

Town of Dyess, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF DYESS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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

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, 2023, and have issued our report thereon dated December 11, 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 2023:

Mayor: Kenneth Gillmore
Recorder/Treasurer: Mariea Reavis

We evaluated the Town'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 and Recorder/Treasurer

Although Schedule 1 of this report shows a balance of \$69,279 in General Fund, it was brought to our attention that as of December 31, 2023, the General Fund owed a significant amount to the Street Fund. As shown in Note 5 on Schedule 3, when this outstanding amount was considered, the General Fund had a deficit balance of \$58,517. A similar finding was noted in the previous three reports.

Restricted funds from previous years of \$142,596 were not transferred to the Street Fund from the General Fund, as required by Ark. Code Ann. § 27-70-207. During 2023, the City transferred \$14,800, in accordance with the Legislative Joint Auditing Committee's repayment plan as approved on January 19, 2024, to repay 10% of general revenues annually, instead of monthly.

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 11, 2024
LOM305123

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 24,657	\$ 56,274
Receipts:		
State aid	5,154	38,304
Property taxes	3,142	2,016
Franchise fees	11,043	
Sales taxes	98,272	
Interest	13	3
Rental income	2,500	
Donation		300
Other		3
Transfers in		14,800
Total Receipts	<u>120,124</u>	<u>55,426</u>
Disbursements:		
General government	45,306	37,166
Highways and streets		44,386
Public safety		6,171
Wastewater	15,396	
Transfers out	14,800	
Total Disbursements	<u>75,502</u>	<u>87,723</u>
Cash Balance, December 31, 2023	<u>\$ 69,279</u>	<u>\$ 23,977</u>

TOWN OF DYESS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (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, 2023	\$ 5,531	\$ 1,119	\$ 3,128	\$ 9,330	\$ 302	\$ 36,864	\$ 56,274
Receipts:							
State aid	28,597			9,707			38,304
Property taxes	2,016						2,016
Interest	1	1	1				3
Donation		300					300
Other	3						3
Transfers in	14,800						14,800
Total Receipts	<u>45,417</u>	<u>301</u>	<u>1</u>	<u>9,707</u>			<u>55,426</u>
Disbursements:							
General government					302	36,864	37,166
Highways and streets	44,386						44,386
Public safety		112	612	5,447			6,171
Total Disbursements	<u>44,386</u>	<u>112</u>	<u>612</u>	<u>5,447</u>	<u>302</u>	<u>36,864</u>	<u>87,723</u>
Cash Balance, December 31, 2023	<u>\$ 6,562</u>	<u>\$ 1,308</u>	<u>\$ 2,517</u>	<u>\$ 13,590</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,977</u>

TOWN OF DYESS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(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 and Police Department
3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2023
Payroll	\$ 52

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

5. 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, 2023. 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.

	General	Street
Balances as of December 31, 2023		
Cash balances per accountant's report	\$ 69,279	\$ 6,562
Due Street Fund	(127,796)	
Due from General Fund		127,796
Restated balances as of December 31, 2023	\$ (58,517)	\$ 134,358