491
Receipts:			
State aid	34,905	189,644	2,206
Federal aid	218,537		
Property taxes	65,729	7,237	5,526
Franchise fees	108,891		
Sales taxes	358,542		
Fines, forfeitures, and costs	29,757	8,474	
Interest	147	84	5,438
Local permits and fees	10,495		
Sanitation fees	119,760		
Insurance proceeds	79,875		
Contributions from water and sewer	75,000		
Donations	42,950		
Gain/loss on sale of investments			40,377
Other	116,580	2,985	
Transfers in		14,000	
Unclassified	184		
Total Receipts	<u>1,261,352</u>	<u>222,424</u>	<u>53,547</u>
Disbursements:			
General government	216,314		
Law enforcement	606,245	5,517	
Highways and streets		230,778	
Public safety	135,440	13,874	333,966
Sanitation	85,223		
Recreation and culture	45,934		
Cemetery	3,455		
Debt service	19,826		
Transfers out	14,000		
Total Disbursements	<u>1,126,437</u>	<u>250,169</u>	<u>333,966</u>
Cash Balance, December 31, 2021	<u>\$ 247,946</u>	<u>\$ 70,893</u>	<u>\$ 72</u>

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

Schedule 6

	Street	Local Police and Fire Retirement	No Liability Insurance	City Court Cost	Market on Main	Act 833	Total
Cash Balance, January 1, 2021	\$ 35,791	\$ 37,177	\$ 5,829	\$ 5,712	\$ 94	\$ 14,035	\$ 98,638
Receipts:							
State aid	174,864					14,780	189,644
Property taxes	7,237						7,237
Fines, forfeitures, and costs			4,750	3,724			8,474
Interest	29	55					84
Other	2,985						2,985
Transfers in	14,000						14,000
Total Receipts	<u>199,115</u>	<u>55</u>	<u>4,750</u>	<u>3,724</u>		<u>14,780</u>	<u>222,424</u>
Disbursements:							
Law enforcement			1,962	3,555			5,517
Highways and streets	230,778						230,778
Public safety		921				12,953	13,874
Total Disbursements	<u>230,778</u>	<u>921</u>	<u>1,962</u>	<u>3,555</u>		<u>12,953</u>	<u>250,169</u>
Cash Balance, December 31, 2021	<u>\$ 4,128</u>	<u>\$ 36,311</u>	<u>\$ 8,617</u>	<u>\$ 5,881</u>	<u>\$ 94</u>	<u>\$ 15,862</u>	<u>\$ 70,893</u>

CITY OF GURDON, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021  
(UNAUDITED)

Schedule 7

1. Cash and investment balances on the Financial Schedules include demand and savings accounts and mutual funds.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Cemetery, Sales Tax Special, Solid Waste, Main Street, Animal Shelter, and Business Development Center.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Police Bond and Fine	\$ 4,602	\$ 860	\$ 1,350
Electronic Filing Taxpayer System (EFTPS)	8,177	1,629	2,015
Payroll	13,484	552	9,225
State Clearing	36,002		

These balances represent fines, forfeitures, and costs, sales tax, and payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2023	December 31, 2022	December 31, 2021
Land	\$ 433,214	\$ 433,214	\$ 433,214
Buildings	1,659,293	1,659,293	1,659,293
Equipment	1,063,045	1,024,480	1,024,480
Totals	\$ 3,155,552	\$ 3,116,987	\$ 3,116,987

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

	December 31, 2023	December 31, 2022	December 31, 2021
Financed purchases	\$ 30,010	\$ 21,185	\$ 31,106

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 215,985	\$ 215,987