

City of Palestine, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PALESTINE, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Palestine, 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 Palestine, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated December 18, 2024. 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 commentary contained in this section relates to the following officials who held office during 2023:

Mayor: Billy Shafer
Recorder/Treasurer: Valerie Parker
Police Chief: Jeff Nichols

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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
December 18, 2024
LOM214723

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund (Fire Capital Improvement)
Cash Balance, January 1, 2023	\$ 29,957	\$ 833,814	\$ 3,422
Receipts:			
State aid	7,693	71,955	
Property taxes	8,760	6,481	
Franchise fees	41,040		
Sales taxes	286,926	286,926	
Fines, forfeitures, and costs	10,058		
Interest	111	1,497	
Local permits and fees	2,422	181	
Advertising and promotion taxes		47,410	
Contributions from water department			17,400
Donations	2,263	3,800	
Recreational fees		92,096	
Other	5,460		
Transfers in	42,155	4,735	25,788
Total Receipts	<u>406,888</u>	<u>515,081</u>	<u>43,188</u>
Disbursements:			
General government	164,803	6,560	
Law enforcement	177,643	21,433	
Highways and streets		111,319	
Public safety	63,732	53,828	
Sanitation		101,765	
Recreation and culture		93,796	
Advertising and promotion		22,611	
Contribution to water and sewer		8,511	
Debt service			27,210
Transfers out	2,735	69,943	
Total Disbursements	<u>408,913</u>	<u>489,766</u>	<u>27,210</u>
Cash Balance, December 31, 2023	<u>\$ 27,932</u>	<u>\$ 859,129</u>	<u>\$ 19,400</u>

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

Schedule 2

	Street	Sanitation	Fire Equipment and Training	Advertising and Promotion	Ballpark	Festival	Veterans Memorial	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 579,287	\$ 58,381	\$ 39,042	\$ 59,169	\$ 32,528	\$ 13,893	\$ 4,608	\$ 46,906	\$ 833,814
Receipts:									
State aid	42,684		29,271						71,955
Property taxes	6,481								6,481
Sales taxes	208,421	78,505							286,926
Interest	1,497								1,497
Local permits and fees				181					181
Advertising and promotion taxes				47,410					47,410
Donations			800				3,000		3,800
Recreational fees					92,096				92,096
Transfers in	2,400							2,335	4,735
Total Receipts	<u>261,483</u>	<u>78,505</u>	<u>30,071</u>	<u>47,591</u>	<u>92,096</u>		<u>3,000</u>	<u>2,335</u>	<u>515,081</u>
Disbursements:									
General government								6,560	6,560
Law enforcement								21,433	21,433
Highways and streets	106,217							5,102	111,319
Public safety	8,625		45,203						53,828
Sanitation		94,614						7,151	101,765
Recreation and culture					88,852		4,944		93,796
Advertising and promotion				22,611					22,611
Contribution to water and sewer								8,511	8,511
Transfers out	67,943			2,000					69,943
Total Disbursements	<u>182,785</u>	<u>94,614</u>	<u>45,203</u>	<u>24,611</u>	<u>88,852</u>		<u>4,944</u>	<u>48,757</u>	<u>489,766</u>
Cash Balance, December 31, 2023	<u>\$ 657,985</u>	<u>\$ 42,272</u>	<u>\$ 23,910</u>	<u>\$ 82,149</u>	<u>\$ 35,772</u>	<u>\$ 13,893</u>	<u>\$ 2,664</u>	<u>\$ 484</u>	<u>\$ 859,129</u>

CITY OF PALESTINE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, Volunteer Fire, and Police Department

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

	December 31, 2023
Land	\$ 244,070
Buildings	617,406
Equipment	<u>789,773</u>
Total	<u>\$ 1,651,249</u>