

"AN ACT TO AMEND SECTION 26 OF ACT 329 OF 1949, SECTION 31 OF ACT 197 OF 1937, AND SECTION 30 OF ACT 279 OF 1909 TO EXEMPT DRAINAGE AND LEVEE DISTRICTS AND IMPROVEMENT PROJECT AREAS OF CONSERVATION DISTRICTS WITH REVENUES OF FIVE THOUSAND DOLLARS OR LESS FROM FORMAL AUDIT REQUIREMENTS."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. PURPOSE. There are many small levee and drainage districts and improvement project areas of Conservation Districts with revenues of five thousand dollars (\$5,000) per year or less. Under the current law, the costs of formal audits have become a burden to the small districts and should be removed.

SECTION 2. Section 26 of Act 329 of 1949, the same being Arkansas Statutes Annotated Section 21-926, is hereby amended to read as follows:

"Section 26. The Board shall also keep the original itemized bills and accounts of all financial transactions, and all warrants which have been paid. Each warrant shall state on its face the service for which it was rendered, the person to whom paid and the amount of the warrant.

On or before the first of March of each year, the board shall file, with the circuit or chancery clerk, a sworn statement of financial condition of the district, to cover the year ending on December 31 preceding. The report shall contain, among other things, a statement of the cash on hand by the first of the year for which the report is made, together with all other assets of the district; the total receipts for the preceding year; the disbursements for administration, for construction, and for maintenance of bonds redeemed, of interest paid, of interest due on outstanding bonds, together with all other indebtedness of the district. In districts with revenues, from whatever source derived, in excess of Five Thousand Dollars (\$5,000.00) per year, the books, records and last annual report of the district shall be examined at least once a year by a certified public accountant. Said accountant shall file a report of the examination with the circuit or chancery clerk within thirty(30) days after completing such examination. The accountant shall recommend the form and methods for keeping books and records, and for making the reports of the district. The expense of such examination shall be paid as a part of the expenses of the district. All accounts of this district shall be open for inspection by any person lawfully entitled to inspect the same. The failure of any of the officials named in this Section to perform the duties and acts required herein shall be a misdemeanor, punishable by a fine of not less than One Hundred Dollars (\$100.00), nor more than One Thousand Dollars (\$1,000.00) for each offense, and for the making of a false or fraudulent report, the person or persons so making shall be guilty of perjury and punished accordingly."

SECTION 3. Section 30 of Act 279 of 1909, the same being Arkansas Statutes Annotated Section 21-556, is hereby amended to read as follows:

"Section 30. The Commission shall also keep original itemized bills and accounts of all financial transactions, and all warrants which have been paid. Each warrant shall state on its face the service for which it was rendered, the person to whom paid and the amount of the warrant.

On or before the first of January of each year the Commission shall file with the county clerk a sworn statement of the financial condition of the

district, to cover the year ending on the first of November preceding. The report shall contain, among other things, a statement of the cash on hand the first of the year for which the report is made, together with all other assets of the district; the total receipts for the preceding year; the disbursements for administration, for construction, and for maintenance, of bonds redeemed, of interest paid, of interest due on outstanding bonds, together with all other indebtedness of the district. In districts with revenues from whatever source derived, in excess of Five Thousand Dollars (\$5,000.00) per year, the books, records and last annual report of the district shall be examined at least once a year by a certified public accountant. Said accountant shall file a report of the examination with the county court within thirty (30) days after completing such examination. The accountant shall recommend form and methods for keeping books and records, and for making the reports of the district. The expense of such examination shall be paid as a part of the district's expenses. All accounts of this district shall be open for inspection by any person lawfully entitled to inspect the same. The failure of any of the officials named in this Section to perform the duties and acts required herein shall be a misdemeanor, punishable by a fine of not less than One Hundred Dollars (\$100.00), or more than One Thousand Dollars (\$1,000.00), for each offense; and for the making of a false or fraudulent report the person or persons so making shall be guilty of perjury and punished accordingly."

SECTION 4. Section 31 of Act 1937 as added by Section 5 of Act 124 of 1965, the same being Arkansas Statutes Section 9-934, is hereby amended to read as follows:

"Section 31. The board shall keep a complete record of all financial transactions relating to the carrying out of the approved plan for works of improvement in a project area.

On or before the first of March of each year the board shall file with the clerk of the court a sworn statement covering the preceding year ending December 31 of the financial condition of the district with respect to the approved plan in a project area. In project areas with revenues, from whatever source derived, in excess of Five Thousand Dollars (\$5,000.00) per year, the pertinent books, records and last annual report of the district with respect to the approved plan shall be examined at least once a year by a certified public accountant. Said accountant shall file a report of the examination with the clerk of the court within thirty (30) days after completing such examination. The accountant shall recommend the form and method for keeping books and records, and for making the reports of the district with respect to the approved plan. The expense of such examination shall be paid as a part of the expenses of carrying out the approved plan."

SECTION 5. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: 3/30/87
