

Town of Dyess, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF DYESS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

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Arkansas

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Senate Vice Chair



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House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Dyess, 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 Town of Dyess, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated April 2, 2024. These procedures were not performed for the Water and Sewer Department. Management of the Town 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 2022:

Mayor: Mark Wroten
Recorder/Treasurer: Mariea Reavis

We evaluated the Town's compliance with certain state laws concerning general 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 and Recorder/Treasurer

Although Schedule 1 of this report shows a balance of \$24,657 in General Fund, it was brought to our attention that as of December 31, 2022, the General Fund owed a significant amount to the Street Fund. As shown in Note 6 on Schedule 3, when this outstanding amount was considered, the General Fund had a deficit balance of \$117,939. A similar finding was noted in the previous two reports.

Recorder/Treasurer

State aid restricted for highway funds from previous years of \$142,596 was not transferred from General Fund to the Street Fund, in noncompliance with Ark. Code Ann § 27-70-207. The Town received approval by the Legislative Joint Auditing Committee to repay 10% of general revenues per year on January 12, 2024. The Town transferred \$16,350 (15% of general revenues) to the Street Fund during 2022 to pay this balance. A similar finding was noted in the previous twelve reports dating back to 2003.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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 2, 2024
LOM305122

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 9,838	\$ 51,909
Receipts:		
State aid	5,718	37,907
Federal aid		37,603
Property taxes	3,197	1,859
Franchise fees	11,228	
Sales taxes	85,746	
Interest	10	2
Local permits and fees		500
Rental income	2,500	
Donations		182
Transfers in		16,350
Total Receipts	<u>108,399</u>	<u>94,403</u>
Disbursements:		
General government	54,369	38,348
Highways and streets		43,917
Public safety		7,773
Recreation and culture	327	
Contributions to water and sewer department	21,396	
Debt service	1,138	
Transfers out	16,350	
Total Disbursements	<u>93,580</u>	<u>90,038</u>
Cash Balance, December 31, 2022	<u>\$ 24,657</u>	<u>\$ 56,274</u>

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

Schedule 2

	Street	Fire Department	Local Police and Fire Retirement Cost	Fire Equipment and Training (Act 833)	Administrative	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 1,970	\$ 1,353	\$ 3,676	\$ 6,999	\$ 307	\$ 37,604	\$ 51,909
Receipts:							
State aid	29,268			8,639			37,907
Federal aid						37,603	37,603
Property taxes	1,859						1,859
Interest	1		1				2
Local permits and fees		500					500
Donations		182					182
Transfers in	16,350						16,350
Total Receipts	<u>47,478</u>	<u>682</u>	<u>1</u>	<u>8,639</u>		<u>37,603</u>	<u>94,403</u>
Disbursements:							
General government					5	38,343	38,348
Highways and streets	43,917						43,917
Public safety		916	549	6,308			7,773
Total Disbursements	<u>43,917</u>	<u>916</u>	<u>549</u>	<u>6,308</u>	<u>5</u>	<u>38,343</u>	<u>90,038</u>
Cash Balance, December 31, 2022	<u>\$ 5,531</u>	<u>\$ 1,119</u>	<u>\$ 3,128</u>	<u>\$ 9,330</u>	<u>\$ 302</u>	<u>\$ 36,864</u>	<u>\$ 56,274</u>

TOWN OF DYESS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund, Police Department, and Community Center

3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2022
Payroll	\$ 52

This balance represent 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	\$ 22,390
Buildings and improvements	516,829
Equipment	187,424
Total	\$ 726,643

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 37,603

TOWN OF DYESS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

6. Deficit General Fund Balance

The schedules included on our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it was brought to our attention that the General Fund owed a significant amount to the Street Fund at December 31, 2022. The information below begins with the cash balances for the General and Street Fund. The computation includes changes to the cash balances for outstanding amounts owed at year end.

Balances as of December 31, 2022	<u>General</u>	<u>Street</u>
Cash balances per accountant's report	\$ 24,657	\$ 5,531
Due Street Fund	(142,596)	
Due from General Fund	<u> </u>	<u>142,596</u>
Restated balances as of December 31, 2021	<u>\$ (117,939)</u>	<u>\$ 148,127</u>