

City of Dumas, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DUMAS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2020

Financial and Compliance Report

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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Dumas, 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 Dumas, Arkansas, as of and for the year ended December 31, 2020, and have issued our report thereon dated April 27, 2022. These procedures were not performed for the Water and Sewer Funds. 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 2020:

Mayor: Flora Simon
Clerk/Treasurer: Shelly Billingsley
District Court Clerk: April Patterson
Police Chief: Everett Cox (January 1, 2020 - October 13, 2020); Keith Finch (Hired October 13, 2020)

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 **Mayor**.

Mayor

Restricted Street Fund monies were used to pay for animal control expenses totaling \$2,437, in noncompliance with Ark. Code Ann. §§ 26-79-104, 27-70-207.

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 cursive script that reads "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
April 27, 2022
LOM102820

CITY OF DUMAS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund 2019 Sales and Use Tax Refunding Bond	Pension Trust Funds
Cash Balance, January 1, 2020	\$ 3,267,385	\$ 2,074,158	\$ 455,273	\$ 2,216,780
Receipts:				
State aid	79,047	378,502		3,690
Federal aid	186,441	20,000		
Property taxes	201,433	40,312		
Franchise fees	241,430			
Sales taxes	1,200,290	564	1,482,836	
Fines, forfeitures, and costs	108,544	22,143		
Interest	50,799	16,004	4,742	34,642
Local permits and fees	39,495			
Advertising and promotion taxes		207,180		
Sanitation fees	296,516			
Rent income	93,695	40,502		
Ambulance fees	679,504			
Jail fees	111,494			
Mosquito fees	73,022			
Donations	3,510,424			
Fuel Sales		38,672		
Net increase/(decrease) in fair value of investments				169,541
Other	154,852	5,112		72
Transfers in	918,227			110,400
Grant Proceeds		22,400		
Total Receipts	<u>7,945,213</u>	<u>791,391</u>	<u>1,487,578</u>	<u>318,345</u>
Disbursements:				
General government	493,432			119,255
Law enforcement	1,394,691	12,228		
Highways and streets	1,033	367,917		
Public safety	78,057	23,241		42,678
Sanitation	406,599			
Health	717,272			
Recreation and culture	21,737	98,715		
Airport	5,617	100,149		
Debt service	124,586	53,393	296,039	
Transfers out	110,400		918,227	
Sales tax transferred to hospital	760,005			
Total Disbursements	<u>4,113,429</u>	<u>655,643</u>	<u>1,214,266</u>	<u>161,933</u>
Cash Balance, December 31, 2020	<u>\$ 7,099,169</u>	<u>\$ 2,209,906</u>	<u>\$ 728,585</u>	<u>\$ 2,373,192</u>

CITY OF DUMAS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Street	Criminal Justice Act 1336	Fire Equipment & Training Act 833	District Court Automation	Airport	Auditorium	Total
Cash Balance, January 1, 2020	\$ 913,469	\$ 92,446	\$ 19,979	\$ 16,987	\$ 59,022	\$ 972,255	\$ 2,074,158
Receipts:							
State aid	355,259		23,243				378,502
Federal aid					20,000		20,000
Property taxes	40,312						40,312
Sales taxes					564		564
Fines, forfeitures, and costs		18,648		3,495			22,143
Interest	13,840				128	2,036	16,004
Advertising and promotion taxes						207,180	207,180
Rent income					24,025	16,477	40,502
Fuel Sales					38,672		38,672
Other	2,784				2,328		5,112
Grant Proceeds					22,400		22,400
Total Receipts	<u>412,195</u>	<u>18,648</u>	<u>23,243</u>	<u>3,495</u>	<u>108,117</u>	<u>225,693</u>	<u>791,391</u>
Disbursements:							
Law enforcement		11,079		1,149			12,228
Highways and streets	367,917						367,917
Public safety			23,241				23,241
Recreation and culture						98,715	98,715
Airport					100,149		100,149
Debt service	38,129				15,264		53,393
Total Disbursements	<u>406,046</u>	<u>11,079</u>	<u>23,241</u>	<u>1,149</u>	<u>115,413</u>	<u>98,715</u>	<u>655,643</u>
Cash Balance, December 31, 2020	<u>\$ 919,618</u>	<u>\$ 100,015</u>	<u>\$ 19,981</u>	<u>\$ 19,333</u>	<u>\$ 51,726</u>	<u>\$ 1,099,233</u>	<u>\$ 2,209,906</u>

CITY OF DUMAS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - PENSION TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 3

	<u>Firemen's Pension</u>	<u>City Pension</u>	<u>Total</u>
Cash Balance, January 1, 2020	\$ 516,290	\$ 1,700,490	\$ 2,216,780
Receipts:			
State aid	3,690		3,690
Interest	34,420	222	34,642
Net increase/(decrease) in fair value of investments	22,000	147,541	169,541
Other	72		72
Transfers in		110,400	110,400
Total Receipts	<u>60,182</u>	<u>258,163</u>	<u>318,345</u>
Disbursements:			
General government		119,255	119,255
Public safety	42,678		42,678
Total Disbursements	<u>42,678</u>	<u>119,255</u>	<u>161,933</u>
Cash Balance, December 31, 2020	<u>\$ 533,794</u>	<u>\$ 1,839,398</u>	<u>\$ 2,373,192</u>

CITY OF DUMAS, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 4

1. Cash balances on the Financial Schedules include demand and savings accounts, certificates of deposit, stocks, mutual funds, and bonds.

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

General Fund, Police Training, Breathalyzer, Akin Education Project, Capital Reserve Money Market, Court Liability, 1/2-Cent City Sales Tax, Sales Tax, Police Drug, Jail Commissary, Industrial Development, Mayor and Clerk Retirement, EMS Grant, Police Equipment, 3/4-Cent Sales Tax, Delta Regional Authority, Delta Technology Education Center, USDA Grant Police Vehicle, Peterson Trust, and LOPFI funds, and General Fund Certificates of Deposit.

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

	December 31, 2020
Police Bond and Fine Fund	\$ 19,717
District Court Fund	23,714
Payroll Fund	27,498

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, 2020
Land	\$ 128,010
Buildings	28,306,325
Equipment	2,972,450
Total	<u>\$ 31,406,785</u>

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

	December 31, 2020
Leases payable	\$ 322,172
Notes payable	268,087
Bonds payable	5,900,000
Total	<u>\$ 6,490,259</u>

CITY OF DUMAS, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 4

6. Outstanding balances at year-end for bonds payable are as follows:

December 31,
2020

Sales and Use Tax Refunding Bonds Series 2019A and 2019B, dated September 24, 2019, in the amount of \$6,040,000, annual installments of \$115,000 - \$485,000 plus interest through January 1, 2036; interest of 2 - 4%. Payments are to be made from the Sales and Use Tax Refunding Bond Debt Service Fund.

\$ 5,900,000

7. The City is obligated for the following amounts at December 31, 2019:

Years Ending December 31,	Bonds
2021	\$ 508,006
2022	505,531
2023	507,891
2024	504,343
2025	504,000
2026 through 2030	2,495,144
2031 through 2035	2,507,519
2036	122,400
Total Obligations	7,654,834
Less Interest	1,754,834
Total Principal	\$ 5,900,000

8. In April 2020, the City received a private donation of \$3,388,330 consisting of cash and investments.