

City of Dewitt, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DEWITT, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Dewitt, 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 Dewitt, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated September 30, 2024. 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 2023:

Mayor: James "Jimmy" Black
Clerk/Treasurer: Melanie Adams
District Court Clerk: Kaitlyn Hargrove
Police Chief: Steven Bobo

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, Clerk/Treasurer, and District Court Clerk.**

Mayor and Clerk/Treasurer

Disbursements for the Street Fund exceeded budgeted appropriations by \$521,345 (56%), in noncompliance with Ark. Code Ann. § 14-58-203.

Clerk/Treasurer

Fixed asset records were established, but did not include additions, deletions, control totals, and amounts, as required by Ark. Code Ann. § 14-59-107. A similar finding was issued in the previous two reports.

Monthly bank reconciliations were not prepared for all bank accounts as required by Ark. Code Ann. § 14-59-108.

District Court Clerk

The balance remaining in the bank in the amount of \$11,544 was not identified with receipts issued for cases not yet adjudicated and payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. A similar finding was issued in the prior report.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 30, 2024
LOM102723

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

Schedule 1

	General Fund	Special Revenue Funds	Enterprise Fund (Airport Commission)
Cash Balance, January 1, 2023	\$ 626,322	\$ 1,395,173	\$ 159,088
Receipts:			
State aid	151,847	276,977	15,355
Federal aid			23,200
Property taxes	178,065	47,803	
Franchise fees	184,553		
Sales taxes	723,727	1,794,847	
Fines, forfeitures, and costs	214,692	54,589	
Interest		1,148	
Local permits and fees	22,861		
Mosquito fees		79,677	
Fire insurance dues		18,425	
Recycling fees		30,538	
Hanger rental fees			31,320
Fuel sales			19,617
Sanitation fees	793,328		
Other	44,731	3,564	691
Unclassified	24,551		
Total Receipts	<u>2,338,355</u>	<u>2,307,568</u>	<u>90,183</u>
Disbursements:			
General government	587,272		
Law enforcement	1,295,907	26,892	
Highways and streets	57,090	1,460,160	
Public safety	57,845	10,014	
Sanitation	517,291	22,210	
Health	205	1,224,503	
Recreation and culture	50,455		
Airport			103,965
Debt service	126,684		
Total Disbursements	<u>2,692,749</u>	<u>2,743,779</u>	<u>103,965</u>
Cash Balance, December 31, 2023	<u>\$ 271,928</u>	<u>\$ 958,962</u>	<u>\$ 145,306</u>

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

Schedule 2

	Street	Mosquito Control	Local Police and Fire Retirement (LOPFI)	District Court Cost	Fire Equipment and Training (Act 833)	Rural Fire	Police Equipment
Cash Balance, January 1, 2023	\$ 936,058	\$ 209,800	\$ 10,096	\$ 19,908	\$ 18,677	\$ 91,207	\$ 9,771
Receipts:							
State aid	257,794				19,108	75	
Property taxes	47,803						
Sales taxes	717,939						
Fines, forfeitures, and costs				13,071			7,192
Interest	727					417	4
Mosquito fees		79,677					
Fire insurance dues						18,425	
Recycling fees							
Other							3,564
Total Receipts	<u>1,024,263</u>	<u>79,677</u>		<u>13,071</u>	<u>19,108</u>	<u>18,917</u>	<u>10,760</u>
Disbursements:							
Law enforcement				7,127			8,371
Highways and streets	1,460,160						
Public safety			1,462		6,323	2,229	
Sanitation							
Health		62,777					
Total Disbursements	<u>1,460,160</u>	<u>62,777</u>	<u>1,462</u>	<u>7,127</u>	<u>6,323</u>	<u>2,229</u>	<u>8,371</u>
Cash Balance, December 31, 2023	<u>\$ 500,161</u>	<u>\$ 226,700</u>	<u>\$ 8,634</u>	<u>\$ 25,852</u>	<u>\$ 31,462</u>	<u>\$ 107,895</u>	<u>\$ 12,160</u>

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

Schedule 2

	District Judge and Clerk Retirement	Hospital Maintenance	Recycling	Probation	Total
Cash Balance, January 1, 2023	\$ 8,052	\$ 84,859	\$ 5,704	\$ 1,041	\$ 1,395,173
Receipts:					
State aid					276,977
Property taxes					47,803
Sales taxes		1,076,908			1,794,847
Fines, forfeitures, and costs	1,638			32,688	54,589
Interest					1,148
Mosquito fees					79,677
Fire insurance dues					18,425
Recycling fees			30,538		30,538
Other					3,564
Total Receipts	<u>1,638</u>	<u>1,076,908</u>	<u>30,538</u>	<u>32,688</u>	<u>2,307,568</u>
Disbursements:					
Law enforcement				11,394	26,892
Highways and streets					1,460,160
Public safety					10,014
Sanitation			22,210		22,210
Health		1,161,726			1,224,503
Total Disbursements		<u>1,161,726</u>	<u>22,210</u>	<u>11,394</u>	<u>2,743,779</u>
Cash Balance, December 31, 2023	<u>\$ 9,690</u>	<u>\$ 41</u>	<u>\$ 14,032</u>	<u>\$ 22,335</u>	<u>\$ 958,962</u>

CITY OF DEWITT, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, Parks and Tourism, and Animal Control
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
Police Bond and Fine	\$ 230
District Court	54,973
Administration of Justice	1,576

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

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

	December 31, 2023
Buildings	\$ 3,161,141
Equipment	1,285,288
 Total	 <u>\$ 4,446,429</u>

Fixed asset records were established, but did not include additions, deletions, control totals, and amounts.

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

	December 31, 2023
Financed purchases	<u>\$ 419,153</u>