

City of Keiser, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF KEISER, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2020

Financial and Compliance Report

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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 Keiser, 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 Keiser, Arkansas, as of and for the year ended December 31, 2020, and have issued our report thereon dated March 8, 2022. These procedures were not performed for the Water and Sewer Department. 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 2020:

Mayor: Eddie Gardner
Recorder/Treasurer: Peggy Sellars
Police Chief: Glen Austin

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.

Noncompliance with state law and accepted accounting practices was noted in the office of the **Mayor**.

Mayor

1. General Fund expenditures exceeded budgeted appropriations by \$66,189 (27%), in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous four reports dating back to 2013.
2. The governing body did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, in noncompliance with 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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
March 8, 2022
LOM209820

CITY OF KEISER, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 116,372	\$ 55,408
Receipts:		
State aid	23,305	57,297
Federal aid	25,895	
Property taxes	25,305	6,745
Franchise fees	27,677	
Sales taxes	169,814	
Interest	107	
Sanitation fees	77,333	
Other	16,970	
Total Receipts	<u>366,406</u>	<u>64,042</u>
Disbursements:		
General government	121,525	
Law enforcement	49,207	
Highways and streets		13,653
Public safety	52,715	
Sanitation	81,542	
Recreation and culture	160	
Sales taxes remitted to water and sewer department	59,114	
Contributions to water and sewer department	7,534	
Total Disbursements	<u>371,797</u>	<u>13,653</u>
Cash Balance, December 31, 2020	<u>\$ 110,981</u>	<u>\$ 105,797</u>

CITY OF KEISER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Street	Special Vehicle	Total
Cash Balance, January 1, 2020	\$ 54,393	\$ 1,015	\$ 55,408
Receipts:			
State aid	57,297		57,297
Property taxes	6,745		6,745
Total Receipts	64,042		64,042
Disbursements:			
Highways and streets	13,653		13,653
Cash Balance, December 31, 2020	\$ 104,782	\$ 1,015	\$ 105,797

CITY OF KEISER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, Act 833, and Fire Department
3. The Municipality's capital assets records are summarized below:

	December 31, 2020
Land	\$ 67,357
Buildings	167,712
Equipment	<u>751,953</u>
Total	<u>\$ 987,022</u>