

City of Des Arc, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DES ARC, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

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Senate Vice Chair



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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, 2023, and have issued our report thereon dated February 27, 2024. 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 2023:

Mayor: Roger Scott
Recorder/Treasurer: Janice Huffstickler
District Court Clerk: Freida Seevers
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
February 27, 2024
LOM204223

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

Schedule 1

	General Fund	Special Revenue Funds	Enterprise Fund - Ambulance	Pension Trust Fund - Firemen's Pension
Cash Balance, January 1, 2023	\$ 1,518,233	\$ 486,565	\$ 103,752	\$ 42,288
Receipts:				
State aid	122,309	160,699		
Federal aid	16,219			
Property taxes	62,528	21,534		11,654
Franchise fees	73,540			
Sales taxes	875,444	138,882	360,322	
Fines, forfeitures, and costs	67,622	1,345		
Interest	8,263	1,809	696	234
Local permits and fees	2,225			
Sanitation fees	333,159			
Cemetery fees		13,620		
Ambulance charges			198,694	
Rent	19,200			
Reimbursements from water, sewer and gas	51,507			
Other	126,485	4,408		
Total Receipts	1,758,501	342,297	559,712	11,888
Disbursements:				
General government	321,928			
Law enforcement	705,594	48,309		
Highways and streets	12,741	252,883		
Public safety	35,679	1,098	445,653	1,210
Sanitation	327,729			
Health	37,195			
Recreation and culture	94,214			
Social services	10,364			
Cemetery		61,974		
Contributions to water, sewer and gas	152,342	14,277		
Total Disbursements	1,697,786	378,541	445,653	1,210
Cash Balance, December 31, 2023	\$ 1,578,948	\$ 450,321	\$ 217,811	\$ 52,966

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

Schedule 2

	Street	Cemetery	Local Police and Fire Retirement (LOPFI)	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 83,991	\$ 229,507	\$ 4,357	\$ 168,710	\$ 486,565
Receipts:					
State aid	160,699				160,699
Property taxes	21,534				21,534
Sales taxes	49,003	39,879	50,000		138,882
Fines, forfeitures, and costs			1,345		1,345
Interest	366	1,094	45	304	1,809
Cemetery fees		13,620			13,620
Other	4,388	20			4,408
Total Receipts	235,990	54,613	51,390	304	342,297
Disbursements:					
Law enforcement			48,309		48,309
Highways and streets	252,883				252,883
Public safety			1,098		1,098
Cemetery		61,974			61,974
Contributions to water, sewer and gas				14,277	14,277
Total Disbursements	252,883	61,974	49,407	14,277	378,541
Cash Balance, December 31, 2023	\$ 67,098	\$ 222,146	\$ 6,340	\$ 154,737	\$ 450,321

CITY OF DES ARC, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(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, 2023
Police Bond and Fine	\$ 5
District Court	114,071
Pay Fund	30,412

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, 2023
Land	\$ 219,059
Buildings	1,517,505
Equipment	3,004,259
Total	<u>\$ 4,740,823</u>