

**City of Palestine, Arkansas**

**Financial Information Report**

**December 31, 2025**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF PALESTINE, ARKANSAS  
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# Arkansas

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**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial Information Report

City of Palestine, 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 requested certain cash basis financial information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the City of Palestine, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated March 24, 2026. This information was not requested 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 commentary contained in this section relates to the following officials who held office during 2025:

Mayor: Billy Shafer  
Recorder/Treasurer: Valerie Parker  
Police Chief: Jeff Nichols

No issues came to our attention that would warrant disclosure in this report.

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  
March 24, 2026  
LOM214725

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds
Cash Balance, January 1, 2025	\$ 67,531	\$ 991,708	\$ 35,350
Receipts:			
State aid	7,518	85,177	
Federal aid		28,530	
Property taxes	9,025	3,434	
Franchise fees	42,185		
Sales taxes	523,077	102,333	
Fines, forfeitures, and costs	32,949		
Interest	347	19,431	
Local permits and fees	9,126		
Recreational fees		73,285	
Advertising and promotions		45,179	
Donations		2,175	
Other	412		
Transfers in	308,175	25,788	
Total Receipts	<u>932,814</u>	<u>385,332</u>	
Disbursements:			
General government	157,616		
Law enforcement	239,811		
Highways and streets		57,096	
Public safety	27,611	57,384	
Sanitation		88,884	
Recreation and culture	336,646	82,184	
Advertising and promotion		40,444	
Transfers out		308,175	25,788
Contributions to water department			9,562
Total Disbursements	<u>761,684</u>	<u>634,167</u>	<u>35,350</u>
Cash Balance, December 31, 2025	<u>\$ 238,661</u>	<u>\$ 742,873</u>	<u>\$ 0</u>

CITY OF PALESTINE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (UNAUDITED)

Schedule 2

	Street	Sanitation	Fire Equipment and Training	Advertising and Promotion	Ballpark	Festival	Veterans Memorial	American Rescue Plan Act	Total
Cash Balance, January 1, 2025	\$ 827,133	\$ 18,969	\$ 23,739	\$ 59,575	\$ 45,536	\$ 13,893	\$ 2,379	\$ 484	\$ 991,708
Receipts:									
State aid	55,906		29,271						85,177
Federal aid			28,530						28,530
Property taxes	3,434								3,434
Sales taxes	17,412	84,921							102,333
Interest	19,262			169					19,431
Recreational fees					73,285				73,285
Advertising and promotion tax				45,179					45,179
Donations							2,175		2,175
Transfers in	25,788								25,788
Total Receipts	<u>121,802</u>	<u>84,921</u>	<u>57,801</u>	<u>45,348</u>	<u>73,285</u>		<u>2,175</u>		<u>385,332</u>
Disbursements:									
Highways and streets	57,096								57,096
Public safety			57,384						57,384
Sanitation		88,884							88,884
Recreation and culture					81,720		464		82,184
Advertising and promotion				40,444					40,444
Transfers out	307,691							484	308,175
Total Disbursements	<u>364,787</u>	<u>88,884</u>	<u>57,384</u>	<u>40,444</u>	<u>81,720</u>		<u>464</u>	<u>484</u>	<u>634,167</u>
Cash Balance, December 31, 2025	<u>\$ 584,148</u>	<u>\$ 15,006</u>	<u>\$ 24,156</u>	<u>\$ 64,479</u>	<u>\$ 37,101</u>	<u>\$ 13,893</u>	<u>\$ 4,090</u>	<u>\$ 0</u>	<u>\$ 742,873</u>

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

Schedule 3

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, Volunteer Fire, and Police Department
3. The cash balance at year-end in the agency fund is as follows:

	December 31, 2025
Administration of Justice	\$       3,818

This balance represents fines, forfeitures, and costs that have not been transferred to the appropriate entities.

4. The Municipality's fixed asset records are summarized below:

	December 31, 2025
Land	\$     544,070
Buildings	617,406
Equipment	846,949
Total	\$   2,008,425