

City of Decatur, Arkansas

Financial and Compliance Report

December 31, 2022

***Including Financial Information
For
December 31, 2021 and 2020***

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DECATUR, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Decatur, 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 Decatur, Arkansas, as of and for the year ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated July 10, 2023. These procedures were not performed for the Water and Wastewater Departments. 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 2022, 2021, and 2020:

Mayor: Bob Tharp
Recorder/Treasurer: Kim Wilkins
District Court Clerk: Peggy Burke
Police Chief: Joe Savage (retired April 30, 2020)
Steve Grizzle (appointed March 10, 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.

During our evaluation, nothing 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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
July 10, 2023
LOM204022

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund (Bridge Projects)
Cash Balance, January 1, 2022	\$ 810,505	\$ 1,234,468	\$ 1,500
Receipts:			
State aid	26,450	180,586	
Federal aid	122,064	185,426	
Property taxes	145,021	27,426	
Franchise fees	110,786		
Sales taxes	762,768	30,114	
Fines, forfeitures, and costs	78,691	64,902	
Interest	3,584	5,199	
Local permits and fees	66,251		
Grants	39,880		
Contributions from other municipalities		241,997	
Donations	10,519		
Alcohol sales tax	8,443		
Other	80,525	1,372	
Transfers in		43,800	
Total Receipts	<u>1,454,982</u>	<u>780,822</u>	
Disbursements:			
General government	326,379		
Law enforcement	740,883	480,621	
Highways and streets		59,186	
Public safety	110,224	17,807	
Recreation and culture	171,441		
Debt service	46,478		
Transfers out	43,800		
Total Disbursements	<u>1,439,205</u>	<u>557,614</u>	
Cash Balance, December 31, 2022	<u>\$ 826,282</u>	<u>\$ 1,457,676</u>	<u>\$ 1,500</u>

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

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	Drug	Benton County District Court West - Payroll and Court Cost	Benton County District Court West - Court Automation
Cash Balance, January 1, 2022	\$ 627,704	\$ 42,539	\$ 81,133	\$ 23,727	\$ 8,478	\$ 149,572	\$ 109,894
Receipts:							
State aid	153,075		27,511				
Federal aid							
Property taxes	27,426						
Sales taxes	30,114						
Fines, forfeitures, and costs	3,034			13,829	2,735	15,636	29,668
Interest	3,206	207	312				510
Contributions from other municipalities						241,997	
Other				149		1,223	
Transfers in						43,800	
Total Receipts	<u>216,855</u>	<u>207</u>	<u>27,823</u>	<u>13,978</u>	<u>2,735</u>	<u>302,656</u>	<u>30,178</u>
Disbursements:							
Law enforcement		791				310,026	22,603
Highways and streets	59,186						
Public safety			17,807				
Total Disbursements	<u>59,186</u>	<u>791</u>	<u>17,807</u>			<u>310,026</u>	<u>22,603</u>
Cash Balance, December 31, 2022	<u>\$ 785,373</u>	<u>\$ 41,955</u>	<u>\$ 91,149</u>	<u>\$ 37,705</u>	<u>\$ 11,213</u>	<u>\$ 142,202</u>	<u>\$ 117,469</u>

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

Schedule 2

	Federal Emergency Management Association (FEMA) Bridge	Arkansas Economic Development Grants	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 3,520	\$ 2,401	\$ 185,500	\$ 1,234,468
Receipts:				
State aid				180,586
Federal aid			185,426	185,426
Property taxes				27,426
Sales taxes				30,114
Fines, forfeitures, and costs				64,902
Interest			964	5,199
Contributions from other municipalities				241,997
Other				1,372
Transfers in				43,800
Total Receipts			186,390	780,822
Disbursements:				
Law enforcement			147,201	480,621
Highways and streets				59,186
Public safety				17,807
Total Disbursements			147,201	557,614
Cash Balance, December 31, 2022	\$ 3,520	\$ 2,401	\$ 224,689	\$ 1,457,676

CITY OF DECATUR, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Capital Project Fund (Bridge Projects)
Cash Balance, January 1, 2021	\$ 736,266	\$ 895,865	\$ 1,500
Receipts:			
State aid	27,851	412,438	649,907
Federal aid	20,026	188,632	
Property taxes	142,741	28,291	
Franchise fees	101,534		
Sales taxes	764,846	28,112	
Fines, forfeitures, and costs	75,898	61,585	
Interest	1,684	1,954	
Local permits and fees	48,266		
Grants	13,456		
Contributions from other municipalities		237,288	
Alcohol sales tax	7,466		
Other	39,365	17,469	
Transfers in		53,804	
Total Receipts	<u>1,243,133</u>	<u>1,029,573</u>	<u>649,907</u>
Disbursements:			
General government	295,548		
Law enforcement	508,874	308,856	
Highways and streets		376,693	649,907
Public safety	102,942	2,244	
Sanitation		3,177	
Recreation and culture	153,836		
Debt service	53,890		
Transfers out	53,804		
Total Disbursements	<u>1,168,894</u>	<u>690,970</u>	<u>649,907</u>
Cash Balance, December 31, 2021	<u>\$ 810,505</u>	<u>\$ 1,234,468</u>	<u>\$ 1,500</u>

CITY OF DECATUR, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 4

	Street	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	Drug	Benton County District Court West - Payroll and Court Cost	Benton County District Court West - Court Automation	Federal Emergency Management Association (FEMA) Bridge	Arkansas Economic Development Grants	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 535,362	\$ 42,661	\$ 57,181	\$ 13,532	\$ 6,838	\$ 135,815	\$ 98,582	\$ 3,520	\$ 2,374		\$ 895,865
Receipts:											
State aid	387,193		25,245								412,438
Federal aid									3,204	\$ 185,428	188,632
Property taxes	28,291										28,291
Sales taxes	28,112										28,112
Fines, forfeitures, and costs	2,261			10,159	1,640	15,636	31,889				61,585
Interest	1,017	710	119	36						72	1,954
Contributions from other municipalities						237,288					237,288
Other	16,069					1,400					17,469
Transfers in	6,092					47,712					53,804
Total Receipts	469,035	710	25,364	10,195	1,640	302,036	31,889		3,204	185,500	1,029,573
Disbursements:											
Law enforcement						288,279	20,577				308,856
Highways and streets	376,693										376,693
Public safety		832	1,412								2,244
Sanitation									3,177		3,177
Total Disbursements	376,693	832	1,412			288,279	20,577		3,177		690,970
Cash Balance, December 31, 2021	\$ 627,704	\$ 42,539	\$ 81,133	\$ 23,727	\$ 8,478	\$ 149,572	\$ 109,894	\$ 3,520	\$ 2,401	\$ 185,500	\$ 1,234,468

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

Schedule 5

	General Fund	Special Revenue Funds	Capital Projects Fund (Bridge Projects)	Pension Trust Fund (Firemen's Pension)
Cash Balance, January 1, 2020	\$ 780,854	\$ 760,497		\$ 162,150
Receipts:				
State aid	25,208	186,461	\$ 135,629	
Federal aid	79,762			
Property taxes	145,898	28,578		
Franchise fees	95,848			
Sales taxes	653,389	23,017		
Fines, forfeitures, and costs	66,492	57,439		
Interest	2,600	2,642		1,645
Local permits and fees	52,649			
Grants	6,677			
Contributions from other municipalities		232,724		
Alcohol sales tax	2,138			
Net increase/(decrease) in fair value of investments				(3,718)
Other	27,403	10,375	1,500	999
Transfers in		52,276		
Total Receipts	<u>1,158,064</u>	<u>593,512</u>	<u>137,129</u>	<u>(1,074)</u>
Disbursements:				
General government	307,278			
Law enforcement	472,957	322,287		
Highways and streets		81,165	135,629	
Public safety	123,668	48,838		9,112
Sanitation	30,319	5,854		
Recreation and culture	127,124			
Debt service	89,030			
Transfers out	52,276			
Paid to local police and fire				151,964
Total Disbursements	<u>1,202,652</u>	<u>458,144</u>	<u>135,629</u>	<u>161,076</u>
Cash Balance, December 31, 2020	<u>\$ 736,266</u>	<u>\$ 895,865</u>	<u>\$ 1,500</u>	<u>\$ 0</u>

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

Schedule 6

	Street	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	Drug	Benton County District Court West - Payroll and Court Cost	Benton County District Court West - Court Automation	Federal Emergency Management Association (FEMA) Bridge	Arkansas Economic Development Grants	Total
Cash Balance, January 1, 2020	\$ 404,628	\$ 42,798	\$ 73,858	\$ 25,221	\$ 5,180	\$ 121,672	\$ 81,246	\$ 3,520	\$ 2,374	\$ 760,497
Receipts:										
State aid	157,560		23,047						5,854	186,461
Property taxes	28,578									28,578
Sales taxes	23,017									23,017
Fines, forfeitures, and costs	1,154			4,977	1,815	15,636	33,857			57,439
Interest	1,590	736	241	75						2,642
Contributions from other municipalities						232,724				232,724
Other			8,000			2,375				10,375
Transfers in						52,276				52,276
Total Receipts	211,899	736	31,288	5,052	1,815	303,011	33,857		5,854	593,512
Disbursements:										
Law enforcement				16,741	157	288,868	16,521			322,287
Highways and streets	81,165									81,165
Public safety		873	47,965							48,838
Sanitation									5,854	5,854
Total Disbursements	81,165	873	47,965	16,741	157	288,868	16,521		5,854	458,144
Cash Balance, December 31, 2020	\$ 535,362	\$ 42,661	\$ 57,181	\$ 13,532	\$ 6,838	\$ 135,815	\$ 98,582	\$ 3,520	\$ 2,374	\$ 895,865

CITY OF DECATUR, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(UNAUDITED)

Schedule 7

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 Checking, Contingency, Parks Construction, Library Growth, Fire Truck Replacement, Fire Donations, Police Donations, Police Car Replacement, and Dog Kennel Donations.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
District Court	\$ 22,802	\$ 18,664	\$ 21,234
Administration of Justice	16	16	16

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 531,536	\$ 531,536	\$ 531,536
Buildings	1,034,298	1,034,298	1,034,297
Equipment	1,528,025	1,276,429	1,224,817
Totals	<u>\$ 3,093,859</u>	<u>\$ 2,842,263</u>	<u>\$ 2,790,650</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Notes payable	<u>\$ 368,813</u>	<u>\$ 410,112</u>	<u>\$ 464,153</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)			\$ 67,311
American Rescue Plan Act (ARPA)	\$ 185,426	\$ 185,428	
	<u>\$ 185,426</u>	<u>\$ 185,428</u>	<u>\$ 67,311</u>