

City of Dierks, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DIERKS, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Dierks, 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 Dierks, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated October 1, 2018. These procedures were not performed for the Water and Sewer System. 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: Terry Mounts
Recorder/Treasurer: Sherri Edge
Police Chief: Brian White

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 **Mayor** and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **Recorder/Treasurer**.

Recorder/Treasurer

Payments made to an individual for services provided to the City totaling \$16,200 were not reported to the Internal Revenue Service (IRS) on IRS Form 1099.

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
October 1, 2018
LOM204617

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2017	\$ 151,798	\$ 67,525
Receipts:		
State aid	17,970	86,332
Property taxes	22,902	13,460
Franchise fees	57,441	
Sales taxes	443,491	
Fines, forfeitures, and costs	8,467	
Interest	298	29
Local permits and fees		19,178
Donations		13,380
Loan proceeds		70,000
Sanitation fees	113,162	
Other	7,563	10,848
Transfers in		24,000
Unclassified	68,830	
Total Receipts	<u>740,124</u>	<u>237,227</u>
Disbursements:		
General government	143,081	
Law enforcement	280,141	
Highways and streets	600	69,764
Public safety		128,599
Sanitation	135,146	
Recreation and culture		25,784
Debt service	18,259	8,780
Transfers out	24,000	
Unclassified	43,106	
Total Disbursements	<u>644,333</u>	<u>232,927</u>
Cash Balance, December 31, 2017	<u>\$ 247,589</u>	<u>\$ 71,825</u>

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

Schedule 2

	Street	Fire Department	Park Commission	Total
Cash Balance, January 1, 2017	\$ 38,717	\$ 25,054	\$ 3,754	\$ 67,525
Receipts:				
State aid	77,940	8,392		86,332
Property taxes	13,460			13,460
Interest		29		29
Local permits and fees		19,178		19,178
Donations		13,380		13,380
Loan proceeds		70,000		70,000
Other	4,250	6,402	196	10,848
Transfers in			24,000	24,000
Total Receipts	<u>95,650</u>	<u>117,381</u>	<u>24,196</u>	<u>237,227</u>
Disbursements:				
Highways and streets	69,764			69,764
Public safety		128,599		128,599
Recreation and culture			25,784	25,784
Debt service	7,780	1,000		8,780
Total Disbursements	<u>77,544</u>	<u>129,599</u>	<u>25,784</u>	<u>232,927</u>
Cash Balance, December 31, 2017	<u>\$ 56,823</u>	<u>\$ 12,836</u>	<u>\$ 2,166</u>	<u>\$ 71,825</u>

CITY OF DIERKS, 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 Fund, Criminal Justice, Equipment Depreciation, General Fund Savings, and Investigations
3. The Municipality's capital assets records are summarized below:

	<u>December 31,</u> <u>2017</u>
Land	\$ 52,905
Buildings	145,232
Equipment	<u>669,232</u>
Total	<u>\$ 867,369</u>

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

	<u>December 31,</u> <u>2017</u>
Notes payable	<u>\$ 99,358</u>