City of Elaine, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF ELAINE, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Elaine, 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 Elaine, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated January 6, 2026. 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 and 2023:

Mayor: Lisa Gilbert
Court/City Clerk: Tyesha Williams (Elected January 1, 2023, resigned September 18, 2023)
Secretary/Treasurer: Kristen Allen (appointed March 19, 2024)
Police Chief: Christopher Hellums (hired November 9, 2024)
Justice Ferrell (hired July 11, 2024 – resigned September 4, 2024)
Ryan Brown (hired March 22, 2023 – resigned June 1, 2024)
Vacant (January 1, 2023 – March 21, 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.

Mayor

The City discovered, and we verified, that the Fire Chief purchased questionable items totaling $1,825 and $1,504 during 2024 and 2023, respectively. The Fire Chief acknowledged to City officials that items totaling $418 were personal purchases. Without supporting documentation, it is unclear if there was a business purpose for the remaining items. The Fire Chief resigned on January 28, 2025, and the City has not recouped any of the funds in question.

The governing body did not review the prior report at the first regularly scheduled meeting following the receipt of the report, in noncompliance with Ark. Code Ann § 10-4-418. A similar finding was noted in the previous report.

An audit or agreed upon procedures report and compilation was not obtained for the City's Water and Sewer Department for 2017 through 2023, in noncompliance with Ark. Code Ann. § 14-234-119. The City has engaged with an accountant to perform the 2023 report. A similar finding was noted in the previous two reports.

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 – 14-59-119. The City was in noncompliance with these codes and other proper accounting procedures as noted below:

- 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.
- Receipts were not issued for all funds received.

The City Court's ending cash balances were not identified with receipt numbers for cases not yet adjudicated and payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. The unidentified amounts were $5,453 and $2,373 for 2024 and 2023, respectively. A similar finding was noted in the previous five reports dating back to 2014.

In 2024, year-end bonuses, Secretary/Recorder pay, and city council pay totaling $2,000, $2,700, and $9,000, respectively, were not processed through payroll. In 2023, year-end bonuses, volunteer fire department pay, and city council pay totaling $3,500, $3,900, and $6,242, respectively, were not processed through payroll.

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
January 6, 2026
LOM205124

CITY OF ELAINE, 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	$ 346,602	$ 309,781
Receipts:		
State aid	7,570	41,855
Federal aid	7,400	
Property taxes	16,295	10,281
Franchise fees	11,302	
Sales taxes	125,699	
Interest	84	
Local permits and fees	775	
Rent	7,650	
Other	2,661	382
Unclassified	48,560	10,160
Total Receipts	227,996	62,678
Disbursements:		
General government	63,493	48,163
Law enforcement	57,924	
Highways and streets		103,614
Public safety	2,333	5,360
Recreation and culture	965	
Water and sewer	25,969	
Debt service	13,109	
Unclassified	24,192	1
Total Disbursements	187,985	157,138
Cash Balance, December 31, 2024	$ 386,613	$ 215,321

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

Schedule 2

	Street	City Park	Drug Control	City Projects	Act 833	Fire Department	Civic Center
Cash Balance, January 1, 2024	$ 184,105	$ 489	$ 114	$ 267	$ 5,155	$ 15,218	$ 969
Receipts:							
State aid	41,855						
Property taxes	6,088					4,193	
Other	379	1	1	1			
Unclassified	160			10,000			
Total Receipts	48,482	1	1	10,001		4,193	
Disbursements:							
General government							
Highways and streets	103,614						
Public safety					34	5,326	
Unclassified							
Total Disbursements	103,614				34	5,326	
Cash Balance, December 31, 2024	$ 128,973	$ 490	$ 115	$ 10,268	$ 5,121	$ 14,085	$ 969

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

Schedule 2

	Drainage Grant	ACEDP Fire Equipment	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	$ 1	$ 80	$ 103,383	$ 309,781
Receipts:				
State aid				41,855
Property taxes				10,281
Other				382
Unclassified				10,160
Total Receipts				62,678
Disbursements:				
General government			48,163	48,163
Highways and streets				103,614
Public safety				5,360
Unclassified	1			1
Total Disbursements	1		48,163	157,138
Cash Balance, December 31, 2024	$ 0	$ 80	$ 55,220	$ 215,321

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

Schedule 3

	General Fund	Special Revenue Funds	Pension Trust Funds
Cash Balance, January 1, 2023	$ 328,484	$ 276,248	$ 198,624
Receipts:			
State aid	7,739	42,938	
Property taxes	16,034	22,089	596
Franchise fees	5,906		
Sales taxes	124,256		
Interest	85		2,447
Local permits and fees	565		
Net increase/(decrease) in fair value of investments			(23,065)
Other	11,353		
Unclassified	164,478	3,034	
Total Receipts	330,416	68,061	(20,022)
Disbursements:			
General government	119,736		
Law enforcement	34,231		
Highways and streets	8,625	30,346	
Public safety	14,225	4,182	9,592
Health	759		
Water and sewer	17,594		
Debt service	15,000		
Transfer to State of Arkansas Local Police and Fire Retirement System			169,010
Unclassified	102,128		
Total Disbursements	312,298	34,528	178,602
Cash Balance, December 31, 2023	$ 346,602	$ 309,781	$ 0

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

Schedule 4

	Street	City Park	Drug Control	City Projects	Act 833	Fire Department	Civic Center
Cash Balance, January 1, 2023	$ 161,959	$ 489	$ 114	$ 267	$ 8,905	$ 81	$ 969
Receipts:							
State aid	42,938						
Property taxes	7,873					14,216	
Unclassified	1,681					1,353	
Total Receipts	52,492					15,569	
Disbursements:							
Highways and streets	30,346						
Public safety					3,750	432	
Total Disbursements	30,346				3,750	432	
Cash Balance, December 31, 2023	$ 184,105	$ 489	$ 114	$ 267	$ 5,155	$ 15,218	$ 969

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

Schedule 4

	Drainage Grant	ACEDP Fire Equipment	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	$ 1	$ 80	$ 103,383	$ 276,248
Receipts:				
State aid				42,938
Property taxes				22,089
Unclassified				3,034
Total Receipts				68,061
Disbursements:				
Highways and streets				30,346
Public safety				4,182
Total Disbursements				34,528
Cash Balance, December 31, 2023	$ 1	$ 80	$ 103,383	$ 309,781

CITY OF ELAINE, 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 General Fund column on the Financial Schedules includes the following bank accounts:
General, General Fund Investment, and Elaine Fire Department Miscellaneous.

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

	December 31, 2024	December 31, 2023
District Court	$ 5,453	$ 2,373

These balances represent fines, forfeitures, and costs and that have not been transferred to the appropriate entities. The Court/City Clerk position was eliminated after the clerk's resignation on September 18, 2023. All Court duties were designated to the County Court Clerk in September 2024.

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

	December 31, 2024	December 31, 2023
Land and buildings	$ 835,878	$ 835,878
Equipment	680,519	638,521
Totals	$ 1,516,397	$ 1,474,399

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

	December 31, 2023
Financed purchases	$ 12,700