

**City of Thornton, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF THORNTON, ARKANSAS  
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# Arkansas

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Senate Vice Chair



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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Thornton, 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 Thornton, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated May 22, 2025. 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 2023 and 2022:

Mayor: Britney Boroughs (Appointed October 10, 2022)  
Bobby Cornelius (Resigned October 10, 2022)  
Marshal: Tommy Stringfellow

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**

For 2023 and 2022, an operating budget was not adopted by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202.

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 disbursements journals were not properly maintained to include major type of expenditures by department.
- A fixed asset listing was not properly maintained. The listing provided was insurance records but did not include additions, deletions, control totals, and original costs. A similar finding was noted in the previous report.
- Adequate supporting documentation was not maintained for tested disbursements of \$2,636 (5%) and \$4,436 (7%) in 2023 and 2022, respectively. A similar finding was noted in the previous report.
- City Council minutes, ordinances, and resolutions were not provided for inspection. A similar finding was noted in the previous 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  
May 22, 2025  
LOM218223

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2023	\$ 115,743	\$ 97,642
	<u>          </u>	<u>          </u>
Receipts:		
State aid	5,154	28,597
Property taxes	14,526	6,268
Franchise fees	17,457	
Sales taxes	139,499	
Fines, forfeitures, and costs	2,934	
Interest	79	447
Sanitation fees		17,250
Contracted services	1,705	
Other	324	
Transfers in		29,356
Total Receipts	<u>181,678</u>	<u>81,918</u>
	<u>          </u>	<u>          </u>
Disbursements:		
General government	61,889	
Highways and streets		36,236
Public safety	17,391	11,156
Sanitation		40,234
Contribution to water and sewer	44,055	
Debt service	6,669	
Transfers out	29,356	
Unclassified	80,567	20,370
Total Disbursements	<u>239,927</u>	<u>107,996</u>
	<u>          </u>	<u>          </u>
Cash Balance, December 31, 2023	<u>\$ 57,494</u>	<u>\$ 71,564</u>

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

Schedule 2

	Street	Solid Waste	Act 833	LOPFI	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 4,898	\$ 13,156	\$ 45,606	\$ 13,612	\$ 20,370	\$ 97,642
Receipts:						
State aid	28,597					28,597
Property taxes	4,159			2,109		6,268
Interest	11		436			447
Sanitation fees		17,250				17,250
Transfers in		18,200		11,156		29,356
Total Receipts	<u>32,767</u>	<u>35,450</u>	<u>436</u>	<u>13,265</u>		<u>81,918</u>
Disbursements:						
Highways and streets	36,236					36,236
Public safety				11,156		11,156
Sanitation		40,234				40,234
Unclassified					20,370	20,370
Total Disbursements	<u>36,236</u>	<u>40,234</u>		<u>11,156</u>	<u>20,370</u>	<u>107,996</u>
Cash Balance, December 31, 2023	<u>\$ 1,429</u>	<u>\$ 8,372</u>	<u>\$ 46,042</u>	<u>\$ 15,721</u>	<u>\$ 0</u>	<u>\$ 71,564</u>

CITY OF THORNTON, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2022	\$ 117,756	\$ 110,546
Receipts:		
State aid	20,024	29,268
Federal aid		44,635
Property taxes	14,436	5,931
Franchise fees	12,893	
Sales taxes	157,402	
Fines, forfeitures, and costs	9,650	
Interest	42	164
Sanitation fees		15,482
Contracted services	4,046	
Other	1,435	2,174
Transfers in		35,055
Total Receipts	<u>219,928</u>	<u>132,709</u>
Disbursements:		
General government	60,149	
Highways and streets		39,981
Public safety	5,977	10,505
Sanitation		35,448
Community development		4,960
Contribution to water and sewer	22,000	
Debt service	6,669	
Transfers out	35,055	
Unclassified	92,091	54,719
Total Disbursements	<u>221,941</u>	<u>145,613</u>
Cash Balance, December 31, 2022	<u>\$ 115,743</u>	<u>\$ 97,642</u>

CITY OF THORNTON, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 4

	Street	Solid Waste	Act 833	LOPFI	American Rescue Plan Act	Community Development Block Grant	Total
Cash Balance, January 1, 2022	\$ 3,382	\$ 14,572	\$ 45,447	\$ 11,731	\$ 35,414		\$ 110,546
Receipts:							
State aid	29,268						29,268
Federal aid					39,675	\$ 4,960	44,635
Property taxes	4,050			1,881			5,931
Interest	5		159				164
Sanitation fees		15,482					15,482
Other	2,174						2,174
Transfers in	6,000	18,550		10,505			35,055
Total Receipts	<u>41,497</u>	<u>34,032</u>	<u>159</u>	<u>12,386</u>	<u>39,675</u>	<u>4,960</u>	<u>132,709</u>
Disbursements:							
Highways and streets	39,981						39,981
Public safety				10,505			10,505
Sanitation		35,448					35,448
Community development						4,960	4,960
Unclassified					54,719		54,719
Total Disbursements	<u>39,981</u>	<u>35,448</u>		<u>10,505</u>	<u>54,719</u>	<u>4,960</u>	<u>145,613</u>
Cash Balance, December 31, 2022	<u>\$ 4,898</u>	<u>\$ 13,156</u>	<u>\$ 45,606</u>	<u>\$ 13,612</u>	<u>\$ 20,370</u>	<u>\$ 0</u>	<u>\$ 97,642</u>

CITY OF THORNTON, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(UNAUDITED)

Schedule 5

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 and Fire Department

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

	December 31, 2023	December 31, 2022
Payroll	\$ 8,960	\$ 9,413
State Revenue	14,193	11,275

These balances represent payroll taxes that have not been transferred to the appropriate entities and sales tax and state aid that have not been settled to appropriate funds.

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

	December 31, 2023	December 31, 2022
Buildings	\$ 738,122	\$ 738,122
Equipment	325,072	325,072
Totals	<u>\$ 1,063,194</u>	<u>\$ 1,063,194</u>

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2023	December 31, 2022
Financed purchases	<u>\$ 5,466</u>	<u>\$ 11,813</u>

6. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 39,675</u>