

Town of Chester, Arkansas

Financial and Compliance Report

December 31, 2023

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

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF CHESTER, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
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

Town of Chester, 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 Chester, 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 December 17, 2024. 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 finding contained in this section relates to the following officials who held office during 2023, 2022, and 2021:

Mayor: Lacey Hendrix (January 1, 2023 to present)
Shannon Smith (January 1, 2021 through December 31, 2022)
Recorder/Treasurer: Sherry Belt

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 office of the **Mayor**.

Mayor

The 2023 and 2022 budgets were not adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202.

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

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 17, 2024
LOM304023

TOWN OF CHESTER, 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	\$ 30,101	\$ 45,644
Receipts:		
State aid	2,189	12,147
Property taxes	4,158	1,248
Franchise fees	2,930	
Sales taxes	24,193	
Interest	9	
Donations	13,612	
Other	6,010	
Total Receipts	<u>53,101</u>	<u>13,395</u>
Disbursements:		
General government	31,784	4,263
Law enforcement	2,990	
Highways and streets		9,577
Recreation and culture	2,768	
Total Disbursements	<u>37,542</u>	<u>13,840</u>
Cash Balance, December 31, 2023	<u>\$ 45,660</u>	<u>\$ 45,199</u>

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

Schedule 2

	Street	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2023	\$ 13,248	\$ 32,396	\$ 45,644
Receipts:			
State aid	12,147		12,147
Property taxes	1,248		1,248
Total Receipts	13,395		13,395
Disbursements:			
General government		4,263	4,263
Highways and streets	9,577		9,577
Total Disbursements	9,577	4,263	13,840
Cash Balance, December 31, 2023	\$ 17,066	\$ 28,133	\$ 45,199

TOWN OF CHESTER, 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	\$ 26,396	\$ 26,381
Receipts:		
State aid	2,148	12,432
Federal aid		16,264
Property taxes	6,790	2,033
Franchise fees	2,771	
Sales taxes	24,402	
Interest	3	
Other	3,293	
Total Receipts	<u>39,407</u>	<u>30,729</u>
Disbursements:		
General government	29,740	
Law enforcement	2,020	
Highways and streets		11,466
Recreation and culture	3,942	
Total Disbursements	<u>35,702</u>	<u>11,466</u>
Cash Balance, December 31, 2022	<u>\$ 30,101</u>	<u>\$ 45,644</u>

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

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 10,249	\$ 16,132	\$ 26,381
Receipts:			
State aid	12,432		12,432
Federal aid		16,264	16,264
Property taxes	2,033		2,033
Total Receipts	<u>14,465</u>	<u>16,264</u>	<u>30,729</u>
Disbursements:			
Highways and streets	<u>11,466</u>		<u>11,466</u>
Cash Balance, December 31, 2022	<u>\$ 13,248</u>	<u>\$ 32,396</u>	<u>\$ 45,644</u>

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

Schedule 5

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2021	\$ 32,910	\$ 9,143
Receipts:		
State aid	2,543	12,805
Federal aid		16,264
Property taxes	2,390	717
Franchise fees	2,751	
Sales taxes	23,305	
Interest	1	
Other	4,700	
Total Receipts	<u>35,690</u>	<u>29,786</u>
Disbursements:		
General government	36,655	132
Law enforcement	2,480	
Highways and streets		12,416
Recreation and culture	3,069	
Total Disbursements	<u>42,204</u>	<u>12,548</u>
Cash Balance, December 31, 2021	<u>\$ 26,396</u>	<u>\$ 26,381</u>

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

Schedule 6

	Street	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2021	\$ 9,143		\$ 9,143
Receipts:			
State aid	12,805		12,805
Federal aid		\$ 16,264	16,264
Property taxes	717		717
Total Receipts	13,522	16,264	29,786
Disbursements:			
General government		132	132
Highways and streets	12,416		12,416
Total Disbursements	12,416	132	12,548
Cash Balance, December 31, 2021	\$ 10,249	\$ 16,132	\$ 26,381

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

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, General Savings, Farmer's Market, and Holiday

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

	December 31, 2023	December 31, 2022	December 31, 2021
Land and Buildings	\$ 82,529	\$ 82,529	\$ 82,529
Equipment	15,935	17,630	17,630
Totals	\$ 98,464	\$ 100,159	\$ 100,159

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 16,264	\$ 16,264