

City of Thornton, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF THORNTON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

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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 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 year ended December 31, 2024, and have issued our report thereon dated February 25, 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:

Mayor: Britney Boroughs
Recorder/Treasurer: Vacant
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

The budget was not adopted by ordinance or resolution as required by Ark. Code Ann. § 14-58-202. A similar finding was issued in the previous report.

The council did not review the prior year's report and accompanying comments at the first regularly scheduled meeting following receipt of the report as required by Ark. Code Ann. § 10-4-418.

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 similar finding was issued in the previous report.
- A fixed asset listing was not properly maintained. A similar finding was issued in the previous two reports.
- An annual financial statement was not published or posted.
- Supporting documentation was not maintained to document that monthly financial reports were submitted to the council.
- Council minutes were not provided for inspection. A similar finding was issued in the previous two 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
February 25, 2026
LOM218224

CITY OF THORNTON, 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	\$ 57,494	\$ 71,564
Receipts:		
State aid	5,042	27,876
Property taxes	18,136	9,068
Franchise fees	17,504	
Sales taxes	131,685	
Fines, forfeitures, and costs	498	
Interest	190	725
Sanitation fees		17,950
Contribution from water and sewer	1,500	
Other	258	
Transfers in	10,000	29,460
Total Receipts	<u>184,813</u>	<u>85,079</u>
Disbursements:		
General government	101,180	
Law enforcement	6,300	
Highways and streets		37,341
Public safety	17,310	9,986
Sanitation		44,339
Contribution to water and sewer	52,363	
Debt service	5,520	
Transfers out	29,460	10,000
Total Disbursements	<u>212,133</u>	<u>101,666</u>
Cash Balance, December 31, 2024	<u>\$ 30,174</u>	<u>\$ 54,977</u>

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

Schedule 2

	<u>Street</u>	<u>Solid Waste</u>	<u>Act 833</u>	<u>LOPFI</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 1,429	\$ 8,372	\$ 46,042	\$ 15,721	\$ 71,564
Receipts:					
State aid	27,876				27,876
Property taxes	5,441			3,627	9,068
Interest	6		719		725
Sanitation fees		17,950			17,950
Transfers in	6,300	20,400		2,760	29,460
Total Receipts	<u>39,623</u>	<u>38,350</u>	<u>719</u>	<u>6,387</u>	<u>85,079</u>
Disbursements:					
Highways and streets	37,341				37,341
Public safety				9,986	9,986
Sanitation		44,339			44,339
Transfers out				10,000	10,000
Total Disbursements	<u>37,341</u>	<u>44,339</u>		<u>19,986</u>	<u>101,666</u>
Cash Balance, December 31, 2024	<u>\$ 3,711</u>	<u>\$ 2,383</u>	<u>\$ 46,761</u>	<u>\$ 2,122</u>	<u>\$ 54,977</u>

CITY OF THORNTON, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (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 and Fire Department
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2024
Payroll	\$ 8,744
State Revenue	11,879

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 the appropriate funds.

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

	December 31, 2024
Land	\$ 29,095
Buildings	746,020
Equipment	481,185
Total	\$ 1,256,300