City of Parkin, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF PARKIN, ARKANSAS
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Parkin, 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 Parkin, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated May 14, 2026. These procedures were not performed for the Water and Sewer Fund. 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 2025:

Mayor: Carolyn Slaughter
Clerk/Treasurer: Prenita White
District Court Clerk: Doris Jones
Police Chief: Willie Frazier (appointed November 10, 2025)
Christopher Miller (terminated June 4, 2025)

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** and **Clerk/Treasurer**.

Mayor and Clerk/Treasurer

General Fund had a negative cash balance at December 31, 2025, of $9,071. In addition, the City owed a significant amount to the Internal Revenue Service (IRS) at December 31, 2025. As shown in Note 6 on Schedule 4 of this report, when this outstanding amount was considered along with the balance of the custodial Payroll Fund, the General Fund had a deficit balance of $51,341.

Clerk/Treasurer

Payroll taxes for 2025 were not remitted timely. Additionally, federal taxes owed to the Internal Revenue Service (IRS) for the current year and prior year totaling $122,542 were not remitted as of December 31, 2025. As of the report date, $24,181 of that balance remains unpaid and additional penalties and interest have not yet been assessed by the IRS.

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 14, 2026
LOM107425

CITY OF PARKIN, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

	General Fund	Special Revenue Funds	Capital Projects Funds
Cash Balance, January 1, 2025	$ 78,635	$ 91,850	$ 31
Receipts:			
State aid	11,797	133,312	
Federal aid			100,035
Property taxes	19,272	9,762	
Franchise fees	48,102		
Sales taxes	240,460		
Fines, forfeitures, and costs	185,796	35,588	
Interest	36		
Local permits and fees	4,740		
Donations		500	
Sanitation fees	81,767		
Rental income	6,615		
Insurance proceeds	97,737		
Mosquito control fees	12,978		
Loan proceeds	59,000		
Other	12,048		
Transfers in	31	193	
Total Receipts	780,379	179,355	100,035
Disbursements:			
General government	340,345		
Law enforcement	286,007	16,743	
Highways and streets		67,298	
Public safety	16,711	49,105	100,035
Sanitation	202,509		
Health	13,957		
Recreation and culture	119		
Debt service	8,244	5,385	
Transfers out	193		31
Total Disbursements	868,085	138,531	100,066
Cash Balance, December 31, 2025	$ (9,071)	$ 132,674	$ 0

CITY OF PARKIN, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	No Liability Insurance	Jail	Court Automation	Recreational	Total
Cash Balance, January 1, 2025	$ 4,536	$ 1,753	$ 2,428	$ 82,812	$ 321		$ 91,850
Receipts:							
State aid	67,093	66,219					133,312
Property taxes	9,762						9,762
Fines, forfeitures, and costs			5,145	29,190	1,253		35,588
Donations						$ 500	500
Transfers in					193		193
Total Receipts	76,855	66,219	5,145	29,190	1,446	500	179,355
Disbursements:							
Law enforcement			7,485	8,258	1,000		16,743
Highways and streets	67,298						67,298
Public safety		49,105					49,105
Debt service	5,385						5,385
Total Disbursements	72,683	49,105	7,485	8,258	1,000		138,531
Cash Balance, December 31, 2025	$ 8,708	$ 18,867	$ 88	$ 103,744	$ 767	$ 500	$ 132,674

CITY OF PARKIN, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 3

	Fire Department Project	Fire Station Grant	Total
Cash Balance, January 1, 2025	$ 30	$ 1	$ 31
Receipts:			
Federal aid		100,035	100,035
Disbursements:			
Public safety		100,035	100,035
Transfers out	30	1	31
Total Disbursements	30	100,036	100,066
Cash Balance, December 31, 2025	$ 0	$ 0	$ 0

CITY OF PARKIN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

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, Sanitation, Police Equipment, and Mosquito Control

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2025
District Court	$ 48,196
Payroll	80,272

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

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

	December 31, 2025
Land	$ 203,239
Buildings	854,414
Equipment	1,303,519
Total	$ 2,361,172

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

	December 31, 2025
Financed purchases	$ 84,911 *

* A portion of the financed purchases was paid from the Water and Sewer Fund totaling $5,639.

CITY OF PARKIN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

6. Deficit Fund Balance

The schedules included on our Financial and Compliance Reports are routinely presented on a cash basis; however, we are including additional information. The City of Parkin was delinquent in payments to the Internal Revenue Service (IRS). The information below begins with the cash balance per Schedule 1 of this report. The computation reflects decreases in cash balances for the amount due to the IRS along with the balance remaining in the Payroll (Custodial) Fund.

The amount due to the IRS was calculated based on the City of Parkin's IRS Employer's Quarterly Federal Tax Return forms for 2025 and 2024.

Balances as of December 31, 2025	General	Payroll	Total
General cash balance per Schedule 1	$ (9,071)		$ (9,071)
Payroll cash balance per Schedule 4 (Note 3)		$ 80,272	80,272
Due to the IRS		(122,542)	(122,542)
Restated cash balance as of December 31, 2025	$ (9,071)	$ (42,270)	$ (51,341)