City of Magazine, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF MAGAZINE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Magazine, 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 Magazine, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated April 30, 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 2025:

Mayor: Joshua Scott
Recorder/Treasurer: Vicki Smith
District Court Clerk: Vicki Smith
Police Chief: Brett Chappell

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 the **Mayor**.

Mayor

An annual audit or agreed-upon procedures report and compilation has not been obtained and submitted to Arkansas Legislative Audit for the Water and Sewer Departments for the periods August 1, 2023 through December 31, 2023, and for the year ended December 31, 2024, as required by Ark. Code Ann. § 14-234-119. The City signed engagement letters on July 7, 2025.

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
April 30, 2026
LOM211825

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	$ 615,419	$ 154,318
Receipts:		
State aid	10,995	74,981
Property taxes	13,288	12,078
Franchise fees	40,842	
Sales taxes	367,467	
Fines, forfeitures, and costs	15,606	643
Interest	1,069	335
Loan proceeds	28,485	
Other	45,259	390
Transfers in		8,000
Total Receipts	523,011	96,427
Disbursements:		
General government	256,631	
Law enforcement	235,404	575
Highways and streets	11,916	68,019
Public safety	27,240	20,611
Debt service	1,593	
Transfers out	8,000	
Contributions to water	43,704	
Total Disbursements	584,488	89,205
Cash Balance, December 31, 2025	$ 553,942	$ 161,540

CITY OF MAGAZINE, ARKANSAS

Schedule 2

COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

(UNAUDITED)

	Street	Local Police and Fire Retirement (LOPFI)	Judicial Fine Collection	Fire Equipment and Training (Act 833)	Total
Cash Balance, January 1, 2025	$ 127,143	$ 4,643	$ 337	$ 22,195	$ 154,318
Receipts:					
State aid	62,530			12,451	74,981
Property taxes	9,066	3,012			12,078
Fines, forfeitures, and costs			643		643
Interest	329	6			335
Other	390				390
Transfers in		8,000			8,000
Total Receipts	72,315	11,018	643	12,451	96,427
Disbursements:					
Law enforcement			575		575
Highways and streets	68,019				68,019
Public safety		6,951		13,660	20,611
Total Disbursements	68,019	6,951	575	13,660	89,205
Cash Balance, December 31, 2025	$ 131,439	$ 8,710	$ 405	$ 20,986	$ 161,540

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

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

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

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

	December 31, 2025
District Court	$ 181
Payroll	12,010

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	$ 14,375
Buildings	153,379
Equipment	848,150
Total	$ 1,015,904

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

	December 31, 2025
Financed purchases	$ 27,207