

Town of Waldenburg, Arkansas
Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF WALDENBURG, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

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Arkansas



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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Waldenburg, 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 Waldenburg, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated May 6, 2025. These procedures were not performed for the Water, Sewer, and Sanitation Funds. 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 2024:

Mayor: Dustin Drum
Recorder/Treasurer: Patricia Thomas
Police Chief: Richard Drum

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 offices of **Mayor** and **Police Chief**.

Mayor and Police Chief

On June 25, 2024, the Town Council approved the sale of a truck, originally financed in 2022 for \$28,416, to the Police Chief for \$14,163, the balance of the loan. The Council agreed to continue paying the insurance on the vehicle and to allow the Police Chief to use the vehicle for Town and personal use, although the Town had other police vehicles available for use. The Chief paid \$9,000 to the Town during 2024, which includes \$633 in interest, with the balance of \$5,796 due in 2025. As of April 16, 2025, the Chief had paid \$2,400, leaving \$3,396 due to the Town. This arrangement is in apparent conflict with the public purpose doctrine and Ark. Const. art. 12, § 5. In addition, the sale of the vehicle was not in compliance with Ark. Code Ann. §14-54-302.

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" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 6, 2025
LOM316924

TOWN OF WALDENBURG, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2024	\$ 65,595	\$ 38,786
Receipts:		
State aid	788	4,356
Property taxes	7,805	2,997
Franchise fees	14,028	
Sales taxes	148,252	
Fines, forfeitures, and costs	8,467	
Interest	1,883	620
Local permits and fees		2,952
Plot sales	1,400	
Sale of fixed assets		9,000
Donation	1,508	
Other	6,910	
Transfers in		13,715
Total Receipts	<u>191,041</u>	<u>33,640</u>
Disbursements:		
General government	90,538	
Law enforcement	39,565	
Highways and streets		18,899
Public safety	16,558	
Recreation and culture		25,248
Cemetery	618	
Debt service	7,546	9,000
Sales tax remitted to water department	34,952	
Transfers out	13,715	
Total Disbursements	<u>203,492</u>	<u>53,147</u>
Cash Balance, December 31, 2024	<u>\$ 53,144</u>	<u>\$ 19,279</u>

TOWN OF WALDENBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>City Park</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 16,059	\$ 22,727	\$ 38,786
Receipts:			
State aid	4,356		4,356
Property taxes	2,997		2,997
Interest	620		620
Local permits and fees	2,952		2,952
Sale of fixed assets	9,000		9,000
Transfers in	10,515	3,200	13,715
Total Receipts	<u>30,440</u>	<u>3,200</u>	<u>33,640</u>
Disbursements:			
Highways and streets	18,899		18,899
Recreation and culture		25,248	25,248
Debt service	9,000		9,000
Total Disbursements	<u>27,899</u>	<u>25,248</u>	<u>53,147</u>
Cash Balance, December 31, 2024	<u>\$ 18,600</u>	<u>\$ 679</u>	<u>\$ 19,279</u>

TOWN OF WALDENBURG, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Police, and Cemetery
3. The Municipality's capital assets records are summarized below:

	<u>December 31, 2024</u>
Land	\$ 82,200
Buildings	136,474
Equipment	<u>145,018</u>
Total	<u>\$ 363,692</u>

4. The outstanding balance at year-end for long-term liabilities is as follows:

	<u>December 31, 2024</u>
Financed purchases	<u>\$ 32,094</u>