City of Calion, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF CALION, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial and Compliance Report

	Schedule
2024	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2023	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2024 and 2023	
Other Information (Unaudited)	5

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Calion, 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 Calion, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated March 10, 2026. These procedures were not performed for the Water and Sewer Systems. 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 and 2023:

Mayor: Ken Anders
Recorder: Mary Martin
Treasurer: Jamie Morgan
Police Chief: Chasity Gibson (appointed August 10, 2023)
Robert Hodges (terminated August 10, 2023)

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 **Treasurer**.

Mayor and Treasurer

The City Treasurer was paid to perform additional services as the Water/Sewer/Sanitation Clerk. These payments were made without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-42-107. Additionally, in conflict with the City policy, they accrued more vacation days than the Water/Sewer/Sanitation Clerk position is allowed and received $2,813 and $1,404 in 2024 and 2023, respectively, for unused sick and vacation leave, in excess of allowable amounts.

The City paid $1,900 and $760 in 2024 and 2023, respectively, to a council member for various services, without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-42-107. Additionally, Internal Revenue Service (IRS) Form 1099 was not issued or reported to the IRS for these payments.

During our test of payroll expenses, we noted payments of $2,435 and $843 in 2024 and 2023, respectively, made to an employee for unused sick and vacation leave, in excess of amounts allowed by City Policy.

Although city officials provided an explanation for the business purpose, adequate supporting documentation was not maintained for disbursements totaling $4,447 in 2023, as required by Ark. Code Ann. § 14-59-105.

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
March 10, 2026
LOM202124

CITY OF CALION, 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	$ 337,793	$ 202,173
Receipts:		
State aid	6,380	63,653
Property taxes	27,417	6,175
Franchise fees		17,457
Sales taxes	105,450	105,704
Fines, forfeitures, and costs	186	
Interest	920	135
Sale of assets		4,093
Other	5,302	21,315
Transfers in		43,500
Total Receipts	145,655	262,032
Disbursements:		
General government	171,748	6,154
Highways and streets		87,096
Public safety	2,940	74,789
Sanitation		75,010
Contribution to water and sewer department		11,400
Debt service		9,965
Transfers out	43,500	
Total Disbursements	218,188	264,414
Cash Balance, December 31, 2024	$ 265,260	$ 199,791

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

Schedule 2

	Street	Sanitation	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	$ 10,925	$ 152,256	$ 7,685	$ 31,307	$ 202,173
Receipts:					
State aid	35,277		28,376		63,653
Property taxes	6,175				6,175
Franchise fees	17,457				17,457
Sales taxes		105,704			105,704
Interest	10	125			135
Sale of assets		4,093			4,093
Other	20	21,295			21,315
Transfers in	35,000		8,500		43,500
Total Receipts	93,939	131,217	36,876		262,032
Disbursements:					
General government		6,154			6,154
Highways and streets	87,096				87,096
Public safety			43,789	31,000	74,789
Sanitation		75,010			75,010
Contribution to water and sewer department		11,400			11,400
Debt service	4,094	5,871			9,965
Total Disbursements	91,190	98,435	43,789	31,000	264,414
Cash Balance, December 31, 2024	$ 13,674	$ 185,038	$ 772	$ 307	$ 199,791

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	$ 370,071	$ 198,905
Receipts:		
State aid	6,523	62,450
Property taxes	30,313	6,231
Franchise fees	100	16,910
Sales taxes	110,726	110,950
Fines, forfeitures, and costs	293	
Interest	994	85
Contribution from solid waste authority		5,500
Sale of assets	15,557	
Other	5,709	500
Transfers in		100
Total Receipts	170,215	202,726
Disbursements:		
General government	200,666	26,000
Highways and streets		66,472
Public safety	1,527	20,170
Sanitation		75,416
Contribution to water and sewer department	200	11,400
Transfers out	100	
Total Disbursements	202,493	199,458
Cash Balance, December 31, 2023	$ 337,793	$ 202,173

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

Schedule 4

	Street	Sanitation	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	$ 18,054	$ 121,954	$ 1,594	$ 57,303	$ 198,905
Receipts:					
State aid	36,189		26,261		62,450
Property taxes	6,231				6,231
Franchise fees	16,910				16,910
Sales taxes		110,950			110,950
Interest	13	68		4	85
Contribution from Solid Waste Authority		5,500			5,500
Other		500			500
Transfers in		100			100
Total Receipts	59,343	117,118	26,261	4	202,726
Disbursements:					
General government				26,000	26,000
Highways and streets	66,472				66,472
Public safety			20,170		20,170
Sanitation		75,416			75,416
Contribution to water and sewer department		11,400			11,400
Total Disbursements	66,472	86,816	20,170	26,000	199,458
Cash Balance, December 31, 2023	$ 10,925	$ 152,256	$ 7,685	$ 31,307	$ 202,173

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

Schedule 5

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 Fund, General Money Market, Police Money Market, and Fire Money Market

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

	December 31, 2024	December 31, 2023
Land	$ 55,165	$ 55,165
Buildings	373,489	371,089
Equipment	1,006,311	1,041,296
Totals	$ 1,434,965	$ 1,467,550

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

	December 31, 2024
Financed purchases	$ 44,153

5. The outstanding balance at year-end for non-cancelable leases is as follows:

	December 31, 2024
Leases payable	$ 205,500