

Town of Delight, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF DELIGHT, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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Arkansas



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Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Delight, 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 Delight, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated August 18, 2025. These procedures were not performed for the Water and Sewer Fund. Management of the Town 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 2024 and 2023:

Mayor: Lee Gatliff
Recorder/Treasurer: Chris Gibbons

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 **Recorder/Treasurer**.

Recorder/Treasurer

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 – 14-59-119. The Town was not in compliance with these codes and other proper accounting procedures as noted below:

- A review of disbursements revealed inadequate supporting documentation for tested disbursements of \$23,898 (7%) and \$13,429 (18%) in 2024 and 2023, respectively. Subsequently, the Town provided documentation to support these disbursements, or Legislative Audit obtained documentation directly from the vendor. In addition, the Town did not provide supporting documentation for disbursements of \$1,734 and \$161 in 2024 and 2023, respectively. Due to a lack of documentation, the validity of these disbursements could not be determined.
- Prenumbered receipts were not issued for all funds received.
- Bank accounts were not reconciled properly.
- Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank.
- Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank.
- A fixed asset listing was established but did not include cost values for all assets listed, deletions, control totals, and identification number when applicable.
- Annual financial statement was not prepared and posted.

The following issues were noted when reviewing payroll records:

- Internal Revenue Services (IRS) quarterly 941 reports were not provided for 2023.
- Supporting documentation authorizing the Mayor's salary was not provided.
- IRS Form W-3 and quarterly payroll Form 941 reports were not in agreement in 2024.

Mayor

Total disbursements for the General Fund in 2024 and 2023 exceeded appropriations by \$43,655 (24%) and \$50,706 (32%), respectively, and total disbursements for the Street Fund in 2023 exceeded appropriations by \$79,459 (133%), in noncompliance with Ark. Code Ann. § 14-58-203. Additionally, the budgets were not adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202.

Competitive bids were not solicited for a roofing contract totaling \$140,300, in noncompliance with Ark. Code Ann. § 22-9-203.

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
August 18, 2025
LOM320424

TOWN OF DELIGHT, 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	\$ 94,160	\$ 356,579
Receipts:		
State aid	4,283	30,860
Federal aid		610,399
Property taxes	13,811	2,072
Franchise fees	12,391	
Sales taxes	58,670	72,782
Interest	2,951	4,447
Local permits and fees	8	
Rental income	20,490	
Insurance proceeds	38,897	
Contribution from water and sewer	6,500	
Other	660	
Unclassified	8,599	
Total Receipts	<u>167,260</u>	<u>720,560</u>
Disbursements:		
General government	124,578	27,100
Highways and streets		15,914
Public safety	3,560	3,854
Sanitation		40,892
Recreation and culture	3,640	
Water and sewer		527,666
Unclassified	7,277	
Total Disbursements	<u>139,055</u>	<u>615,426</u>
Cash Balance, December 31, 2024	<u>\$ 122,365</u>	<u>\$ 461,713</u>

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

Schedule 2

	Street	Sanitation	Fire Department	American Rescue Plan Act	American Rescue Plan Act Water Construction	Total
Cash Balance, January 1, 2024	\$ 253,231	\$ 65,413	\$ 7,661	\$ 30,274		\$ 356,579
Receipts:						
State aid	23,682		7,178			30,860
Federal aid					\$ 610,399	610,399
Property taxes	2,072					2,072
Sales taxes	29,009	40,872	2,901			72,782
Interest	3,137	1,310				4,447
Total Receipts	<u>57,900</u>	<u>42,182</u>	<u>10,079</u>		<u>610,399</u>	<u>720,560</u>
Disbursements:						
General government				27,100		27,100
Highways and streets	15,914					15,914
Public safety			3,854			3,854
Sanitation		40,892				40,892
Water and sewer					527,666	527,666
Total Disbursements	<u>15,914</u>	<u>40,892</u>	<u>3,854</u>	<u>27,100</u>	<u>527,666</u>	<u>615,426</u>
Cash Balance, December 31, 2024	<u>\$ 295,217</u>	<u>\$ 66,703</u>	<u>\$ 13,886</u>	<u>\$ 3,174</u>	<u>\$ 82,733</u>	<u>\$ 461,713</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 85,229	\$ 336,396
Receipts:		
State aid	4,379	28,508
Property taxes	13,123	1,968
Franchise fees	15,332	
Sales taxes	34,937	89,781
Interest	1,776	3,249
Rental income	28,397	
Insurance proceeds	116,350	116,350
Other	661	538
Transfers in	5,000	
Unclassified	232	
Total Receipts	<u>220,187</u>	<u>240,394</u>
Disbursements:		
General government	202,458	7,872
Law enforcement	3,465	
Highways and streets		139,249
Public safety	3,673	23,606
Sanitation		43,612
Recreation and culture	1,660	
Transfers out		5,000
Unclassified		872
Total Disbursements	<u>211,256</u>	<u>220,211</u>
Cash Balance, December 31, 2023	<u>\$ 94,160</u>	<u>\$ 356,579</u>

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

Schedule 4

	Street	Sanitation	Fire Department	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 211,020	\$ 60,221	\$ 9,009	\$ 56,146	\$ 336,396
Receipts:					
State aid	24,295		4,213		28,508
Property taxes	1,968				1,968
Sales taxes	35,854	53,010	917		89,781
Interest	2,455	794			3,249
Insurance proceeds	116,350				116,350
Other	538				538
Total Receipts	<u>181,460</u>	<u>53,804</u>	<u>5,130</u>		<u>240,394</u>
Disbursements:					
General government				7,872	7,872
Highways and streets	139,249				139,249
Public safety			5,606	18,000	23,606
Sanitation		43,612			43,612
Transfers out		5,000			5,000
Unclassified			872		872
Total Disbursements	<u>139,249</u>	<u>48,612</u>	<u>6,478</u>	<u>25,872</u>	<u>220,211</u>
Cash Balance, December 31, 2023	<u>\$ 253,231</u>	<u>\$ 65,413</u>	<u>\$ 7,661</u>	<u>\$ 30,274</u>	<u>\$ 356,579</u>

TOWN OF DELIGHT, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
 (UNAUDITED)

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

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

	December 31, 2024	December 31, 2023
Land	\$ 24,010	\$ 24,010
Buildings	84,900	84,900
Equipment	261,075	261,075
Totals	\$ 369,985	\$ 369,985

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

	December 31, 2024
American Rescue Plan Act (ARPA) - Water construction	\$ 610,399