

City of Kensett, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF KENSSETT, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Kensett, 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 Kensett, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated April 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 finding contained in this section relates to the following officials who held office during 2024:

Mayor: Allen Edge
Recorder/Treasurer: Julie Whitney
District Court Clerk: Grace West (Appointed November 13, 2024)
Brenna Haynes (Resigned September 30, 2024)
Police Chief: Dillon Chandler

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 office of **District Court Clerk**.

District Court Clerk

The ending bank balance was 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. A similar finding was noted in the previous three reports.

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

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 6, 2026
LOM209924

CITY OF KENSETT, 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	\$ 278,896	\$ 581,179
Receipts:		
State aid	20,827	145,423
Federal aid		38,594
Property taxes	25,051	7,513
Franchise fees	63,980	
Sales taxes	297,560	
Fines, forfeitures, and costs	40,657	27,299
Interest	5,366	9,065
Local permits and fees	4,205	
Contributions from county		135,105
Sanitation fees		116,463
Other	41,582	43,006
Transfers in		21,152
Total Receipts	<u>499,228</u>	<u>543,620</u>
Disbursements:		
General government	160,351	11,838
Law enforcement	347,757	29,928
Highways and streets	638	149,050
Public safety	3,251	170,923
Sanitation	3,492	132,522
Recreation and culture	10	
Wastewater	2,992	31,194
Debt service		10,695
Transfers out	90	21,062
Total Disbursements	<u>518,581</u>	<u>557,212</u>
Cash Balance, December 31, 2024	<u>\$ 259,543</u>	<u>\$ 567,587</u>

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

Schedule 2

	Street	Sanitation	Court Automation	Criminal Activity	Arkansas Economic Development Commission Grant	Fireman's Insurance (Act 833)	One Fourth Cent Sales Tax	New Fire Station
Cash Balance, January 1, 2024	\$ 88,631	\$ 72,395	\$ 6,328	\$ 4,772	\$ 1	\$ 46,464	\$ 50,819	\$ 2,927
Receipts:								
State aid	115,123					30,300		
Federal aid				7,400	31,194			
Property taxes	7,513							
Fines, forfeitures, and costs			9,174	16,135				
Interest	2,999	3,348	36	15		10	289	
Contributions from county							6,631	
Sanitation fees		116,463						
Other	2,680	10,977	2,700	1,030		100	16,434	
Transfers in	4,127	17,025						
Total Receipts	<u>132,442</u>	<u>147,813</u>	<u>11,910</u>	<u>24,580</u>	<u>31,194</u>	<u>30,410</u>	<u>23,354</u>	
Disbursements:								
General government						566		
Law enforcement			10,843	16,985				
Highways and streets	149,050							
Public safety						56,878	13,747	
Sanitation		132,522						
Wastewater					31,194			
Debt service				10,695				
Transfers out								
Total Disbursements	<u>149,050</u>	<u>132,522</u>	<u>10,843</u>	<u>27,680</u>	<u>31,194</u>	<u>57,444</u>	<u>13,747</u>	
Cash Balance, December 31, 2024	<u>\$ 72,023</u>	<u>\$ 87,686</u>	<u>\$ 7,395</u>	<u>\$ 1,672</u>	<u>\$ 1</u>	<u>\$ 19,430</u>	<u>\$ 60,426</u>	<u>\$ 2,927</u>

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

Schedule 2

	<u>.25% Fire Protection Sales Tax</u>	<u>Street Capital Expenditures</u>	<u>Sanitation Capital Expenditures</u>	<u>Police Capital Expenditures</u>	<u>American Rescue Plan Act</u>	<u>Probation Fees</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 274,042	\$ 4,038	\$ 17,021	\$ 24	\$ 11,255	\$ 2,462	\$ 581,179
Receipts:							
State aid							145,423
Federal aid							38,594
Property taxes							7,513
Fines, forfeitures, and costs						1,990	27,299
Interest	2,334	6	11		17		9,065
Contributions from county	128,474						135,105
Sanitation fees							116,463
Other	9,085						43,006
Transfers in							21,152
Total Receipts	<u>139,893</u>	<u>6</u>	<u>11</u>		<u>17</u>	<u>1,990</u>	<u>543,620</u>
Disbursements:							
General government					11,272		11,838
Law enforcement						2,100	29,928
Highways and streets							149,050
Public safety	100,298						170,923
Sanitation							132,522
Wastewater							31,194
Debt service							10,695
Transfers out		4,037	17,025				21,062
Total Disbursements	<u>100,298</u>	<u>4,037</u>	<u>17,025</u>		<u>11,272</u>	<u>2,100</u>	<u>557,212</u>
Cash Balance, December 31, 2024	<u>\$ 313,637</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 24</u>	<u>\$ 0</u>	<u>\$ 2,352</u>	<u>\$ 567,587</u>

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

Schedule 3

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

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

	December 31, 2024
District Court	\$ 39,058
Police Seized Drug Fund	1

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

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

	December 31, 2024
Land	\$ 26,124
Buildings	346,910
Equipment	1,215,721
Total	\$ 1,588,755

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

	December 31, 2024
Financed purchases	\$ 22,802