City of Black Rock, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF BLACK ROCK, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Black Rock, 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 Black Rock, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated December 23, 2025. 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 findings contained in this section relate to the following officials who held office during 2024:

Mayor: Zach Wilson
Recorder/Treasurer: Darlene Schmidt
Police Chief: Brian Acher

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 the **Mayor** and **Recorder/Treasurer**.

Mayor and Recorder/Treasurer

The City paid $11,000 to the Police Chief for the purchase of an off-road vehicle. The Council adopted a resolution for this purchase but not an authorizing ordinance, as required by Ark. Code Ann. § 14-42-107.

Mayor

1. The City entered into a 6-year installment contract with a finance company on January 26, 2024, in the amount of $57,482, for the purchase of a 2023 Caterpillar Excavator, which appears to conflict with Ark. Const. amend. 78 § 2, which limits short-term financing obligations to five years.

2. An annual audit or agreed-upon procedures report has not been obtained and submitted to Arkansas Legislative Audit for the City's Water and Sewer Department for the years 2024 and 2023, as required by Ark. Code Ann. § 14-234-119.

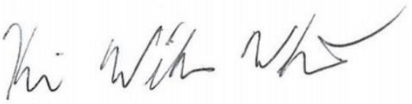
Recorder/Treasurer

1. The annual financial statements were not published or posted, as required by Ark. Code Ann. § 14-59-116.

2. Bank reconciliations for the General Fund were not properly approved by someone other than the preparer, in noncompliance with Ark. Code Ann. § 14-59-108.

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
December 23, 2025
LOM201224

CITY OF BLACK ROCK, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	$ 107,642	$ 158,801
Receipts:		
State aid	40,217	66,148
Federal aid	7,400	
Property taxes	9,609	6,864
Franchise fees	2,392	25,679
Sales taxes	150,942	
Fines, forfeitures, and costs	52,565	12,530
Interest	512	21
Local permits and fees	10,862	8,084
Donations and fundraisers	12,167	3,576
Rental income	66,003	100
Loan proceeds	17,480	
Other	12,910	645
Transfers in	980	
Total Receipts	384,039	123,647
Disbursements:		
General government	255,061	
Law enforcement	149,438	28,583
Highways and streets		79,716
Public safety		36,594
Recreation and culture	13,000	
Debt service	8,118	10,777
Transfers out		980
Total Disbursements	425,617	156,650
Cash Balance, December 31, 2024	$ 66,064	$ 125,798

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

Schedule 2

	Street	Jail	Fire Department	American Rescue Plan Act	Police Seizure	Total
Cash Balance, January 1, 2024	$ 45,408	$ 18,793	$ 74,210	$ 15,586	$ 4,804	$ 158,801
Receipts:						
State aid	48,516		17,632			66,148
Property taxes	6,864					6,864
Franchise fees	25,679					25,679
Fines, forfeitures, and costs		12,530				12,530
Interest					21	21
Local permits and fees			8,084			8,084
Donations and fundraisers			3,576			3,576
Rental income			100			100
Other		70	575			645
Total Receipts	81,059	12,600	29,967		21	123,647
Disbursements:						
Law enforcement		8,198		15,586	4,799	28,583
Highways and streets	79,716					79,716
Public safety			36,594			36,594
Debt service	10,777					10,777
Transfers out	980					980
Total Disbursements	91,473	8,198	36,594	15,586	4,799	156,650
Cash Balance, December 31, 2024	$ 34,994	$ 23,195	$ 67,583	$ 0	$ 26	$ 125,798

CITY OF BLACK ROCK, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
   General and School Fund

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

	December 31, 2024
Land	$ 76,425
Buildings	166,666
Equipment	785,294
Total	$ 1,028,385

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

	December 31, 2024
Financed purchases	$ 60,929