

**City of Decatur, Arkansas**

**Financial and Compliance Report**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF DECATUR, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

# Arkansas

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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 Decatur, 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 Decatur, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated August 15, 2018. These procedures were not performed for the Water and Wastewater Departments. 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 relate to the following officials who held office during 2017:

Mayor: Bob Tharp  
Recorder/Treasurer: Kim Wilkins  
District Court Clerk: Peggy Burke  
Police Chief: Terry Luker (Retired April 30, 2017)  
Joe Savage (Hired May 1, 2017)

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.

Our procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas  
August 15, 2018  
LOM204017

CITY OF DECATUR, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Funds
Cash and Investments Balance, January 1, 2017	\$ 631,101	\$ 392,938	\$ 154,282
Receipts:			
State aid	26,946	259,856	1,540
Federal aid	4,000		
Property taxes	127,189	24,250	
Franchise fees	90,870		
Sales taxes	589,809	26,279	
Fines, forfeitures, and costs	86,785	78,079	
Interest and dividends	1,314	901	9,481
Local permits and fees	11,567		
Contribution from water		9,339	
Fire dues	19,361		
Contributions from other participating entities		214,378	
Other	28,197	1,243	830
Total Receipts	<u>986,038</u>	<u>614,325</u>	<u>11,851</u>
Disbursements:			
General government	308,018		
Law enforcement	439,960	267,200	
Highways and streets		272,588	
Public safety	116,674	938	16,019
Recreation and culture	89,057		
Debt service	36,219		
Total Disbursements	<u>989,928</u>	<u>540,726</u>	<u>16,019</u>
Cash and Investments Balance, December 31, 2017	<u>\$ 627,211</u>	<u>\$ 466,537</u>	<u>\$ 150,114</u>

CITY OF DECATUR, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Emergency Vehicle (Act 988)	Drug	Benton County District Court - West - Payroll and Court Cost	Benton County District Court - West - Court Automation	Federal Emergency Management Association (FEMA) Bridge	Total
Cash Balance, January 1, 2017	\$ 228,012	\$ 43,616	\$ 1,964	\$ 7,775	\$ 3,074	\$ 69,587	\$ 35,390	\$ 3,520	\$ 392,938
Receipts:									
State aid	220,136		39,720						259,856
Property taxes	24,250								24,250
Sales taxes	26,279								26,279
Fines, forfeitures, and costs	14,917			7,199	200	20,130	35,633		78,079
Interest	485	264	59				93		901
Contribution from water	9,339								9,339
Contributions from other participating entities						214,378			214,378
Other				13		1,230			1,243
Total Receipts	<u>295,406</u>	<u>264</u>	<u>39,779</u>	<u>7,212</u>	<u>200</u>	<u>235,738</u>	<u>35,726</u>		<u>614,325</u>
Disbursements:									
Law enforcement		806		9,296	209	236,112	20,777		267,200
Highways and streets	272,588								272,588
Public safety			938						938
Total Disbursements	<u>272,588</u>	<u>806</u>	<u>938</u>	<u>9,296</u>	<u>209</u>	<u>236,112</u>	<u>20,777</u>		<u>540,726</u>
Cash Balance, December 31, 2017	<u>\$ 250,830</u>	<u>\$ 43,074</u>	<u>\$ 40,805</u>	<u>\$ 5,691</u>	<u>\$ 3,065</u>	<u>\$ 69,213</u>	<u>\$ 50,339</u>	<u>\$ 3,520</u>	<u>\$ 466,537</u>

CITY OF DECATUR, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 3

1. Cash and investment balances on the Financial Schedules include demand and savings accounts, certificates of deposit, and mutual funds.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
 General, Library, Cemetery, Parks, Park Investment, Contingency, Fire Truck Replacement, and Fire Department Donations.
3. Cash balances at year-end in the agency funds are as follows:

	December 31, 2017
District Court Fund	\$ 22,877
Administration of Justice Fund	16

These balances represent 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, 2017
Land	\$ 531,536
Buildings	900,956
Equipment	1,162,036
Total	\$ 2,594,528

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

	December 31, 2017
Notes payable	\$ 158,644