

City of Dermott, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DERMOTT, 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 Dermott, 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 Dermott, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated November 20, 2024. These procedures were not performed for the Water and Sewer System and Nursing Home 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 2023 and 2022:

Mayor: Walter Jordan
City Clerk: Renita Robinson
District Court Clerk: Megan Charlton
Police Chief: Eric Evans

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 offices of **Mayor, District Court Clerk,** and **Police Chief.**

Mayor

The City paid a total of \$5,007 and \$1,382 in 2023 and 2022, respectively, for overdraft fees and late fees in conflict with the "public purpose doctrine" discussed in Op. Att'y Gen. no. 91-410. A similar finding was noted in the previous report.

Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 - 14-59-119. The City was not in compliance with these codes and other proper accounting procedures as noted below:

- The bank accounts were not properly reconciled, and reconciliations were not approved by a municipal official or employee other than the preparer. A similar finding was noted in the previous two reports.
- Prenumbered receipts were not issued for all funds received. A similar finding was noted in the previous report.
- Adequate supporting documentation was not provided for tested disbursement of \$26,751 (11 of the 50 tested) and prenumbered checks were not always issued in sequential order. A similar finding was noted in the previous two reports.
- Cash receipts and disbursements journals were not prepared or provided for the Capital Improvement Revenue Bonds, Delta Regional Authority, COPS Fast, Nursing Home Capital Improvement, Local Law Enforcement Grant, Safe Routes to Schools, McDermott Cemetery, Yellow Bend, Drug Control, Special Sales Tax – Street and Water, Fire Equipment Capital Project, Parks and Recreation, Home Repair, Fire Equipment and Training (Act 833), Mosquito Control, Local Police and Fire Retirement (LOPFI), Municipal Judge and Clerk Retirement, District Court Automation, and Firemen's Pension Trust Funds. A similar finding was noted in the previous report.
- Significant amounts of receipts, disbursements, and transfers were not posted, improperly posted, or improperly deleted, resulting in unidentified amounts, changes in prior year's fund balance, books being out of balance, and misstatements of revenues and expenditures. A similar finding was noted in the previous report.
- An annual financial statement was not prepared and published. A similar finding was noted in the previous four reports dating back to 2018.
- Financial statements were not provided to the City Council members on a monthly basis. A similar finding was noted in the previous two reports.

A lack of management oversight permitted these instances of noncompliance with the Municipal Accounting Law and proper accounting procedures. The effect of not following Municipal Accounting Law and proper accounting procedures precludes management from making appropriate, informed decisions on behalf of the City.

Mayor (Continued)

Check images provided by the bank were not in compliance with Ark. Code Ann. §§ 19-2-501 - 19-2-509 for the Fire Equipment and Training (Act 833) account. A similar finding was noted in the previous report.

The Street Fund disbursements exceeded budgeted amount during 2023 and 2022 by \$66,540 and \$90,047, respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous report.

The City owed the following funds for transfers of restricted cash, for which documentation was not provided:

As of December 31, 2023:

1. General Fund owed Nursing Home Capital Improvement, Street, Firemen's Pension Trust, McDermott Cemetery, American Rescue Plan Act (ARPA) Recovery, Police Bond and Fine, and Working Capital Payroll Funds \$99,365, \$3,069, \$514, \$2,043, \$17,754, \$60, and \$869, respectively.
2. Street Fund owed Special Sales Tax - Street and Water and American Rescue Plan Act (ARPA) Recovery Funds \$196,471 and \$900, respectively.
3. District Court Automation Fund owed Fire Equipment and Training (Act 833) and Firemen's Pension Trust Funds \$1,319 and \$11,364, respectively.
4. Firemen's Pension Trust Fund owed General Fund \$11,364.
5. Fire Equipment Capital Project Fund owed District Court Automation Fund \$1,319.

For amounts due from previous years, the General Fund made payments to Nursing Home Capital Improvement Fund for \$6,000, Street Fund for \$10,912, Firemen's Pension Trust Fund for \$100, McDermott Cemetery Fund for \$700, and American Rescue Plan Act (ARPA) Recovery Fund for \$6,542. Firemen's Pension Trust Fund made a payment to Street Fund for \$1,005. There were additional attempts to make payments due from previous years, but the payments were made to the incorrect funds resulting in additional interfund payables.

As of December 31, 2022:

1. General Fund owed Nursing Home Capital Improvement, Street, Firemen's Pension Trust, McDermott Cemetery, American Rescue Plan Act (ARPA) Recovery, Police Bond and Fine, and Working Capital Payroll Funds \$105,365, \$8,061, \$614, \$2,743, \$17,397, \$60, and \$449, respectively.
2. Street Fund owed Special Sales Tax - Street and Water Fund \$196,471.
3. District Court Automation Fund owed Fire Equipment and Training (Act 833) Fund \$1,319.
4. Firemen's Pension Trust Fund owed General and Street Funds, \$11,365 and \$1,005, respectively.

For amounts due from previous years, the General Fund made payments to Nursing Home Capital Improvement Fund for \$5,000, and to Street Fund for \$27,777. Street Fund made a payment to Special Sales Tax - Street and Water Fund for \$1,000.

A similar finding was noted in the previous six reports dating back to 2016.

The City Water and Sewer System did not obtain a financial audit or agreed-upon procedure and compilation report for the years 2022 - 2016 as required by Ark. Code Ann. §14-234-119. The City signed an engagement letter on August 29, 2019, for the years 2018, 2017, and 2016; however, the City has not received the report from the CPA firm. A similar finding was noted in the previous two reports.

The City Council approved Dermott Ordinance no. 2016-04 (June 13, 2016) designating the District Court Clerk as the individual primarily responsible for the collection of fines assessed in the district court; however, fines are being collected by the Police Department, in noncompliance with Ark. Code Ann. §16-13-709. A similar finding was noted in the previous three reports.

District Court Clerk

The balance in the 2023 and 2022 District Court City bank account was not identified with receipts for cases not yet adjudicated and the payments made on all unpaid individual time accounts in the amount of \$3,267 and \$14,896, respectively, in noncompliance with Ark. Code Ann. § 16-10-209.

A similar finding was noted in previous nineteen reports dating back to 2003.

Police Chief

Police Department cash receipts exceeded cash deposits by \$4,036 during the period January 1, 2022 through June 12, 2024. Unreceipted checks and online payments were included in bank deposits, which concealed a portion of the undeposited cash. On June 12, 2024, Police Department Secretary Leasola Hayes resigned from employment and acknowledged misappropriating Police Department funds.

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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 20, 2024
LOM102623

CITY OF DERMOTT, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Capital Improvement Revenue Bond Debt Service Fund	Capital Projects Funds	Pension Trust Fund
Cash and Investment Balance, January 1, 2023	\$ 158,169	\$ 154,283	\$ (265)	\$ 1,733	\$ 330,522
Receipts:					
State aid	23,642	200,854			4,305
Federal aid	1,665	6,024			
Property taxes	50,248	19,061			10,493
Franchise fees	67,055				
Sales taxes	654,854				
Interest	649	77			13,019
Local permits and fees	2,223				
Mosquito control	26,621				
Sanitation fees	226,121				
Contributions from water and sewer	118,716	100			
Net increase/(decrease) in fair value of investments					(575)
Other	14,529	9,196			
Transfers in		30,171		1,318	100
Unclassified	313,523	26,960	9,114	2,499	18
Total Receipts	<u>1,499,846</u>	<u>292,443</u>	<u>9,114</u>	<u>3,817</u>	<u>27,360</u>
Disbursements:					
General government	1,006,823	18,530			
Law enforcement	20,158				
Highways and streets		203,790			
Public safety	7,442				39,961
Sanitation	236,338				
Contributions to water and sewer		2,560			
Debt service	161,383	21,427	7,812		
Transfers out	17,000	2,219			12,370
Unclassified	34,618	67,461	252	2,499	850
Total Disbursements	<u>1,483,762</u>	<u>315,987</u>	<u>8,064</u>	<u>2,499</u>	<u>53,181</u>
Cash and Investment Balance, December 31, 2023	<u>\$ 174,253</u>	<u>\$ 130,739</u>	<u>\$ 785</u>	<u>\$ 3,051</u>	<u>\$ 304,701</u>

CITY OF DERMOTT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street	Municipal Judge and Clerk Retirement	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Home Repair	Drug Control	Yellow Bend	McDermott Cemetery	Safe Routes to Schools
Cash Balance, January 1, 2023	\$ 16,613	\$ 1,005	\$ 3,118	\$ 14,286	\$ 4,359	\$ 5,381	\$ 7,333	\$ 12,253	\$ 339
Receipts:									
State aid	175,867			24,987					
Federal aid									
Property taxes	19,061								
Interest	46					3	3	19	
Contributions from water and sewer	100								
Other	2,919								
Transfers in	11,806							700	
Unclassified	4,808			10,516					
Total Receipts	<u>214,607</u>			<u>35,503</u>		<u>3</u>	<u>3</u>	<u>719</u>	
Disbursements:									
General government									
Highways and streets	203,790								
Contributions to water and sewer	2,560								
Debt service									
Transfers out									
Unclassified	11,374			49,059		203	2,500		
Total Disbursements	<u>217,724</u>			<u>49,059</u>		<u>203</u>	<u>2,500</u>		
Cash Balance, December 31, 2023	<u>\$ 13,496</u>	<u>\$ 1,005</u>	<u>\$ 3,118</u>	<u>\$ 730</u>	<u>\$ 4,359</u>	<u>\$ 5,181</u>	<u>\$ 4,836</u>	<u>\$ 12,972</u>	<u>\$ 339</u>

CITY OF DERMOTT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Local Law Enforcement Grant	Nursing Home Capital Improvement	COPS Fast	Delta Regional Authority	District Court Automation	Special Sales Tax - Street and Water	American Rescue Plan Act (ARPA) Recovery	Total
Cash Balance, January 1, 2023	\$ 2,535	\$ 22,000	\$ 1,566	\$ 264	\$ 3,526	\$ 5,000	\$ 54,705	\$ 154,283
Receipts:								
State aid								200,854
Federal aid	6,024							6,024
Property taxes								19,061
Interest	2						4	77
Contributions from water and sewer								100
Other					6,277			9,196
Transfers in		6,000			11,565		100	30,171
Unclassified					5,133		6,503	26,960
Total Receipts	<u>6,026</u>	<u>6,000</u>			<u>22,975</u>		<u>6,607</u>	<u>292,443</u>
Disbursements:								
General government							18,530	18,530
Highways and streets								203,790
Contributions to water and sewer								2,560
Debt service							21,427	21,427
Transfers out					1,319		900	2,219
Unclassified	2,024				2,301			67,461
Total Disbursements	<u>2,024</u>				<u>3,620</u>		<u>40,857</u>	<u>315,987</u>
Cash Balance, December 31, 2023	<u>\$ 6,537</u>	<u>\$ 28,000</u>	<u>\$ 1,566</u>	<u>\$ 264</u>	<u>\$ 22,881</u>	<u>\$ 5,000</u>	<u>\$ 20,455</u>	<u>\$ 130,739</u>

CITY OF DERMOTT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

	Fire Equipment	Parks and Recreation	Total
Cash Balance, January 1, 2023	\$ 37	\$ 1,696	\$ 1,733
Receipts:			
Transfers in	1,318		1,318
Unclassified	2,499		2,499
Total Receipts	3,817		3,817
Disbursements:			
Unclassified	2,499		2,499
Cash Balance, December 31, 2023	\$ 1,355	\$ 1,696	\$ 3,051

CITY OF DERMOTT, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

	General Fund	Special Revenue Funds	Capital Improvement Revenue Bond Debt Service Fund	Capital Projects Funds	Pension Trust Fund
Cash and Investment Balance, January 1, 2022	\$ 180,020	\$ 249,794	\$ 1,109	\$ 2,342	\$ 346,260
Receipts:					
State aid	33,383	217,697			
Federal aid		260,214			
Property taxes	52,871	16,441			8,548
Franchise fees	92,814				
Sales taxes	739,903				
Fines, forfeitures, and costs	5,930				
Interest	118	132			23,466
Local permits and fees	5,421				
Mosquito control	19,702				
Sanitation fees	187,384				
Net increase/(decrease) in fair value of investments					(2,768)
Other	907	10,465			
Transfers in	16,725	18,350			
Unclassified	292,644	24,574	6,510		14
Total Receipts	<u>1,447,802</u>	<u>547,873</u>	<u>6,510</u>		<u>29,260</u>
Disbursements:					
General government	1,014,126	218,000			
Law enforcement	19,148	10,302			
Highways and streets		236,713			
Public safety	6,000				44,348
Sanitation	167,481	2,497			
Debt service	72,488	17,652	7,812		
Transfers out	17,350	17,725			
Contributions to water and sewer	70,811	44,346			
Unclassified	102,249	96,149	72	609	650
Total Disbursements	<u>1,469,653</u>	<u>643,384</u>	<u>7,884</u>	<u>609</u>	<u>44,998</u>
Cash and Investment Balance, December 31, 2022	<u>\$ 158,169</u>	<u>\$ 154,283</u>	<u>\$ (265)</u>	<u>\$ 1,733</u>	<u>\$ 330,522</u>

CITY OF DERMOTT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 5

	Street	Municipal Judge and Clerk Retirement	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training (Act 833)	Home Repair	Drug Control	Yellow Bend	McDermott Cemetery	Safe Routes to Schools
Cash Balance, January 1, 2022	\$ 2,563	\$ 1,005	\$ 3,118	\$ 4,711	\$ 4,359	\$ 5,378	\$ 8,956	\$ 12,234	\$ 339
Receipts:									
State aid	186,016			31,681					
Federal aid									
Property taxes	16,441								
Interest	91					3	4	19	
Other									
Transfers in	12,350								
Unclassified	14,199			8,216					
Total Receipts	<u>229,097</u>			<u>39,897</u>		<u>3</u>	<u>4</u>	<u>19</u>	
Disbursements:									
General government									
Law enforcement									
Highways and streets	188,713								
Sanitation									
Contributions to water and sewer									
Debt service	17,652								
Transfers out	1,000								
Unclassified	7,682			30,322			1,627		
Total Disbursements	<u>215,047</u>			<u>30,322</u>			<u>1,627</u>		
Cash Balance, December 31, 2022	<u>\$ 16,613</u>	<u>\$ 1,005</u>	<u>\$ 3,118</u>	<u>\$ 14,286</u>	<u>\$ 4,359</u>	<u>\$ 5,381</u>	<u>\$ 7,333</u>	<u>\$ 12,253</u>	<u>\$ 339</u>

CITY OF DERMOTT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 5

	Local Law Enforcement Grant	Nursing Home Capital Improvement	COPS Fast	Delta Regional Authority	District Court Automation	Special Sales Tax - Street and Water	American Rescue Plan Act (ARPA) Recovery	Total
Cash Balance, January 1, 2022	\$ 2,532	\$ 17,000	\$ 1,566	\$ 264	\$ 3,657	\$ 4,000	\$ 178,112	\$ 249,794
Receipts:								
State aid								217,697
Federal aid	3,000						257,214	260,214
Property taxes								16,441
Interest	2						13	132
Other							10,465	10,465
Transfers in		5,000				1,000		18,350
Unclassified					2,099		60	24,574
Total Receipts	<u>3,002</u>	<u>5,000</u>			<u>2,099</u>	<u>1,000</u>	<u>267,752</u>	<u>547,873</u>
Disbursements:								
General government							218,000	218,000
Law enforcement							10,302	10,302
Highways and streets							48,000	236,713
Sanitation							2,497	2,497
Contributions to water and sewer							44,346	44,346
Debt service								17,652
Transfers out							16,725	17,725
Unclassified	2,999				2,230		51,289	96,149
Total Disbursements	<u>2,999</u>				<u>2,230</u>		<u>391,159</u>	<u>643,384</u>
Cash Balance, December 31, 2022	<u>\$ 2,535</u>	<u>\$ 22,000</u>	<u>\$ 1,566</u>	<u>\$ 264</u>	<u>\$ 3,526</u>	<u>\$ 5,000</u>	<u>\$ 54,705</u>	<u>\$ 154,283</u>

CITY OF DERMOTT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 6

	Fire Equipment	Parks and Recreation	Total
Cash Balance, January 1, 2022	\$ 37	\$ 2,305	\$ 2,342
Disbursements:			
Unclassified		609	609
Cash Balance, December 31, 2022	\$ 37	\$ 1,696	\$ 1,733

CITY OF DERMOTT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 7

1. Cash and investment balances on the Financial Schedules include demand and savings accounts, money market accounts, certificates of deposit, bond funds, and equity funds.

2. The General Fund column on the Financial Schedules includes the following bank accounts:

General, General Escrow, General Equipment, Worker's Compensation, Franchise Tax, Building Permits and Fines, and Mosquito Control, and General certificates of deposit

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022
Police Bond and Fine	\$ 16,095	\$ 4,089
District Court	15,785	19,385
District Court- Civil/Small Claims	390	1,060
Working Capital Payroll	(3,960)	(9,566)

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, 2023	December 31, 2022
Land	\$ 147,352	\$ 147,352
Buildings	2,663,000	2,663,000
Equipment	1,517,682	1,351,385
Totals	\$ 4,328,034	\$ 4,161,737

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2023	December 31, 2022
Financed purchases	\$ 129,025	
Notes payable	98,316	\$ 225,120
Bonds payable	450,398	459,858
Totals	\$ 677,739	\$ 684,978

CITY OF DERMOTT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 7

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2023	December 31, 2022
Bonds payable dated August 21, 2003, with United States Department of Agriculture in the amount of \$138,400, with interest rate of 4.75% for constructing and equipping a city hall. Monthly installments of \$651 for 40 years. Payments are to be made from the Capital Improvement Revenue Bond Fund.	\$ 96,126	\$ 99,290
Bonds payable dated December 24, 2014, with United States Department of Agriculture in the amount of \$400,000, with interest rate of 3.5% for constructing and equipping a fire station. Monthly installments of \$1,568 for 40 years. Payments are to be made from the Franchise Fee Revenue Account (General Fund).	354,272	360,568
Note payable agreement dated September 25, 2018, with Simmons Bank in the amount of \$30,000, with interest rate of 3.5% for the purchase of real estate. Monthly installments of \$500 for 44 months and one final payment of \$753. The original loan was extended to March 27, 2024. Payments are to be made from the General Fund.	1,485	7,421
Note payable dated September 24, 2019, with Simmons Bank in the amount of \$50,000, with interest rate of 3.5% for working capital. Monthly installments of \$911 for 60 month. Payments are to be made from the General Fund.	6,956	17,448
Note payable with First Service Bank for the purpose of paying past due federal payroll taxes. Loan was collateralized with certificates of deposit held at First Service Bank. Payments due in monthly installments of \$1,518. This loan is renewed on a yearly basis. The original loan was issued on September 24, 2019. Payments are to be made from the General Fund.	89,875	103,694
Note payable with First Service Bank for the purpose of acquiring an Asphalt Zipper. Loan was collateralized with the acquired equipment. Payments due in quarterly installments of \$8,626. Payments are to be made from the General, Street, and Water and Sewer System Funds.		96,557
Financed purchase agreement with Red River Dodge Chrysler Jeep for the purpose of acquiring two 2023 Dodge Durango Pursuit Vehicles AWD. Loan is paid through Santander Bank. Payments due in annual installments of \$21,428. Payments are to be made from the General and American Rescue Plan Act Recovery (ARPA) Funds.	89,772	
Financed purchase agreement with Red River Dodge Chrysler Jeep for the purpose of acquiring a 2023 Dodge Durango pursuit Vehicle AWD for the School Resource Officer. Loan is paid through Santander Bank. Payments due in annual installments of \$9,344. Payments are to be made from the General Fund.	39,253	
Totals	\$ 677,739	\$ 684,978

CITY OF DERMOTT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 7

6. The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Financed Purchases	Notes	Bonds	Total
2024	\$ 30,772	\$ 101,258	\$ 26,628	\$ 158,658
2025	30,772		26,628	57,400
2026	30,772		26,628	57,400
2027	30,772		26,628	57,400
2028	30,770		26,628	57,398
2029 through 2033			133,140	133,140
2034 through 2038			133,140	133,140
2039 through 2043			121,624	121,624
2044 through 2048			94,080	94,080
2049 through 2053			94,080	94,080
2054			14,733	14,733
Total Obligations	153,858	101,258	723,937	979,053
Less Interest	24,833	2,942	273,539	301,314
Total Principal	<u>\$ 129,025</u>	<u>\$ 98,316</u>	<u>\$ 450,398</u>	<u>\$ 677,739</u>

The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Notes	Bonds	Total
2023	\$ 158,524	\$ 26,628	\$ 185,152
2024	43,155	26,628	69,783
2025	34,677	26,628	61,305
2026		26,628	26,628
2027		26,628	26,628
2028 through 2032		133,140	133,140
2033 through 2037		133,140	133,140
2038 through 2042		129,435	129,435
2043 through 2047		94,080	94,080
2048 through 2052		94,080	94,080
2053 through 2054		33,549	33,549
Total Obligations	236,356	750,564	986,920
Less Interest	11,236	290,706	301,942
Total Principal	<u>\$ 225,120</u>	<u>\$ 459,858</u>	<u>\$ 684,978</u>

CITY OF DERMOTT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 7

7. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 257,214

8. Deficit Fund Balance

The Schedules included on our Financial and Compliance reports are typically cash basis. We are including additional information here, as it was brought to our attention that the City of Dermott(City) had significant balances due to other funds as of December 31, 2023, and December 31, 2022. The information below begins with the cash balances per Schedules and the cash balance for the Water and Sewer System Fund as provided by the City. The computation includes increases and decreases to cash balances for amounts due to and due from funds within the City.

	General [^]	Street [^]	Fire Equipment and Training (Act 833)	McDermott Cemetery [^]	Nursing Home Capital Improvement	District Court Automation	Special Sales Tax - Street and Water
Balances as of December 31, 2023							
Cash balance per schedules	\$ 174,253	\$ 13,496	\$ 730	\$ 12,972	\$ 28,000	\$ 22,881	\$ 5,000
Cash balance per City records							
Due to other funds	(123,674)	(197,371)				(12,683)	
Due from other funds	28,689	3,545	1,319	2,043	99,365	1,319	196,471
Restated Balances as of December 31, 2023	\$ 79,268	\$ (180,330)	\$ 2,049	\$ 15,015	\$ 127,365	\$ 11,517	\$ 201,471
	American Rescue Plan Act (ARPA) Recovery	Firemen's Pension Trust	Police Bond and Fine - Custodial	[^] Water and Sewer System	Working Capital Payroll - Custodial	Fire Equipment Capital Project	
Balances as of December 31, 2023							
Cash balance per schedules	\$ 20,455	\$ 304,701	\$ 16,095		\$ (3,960)	\$ 1,355	
Cash balance per City records				\$ 258,199			
Due to other funds		(11,364)		(17,801)		(1,319)	
Due from other funds	18,654	11,878	60		869		
Restated Balances as of December 31, 2023	\$ 39,109	\$ 305,215	\$ 16,155	\$ 240,398	\$ (3,091)	\$ 36	

[^] The Water and Sewer System Fund was not included in our report.
[^] Includes operating cash and certificates of deposit in some balances

CITY OF DERMOTT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 7

8. Deficit Fund Balance (continued)

Balances as of December 31, 2022	General ^{^^}	Street ^{^^}	Fire Equipment and Training (Act 833)	McDermott Cemetery ^{^^}	Nursing Home Capital Improvement	District Court Automation	Special Sales Tax - Street and Water
Cash balance per schedules	\$ 158,169	\$ 16,613	\$ 14,286	\$ 12,253	\$ 22,000	\$ 3,526	\$ 5,000
Cash balance per City records							
Due to other funds	(134,689)	(196,471)				(1,319)	
Due from other funds	<u>28,689</u>	<u>9,643</u>	<u>1,319</u>	<u>2,743</u>	<u>105,365</u>		<u>196,471</u>
Restated Balances as of December 31, 2022	<u>\$ 52,169</u>	<u>\$ (170,215)</u>	<u>\$ 15,605</u>	<u>\$ 14,996</u>	<u>\$ 127,365</u>	<u>\$ 2,207</u>	<u>\$ 201,471</u>
	American Rescue Plan Act (ARPA) Recovery	Firemen's Pension Trust	Police Bond and Fine - Custodial	[^] Water and Sewer System	Working Capital Payroll - Custodial		
Balances as of December 31, 2022							
Cash balance per schedules	\$ 54,705	\$ 330,522	\$ 4,089		\$ (9,566)		
Cash balance per City records				\$ 193,388			
Due to other funds		(12,370)		(17,901)			
Due from other funds	<u>17,397</u>	<u>614</u>	<u>60</u>		<u>449</u>		
Restated Balances as of December 31, 2022	<u>\$ 72,102</u>	<u>\$ 318,766</u>	<u>\$ 4,149</u>	<u>\$ 175,487</u>	<u>\$ (9,117)</u>		

[^] The Water and Sewer System Fund was not included in our report.

^{^^} Includes operating cash and certificates of deposit in some balances