

**City of Des Arc, Arkansas**

**Financial and Compliance Report**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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**Sen. Lance Eads**  
Senate Vice Chair



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**Rep. Mary Bentley**  
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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 Des Arc, 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 Des Arc, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated October 15, 2018. These procedures were not performed for the following: Water and Sewer and Gas Transmission and Distribution System Funds. 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 2017:

Mayor: James Garth  
Recorder/Treasurer: Chrisana Knupp  
District Court Clerk: Tammy Rogers  
Police Chief: Rick Parson

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 offices of **Recorder/Treasurer**, **District Court Clerk**, and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law was noted in the office of **Mayor**.

### Mayor

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

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
October 15, 2018  
LOM204217

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

Schedule 1

	General Fund	Special Revenue Funds	Enterprise Fund - Ambulance	Pension Trust Fund - Firemen's Pension
Cash Balance, January 1, 2017	\$ 862,681	\$ 283,705	\$ 152,467	\$ 345,486
Receipts:				
State aid	51,291	118,115		4,620
Federal aid	35,824			
Property taxes	49,558	17,362		9,427
Franchise fees	68,751			
Sales taxes	455,253			
Fines, forfeitures, and costs	69,984	1,345		
Investment income	4,329	1,483	776	60,795
Local permits and fees	3,542			
Sanitation fees	186,588			
Cemetery fees		12,875		
Ambulance charges			205,094	
Rent	19,250			
Reimbursement from county	25,615			
Reimbursements from water, gas, and sewer	113,245	11,798	2,467	
Other	52,496	1,011		
Transfers in		64,889	41,269	
Total Receipts	<u>1,135,726</u>	<u>228,878</u>	<u>249,606</u>	<u>74,842</u>
Disbursements:				
General government	210,739			
Law enforcement	355,845	23,824		
Highways and streets	3,632	173,274		
Public safety	35,683	1,159		34,641
Sanitation	186,826			
Recreation and culture	52,040			
Health	36,750			
Cemetery		48,605		
Ambulance			244,218	
Social services	7,939			
Debt service	6,885			
Transfers out	106,158			
Transfer to Arkansas Local Police and Fire Retirement System				376,588
Total Disbursements	<u>1,002,497</u>	<u>246,862</u>	<u>244,218</u>	<u>411,229</u>
Cash Balance, December 31, 2017	<u>\$ 995,910</u>	<u>\$ 265,721</u>	<u>\$ 157,855</u>	<u>\$ 9,099</u>

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

Schedule 2

	<u>Street</u>	<u>Cemetery</u>	<u>Local Police and Fire Retirement (LOPFI)</u>	<u>Total</u>
Cash Balance, January 1, 2017	<u>\$ 95,311</u>	<u>\$ 184,759</u>	<u>\$ 3,635</u>	<u>\$ 283,705</u>
Receipts:				
State aid	118,115			118,115
Property taxes	17,362			17,362
Fines, forfeitures, and costs			1,345	1,345
Investment income	422	1,034	27	1,483
Cemetery fees		12,875		12,875
Reimbursements from water, gas, and sewer	6,692	5,106		11,798
Other	951	60		1,011
Transfers in	18,593	21,296	25,000	64,889
Total Receipts	<u>162,135</u>	<u>40,371</u>	<u>26,372</u>	<u>228,878</u>
Disbursements:				
Law enforcement			23,824	23,824
Highways and streets	173,274			173,274
Public safety			1,159	1,159
Cemetery		48,605		48,605
Total Disbursements	<u>173,274</u>	<u>48,605</u>	<u>24,983</u>	<u>246,862</u>
Cash Balance, December 31, 2017	<u>\$ 84,172</u>	<u>\$ 176,525</u>	<u>\$ 5,024</u>	<u>\$ 265,721</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
 General, County Sales Tax, Sanitation, City Sales Tax, and Asset Forfeiture
3. Cash balances at year-end in the agency funds are as follows:

	December 31, 2017
Police Bond and Fine Fund	\$ 15
District Court Fund	9,095
Pay Fund	7,508

These balances represent fines, forfeitures, and costs and payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2017
Land	\$ 219,059
Buildings	1,002,066
Equipment	1,521,191
Total	\$ 2,742,316

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

	December 31, 2017
Leases payable	\$ 20,654