

City of Des Arc, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DES ARC, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

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Arkansas

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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 Des Arc, 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 Des Arc, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated April 27, 2023. These procedures were not performed for the Water, Sewer and Gas Transmission and Distribution System Funds. 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:

Mayor: James Garth
Recorder/Treasurer: Janice Huffstickler (appointed January 18, 2022)
District Court Clerk: Freida Seevers (hired April 11, 2022)
Lisa Higgs (resigned March 18, 2022)
Police Chief: Dewayne Mayher

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
April 27, 2023
LOM204222

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

Schedule 1

	General Fund	Special Revenue Funds	Enterprise Fund - Ambulance	Pension Trust Fund - Firemen's Pension
Cash Balance, January 1, 2022	\$ 1,067,930	\$ 380,028	\$ 272,685	\$ 32,684
Receipts:				
State aid	96,789	177,800		
Federal aid		163,879		
Property taxes	57,392	19,890		10,600
Franchise fees	68,807			
Sales taxes	860,973	127,540	353,258	
Fines, forfeitures, and costs	57,711	1,345		
Interest	6,304	1,113	1,615	184
Local permits and fees	3,658			
Sanitation fees	267,971			
Cemetery fees		15,872		
Ambulance charges			180,808	
Rent	23,950			
Reimbursements from water, sewer and gas	116,116			
Other	405,688	25,731	2,661	
Transfers in		20,000		
Total Receipts	1,965,359	553,170	538,342	10,784
Disbursements:				
General government	208,064			
Law enforcement	653,348	41,177		
Highways and streets	83,005	190,328		
Public safety	64,423	1,080	707,275	1,180
Sanitation	263,712			
Health	79,476			
Recreation and culture	73,026			
Social services	31,843			
Cemetery		100,048		
Wastewater		114,000		
Transfers out	20,000			
Contributions to water, sewer, and gas	38,159			
Total Disbursements	1,515,056	446,633	707,275	1,180
Cash Balance, December 31, 2022	\$ 1,518,233	\$ 486,565	\$ 103,752	\$ 42,288

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

Schedule 2

	Street	Cemetery	Local Police and Fire Retirement (LOPFI)	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 47,415	\$ 218,621	\$ 15,206	\$ 98,786	\$ 380,028
Receipts:					
State aid	177,800				177,800
Federal aid				163,879	163,879
Property taxes	19,890				19,890
Sales taxes	28,438	69,102	30,000		127,540
Fines, forfeitures, and costs			1,345		1,345
Interest	217	788	63	45	1,113
Cemetery fees		15,872			15,872
Other	559	25,172			25,731
Transfers in				20,000	20,000
Total Receipts	226,904	110,934	31,408	183,924	553,170
Disbursements:					
Law enforcement			41,177		41,177
Highways and streets	190,328				190,328
Public safety			1,080		1,080
Cemetery		100,048			100,048
Wastewater				114,000	114,000
Total Disbursements	190,328	100,048	42,257	114,000	446,633
Cash Balance, December 31, 2022	\$ 83,991	\$ 229,507	\$ 4,357	\$ 168,710	\$ 486,565

CITY OF DES ARC, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, County Sales Tax, Sanitation, and City Sales Tax.

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

	December 31, 2022
District Court	\$ 75,786
Pay Fund	36,143

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, 2022
Land	\$ 219,059
Buildings	1,454,337
Equipment	2,850,836
Total	\$ 4,524,232

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 163,879