

City of Dyer, Arkansas

Financial and Compliance Report

December 31, 2024, 2023, and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DYER, ARKANSAS
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Arkansas

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Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Dyer, 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 Dyer, Arkansas, as of and for the years ended December 31, 2024, 2023, and 2022, and have issued our report thereon dated May 28, 2025. These procedures were not performed for the Water, Sewer, and Sanitation 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, 2023, and 2022:

Mayor: Lynn Hubbard (appointed November 7, 2023)
Robert Porter (January 1, 2023 through November 7, 2023)
Paul Brown (2022)
Recorder/Treasurer: Karen Robson (appointed April 23, 2024)
Lynn Hubbard (resigned March 31, 2024)
Police Chief: Josh Winford

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 offices of **Mayor** and **Recorder/Treasurer**.

Mayor

In 2024, the General Fund expenditures exceeded budget appropriations by \$69,839 (20%) in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the prior report for the Street Fund.

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

Recorder/Treasurer

The following issues were noted when reviewing payroll records:

- State of Arkansas ARW-3 form was not made available for inspection for 2023, as required by Ark. Code Ann. § 14-59-114.
- Compensation totaling \$1,700 to the payroll preparer in 2022 was not included on the Internal Revenue Service (IRS) Form W-2.
- While serving as Mayor and Recorder/Treasurer, Lynn Hubbard, had wages of \$2,400 and \$4,100 that were not reported on IRS Form W-2, but instead reported on IRS Form 1099 in 2024 and 2023, respectively.
- Recorder/Treasurer, Karen Robson, had wages of \$2,400 that were not reported on IRS Form W-2, but instead reported on form 1099 in 2024.

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" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 28, 2025
LOM204824

CITY OF DYER, 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	\$ 244,464	\$ 150,448
Receipts:		
State aid	89,167	69,394
Property taxes	39,192	16,821
Franchise fees	21,412	
Sales taxes	164,263	
Fines, forfeitures, and costs	28,728	
Interest	7,026	3,139
Local permits and fees	1,527	
Insurance proceeds	5,139	
Donations	856	70
Other	6,161	7,047
Total Receipts	<u>363,471</u>	<u>96,471</u>
Disbursements:		
General government	270,903	
Law enforcement	117,792	
Highways and streets	66	103,475
Public safety	24,768	9,741
Debt service	4,769	
Total Disbursements	<u>418,298</u>	<u>113,216</u>
Cash Balance, December 31, 2024	<u>\$ 189,637</u>	<u>\$ 133,703</u>

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

Schedule 2

	<u>Street</u>	<u>Grant Fund</u>	<u>Volunteer Fire Department</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 132,576	\$ 15,091	\$ 2,781	\$ 150,448
Receipts:				
State aid	63,482	5,912		69,394
Property taxes	16,821			16,821
Interest	2,754	318	67	3,139
Donations			70	70
Other	6,597		450	7,047
Total Receipts	<u>89,654</u>	<u>6,230</u>	<u>587</u>	<u>96,471</u>
Disbursements:				
Highways and streets	103,475			103,475
Public safety		9,741		9,741
Total Disbursements	<u>103,475</u>	<u>9,741</u>		<u>113,216</u>
Cash Balance, December 31, 2024	<u>\$ 118,755</u>	<u>\$ 11,580</u>	<u>\$ 3,368</u>	<u>\$ 133,703</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 170,523	\$ 165,938
Receipts:		
State aid	11,804	73,167
Property taxes	51,408	15,423
Franchise fees	21,645	
Sales taxes	189,655	
Fines, forfeitures, and costs	20,359	
Interest	6,188	2,774
Local permits and fees	1,825	
Insurance proceeds	57,279	
Donations	1,650	290
Other	15,200	5
Total Receipts	<u>377,013</u>	<u>91,659</u>
Disbursements:		
General government	228,661	
Law enforcement	47,398	
Highways and streets		59,916
Public safety	15,520	11,048
Contribution to water		36,185
Debt service	11,493	
Total Disbursements	<u>303,072</u>	<u>107,149</u>
Cash Balance, December 31, 2023	<u>\$ 244,464</u>	<u>\$ 150,448</u>

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

Schedule 4

	<u>Street</u>	<u>Grant Fund</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Volunteer Fire Department</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 109,167	\$ 17,742	\$ 36,185	\$ 2,844	\$ 165,938
Receipts:					
State aid	65,123	8,044			73,167
Property taxes	15,423				15,423
Interest	2,774				2,774
Donations				290	290
Other	5				5
Total Receipts	<u>83,325</u>	<u>8,044</u>		<u>290</u>	<u>91,659</u>
Disbursements:					
Highways and streets	59,916				59,916
Public safety		10,695		353	11,048
Contribution to water			36,185		36,185
Total Disbursements	<u>59,916</u>	<u>10,695</u>	<u>36,185</u>	<u>353</u>	<u>107,149</u>
Cash Balance, December 31, 2023	<u>\$ 132,576</u>	<u>\$ 15,091</u>	<u>\$ 0</u>	<u>\$ 2,781</u>	<u>\$ 150,448</u>

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

Schedule 5

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 120,742	\$ 187,048
Receipts:		
State aid	23,937	71,626
Federal aid		93,438
Property taxes	62,996	18,899
Franchise fees	20,063	
Sales taxes	183,458	
Fines, forfeitures, and costs	24,769	
Interest	1,158	597
Local permits and fees	3,682	
Donations	5,720	3,296
Other	10,747	8,182
Transfers in		1,037
Total Receipts	<u>336,530</u>	<u>197,075</u>
Disbursements:		
General government	187,803	
Law enforcement	91,118	
Highways and streets		46,740
Public safety	1,318	9,713
Contribution to water and sewer		145,232
Debt service	5,473	16,500
Transfers out	1,037	
Total Disbursements	<u>286,749</u>	<u>218,185</u>
Cash Balance, December 31, 2022	<u>\$ 170,523</u>	<u>\$ 165,938</u>

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

Schedule 6

	Street	Grant Fund	American Rescue Plan Act (ARPA)	Volunteer Fire Department	Total
Cash Balance, January 1, 2022	\$ 78,077	\$ 20,527	\$ 87,979	\$ 465	\$ 187,048
Receipts:					
State aid	66,652	4,974			71,626
Federal aid			93,438		93,438
Property taxes	18,899				18,899
Interest	597				597
Donations				3,296	3,296
Other	8,182				8,182
Transfers in		1,037			1,037
Total Receipts	<u>94,330</u>	<u>6,011</u>	<u>93,438</u>	<u>3,296</u>	<u>197,075</u>
Disbursements:					
Highways and streets	46,740				46,740
Public safety		8,796		917	9,713
Contribution to water and sewer			145,232		145,232
Debt service	16,500				16,500
Total Disbursements	<u>63,240</u>	<u>8,796</u>	<u>145,232</u>	<u>917</u>	<u>218,185</u>
Cash Balance, December 31, 2022	<u>\$ 109,167</u>	<u>\$ 17,742</u>	<u>\$ 36,185</u>	<u>\$ 2,844</u>	<u>\$ 165,938</u>

CITY OF DYER, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(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 and Police Department
3. Cash balances at year-end in the custodial fund are as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
Payroll	\$ 6,446	\$ 9,502	\$ 7,784

These balances represent payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2024	December 31, 2023	December 31, 2022
Land	\$ 31,001	\$ 31,001	\$ 31,001
Buildings	515,764	515,764	515,764
Equipment	495,628	289,805	289,805
Totals	\$ 1,042,393	\$ 836,570	\$ 836,570

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

	December 31, 2024	December 31, 2023	December 31, 2022
Financed purchases	\$ 13,790	\$ 17,611	\$ 7,527

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 93,438