

Town of Damascus, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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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 Damascus, 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 Damascus, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated February 1, 2024. These procedures were not performed for the Water Department. Management of the Town 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: Terry Jones
Recorder/Treasurer: Wendi Payne
District Court Clerk: Cindy Hicks

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.

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 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 black ink that reads "Roger A. Norman".

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

Little Rock, Arkansas
February 1, 2024
LOM304622

TOWN OF DAMASCUS, 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	\$ 302,546	\$ 189,869
Receipts:		
State aid	33,774	32,981
Federal aid		39,675
Property taxes	17,984	8,637
Franchise fees	26,934	
Sales taxes	186,542	
Fines, forfeitures, and costs	18,770	2,832
Interest	471	466
Local permits and fees	196	
Fire contracts	11,604	
Donations	3,436	
Sales proceeds	135	
Library fees		335
Contribution from county	57,135	
Other	6,855	
Transfers in		34,519
Total Receipts	<u>363,836</u>	<u>119,445</u>
Disbursements:		
General government	106,021	44
Law enforcement	22,041	34,092
Highways and streets		19,649
Public safety	136,233	
Recreation and culture		424
Debt service	14,417	
Transfers out	31,619	2,900
Total Disbursements	<u>310,331</u>	<u>57,109</u>
Cash Balance, December 31, 2022	<u>\$ 356,051</u>	<u>\$ 252,205</u>

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

Schedule 2

	Street	Library	Court Operation	Court Automation	Jail Fees (Act 209)	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 135,191	\$ 4,036	\$ 6,654	\$ 177	\$ 4,136	\$ 39,675	\$ 189,869
Receipts:							
State aid	32,981						32,981
Federal aid						39,675	39,675
Property taxes	8,637						8,637
Fines, forfeitures, and costs				2,832			2,832
Interest	411	3	3	1	3	45	466
Library fees		335					335
Transfers in			34,400		119		34,519
Total Receipts	<u>42,029</u>	<u>338</u>	<u>34,403</u>	<u>2,833</u>	<u>122</u>	<u>39,720</u>	<u>119,445</u>
Disbursements:							
General government						44	44
Law enforcement			34,092				34,092
Highways and streets	19,649						19,649
Recreation and culture		424					424
Transfers out				2,900			2,900
Total Disbursements	<u>19,649</u>	<u>424</u>	<u>34,092</u>	<u>2,900</u>		<u>44</u>	<u>57,109</u>
Cash Balance, December 31, 2022	<u>\$ 157,571</u>	<u>\$ 3,950</u>	<u>\$ 6,965</u>	<u>\$ 110</u>	<u>\$ 4,258</u>	<u>\$ 79,351</u>	<u>\$ 252,205</u>

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

Schedule 3

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, Fire Van Buren Sales Tax, Police, and Fire

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

	December 31, 2022
District Court	\$ 937

This balance represents fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2022
Land	\$ 180,801
Buildings	1,149,378
Equipment	914,421
Total	<u>\$ 2,244,600</u>

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2022
Financed purchase	<u>\$ 30,709</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 39,675</u>