

**City of Hermitage, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF HERMITAGE, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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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 Hermitage, 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 Hermitage, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated September 23, 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 commentary contained in this section relates to the following officials who held office during 2021:

Mayor: Tonya Kendrix  
Recorder: Karla Ramos  
Treasurer: Angela Dawson  
Police Chief: Ben Poole

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
September 23, 2022  
LOM223021

CITY OF HERMITAGE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 1

|                                 | General<br>Fund   | Special<br>Revenue<br>Funds |
|---------------------------------|-------------------|-----------------------------|
|                                 | <u>          </u> | <u>          </u>           |
| Cash Balance, January 1, 2021   | \$ 108,416        | \$ 161,700                  |
| Receipts:                       |                   |                             |
| State aid                       | 12,816            | 101,554                     |
| Federal aid                     |                   | 115,859                     |
| Property taxes                  | 19,020            | 5,710                       |
| Franchise fees                  | 30,653            |                             |
| Sales taxes                     | 235,876           |                             |
| Fines, forfeitures, and costs   | 7,406             |                             |
| Interest                        |                   | 24                          |
| Local permits and fees          | 4,995             |                             |
| Sanitation fees                 | 69,572            |                             |
| Other                           | 17,166            | 6,669                       |
| Transfers in                    |                   | 6,735                       |
| Total Receipts                  | <u>397,504</u>    | <u>236,551</u>              |
| Disbursements:                  |                   |                             |
| General government              | 128,524           |                             |
| Law enforcement                 | 107,018           | 49,637                      |
| Highways and streets            |                   | 44,870                      |
| Public safety                   | 13,365            | 9,179                       |
| Sanitation                      | 156,585           |                             |
| Recreation and culture          | 21,660            | 1,548                       |
| Social services                 |                   | 25,500                      |
| Debt service                    | 5,599             | 12,282                      |
| Transfers out                   | 600               | 6,135                       |
| Total Disbursements             | <u>433,351</u>    | <u>149,151</u>              |
| Cash Balance, December 31, 2021 | <u>\$ 72,569</u>  | <u>\$ 249,100</u>           |

CITY OF HERMITAGE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 2

|                                 | Street            | Fire Equipment<br>and Training<br>Act 833 | Police Car<br>Grant | Police Reserve | Spirit of<br>Christmas | Community<br>Outreach Grant | Facilities Grant | American<br>Rescue Plan<br>Act | Total             |
|---------------------------------|-------------------|---|---------------------|----------------|------------------------|-----------------------------|------------------|--------------------------------|-------------------|
| Cash Balance, January 1, 2021   | \$ 134,741        | \$ 6,909                                  | \$ 19,782           | \$ 173         | \$ 95                  |                             |                  |                                | \$ 161,700        |
| Receipts:                       |                   |   |                     |                |                        |                             |                  |                                |                   |
| State aid                       | 62,292            | 13,762                                    |                     |                |                        | \$ 25,500                   |                  |                                | 101,554           |
| Federal aid                     |                   |   | 35,990              |                |                        |                             |                  | \$ 79,869                      | 115,859           |
| Property taxes                  | 5,710             |   |                     |                |                        |                             |                  |                                | 5,710             |
| Interest                        | 24                |   |                     |                |                        |                             |                  |                                | 24                |
| Other                           |                   | 974                                       |                     |                | 4,270                  |                             | \$ 1,425         |                                | 6,669             |
| Transfers in                    |                   |   |                     | 600            |                        |                             | 6,135            |                                | 6,735             |
| Total Receipts                  | <u>68,026</u>     | <u>14,736</u>                             | <u>35,990</u>       | <u>600</u>     | <u>4,270</u>           | <u>25,500</u>               | <u>7,560</u>     | <u>79,869</u>                  | <u>236,551</u>    |
| Disbursements:                  |                   |   |                     |                |                        |                             |                  |                                |                   |
| Law enforcement                 |                   |   | 49,637              |                |                        |                             |                  |                                | 49,637            |
| Highways and streets            | 44,870            |   |                     |                |                        |                             |                  |                                | 44,870            |
| Public safety                   |                   | 9,179                                     |                     |                |                        |                             |                  |                                | 9,179             |
| Recreation and culture          |                   |   |                     |                | 1,548                  |                             |                  |                                | 1,548             |
| Social services                 |                   |   |                     |                |                        | 25,500                      |                  |                                | 25,500            |
| Debt service                    | 8,527             | 3,755                                     |                     |                |                        |                             |                  |                                | 12,282            |
| Transfers out                   |                   |   | 6,135               |                |                        |                             |                  |                                | 6,135             |
| Total Disbursements             | <u>53,397</u>     | <u>12,934</u>                             | <u>55,772</u>       |                | <u>1,548</u>           | <u>25,500</u>               |                  |                                | <u>149,151</u>    |
| Cash Balance, December 31, 2021 | <u>\$ 149,370</u> | <u>\$ 8,711</u>                           | <u>\$ 0</u>         | <u>\$ 773</u>  | <u>\$ 2,817</u>        | <u>\$ 0</u>                 | <u>\$ 7,560</u>  | <u>\$ 79,869</u>               | <u>\$ 249,100</u> |

CITY OF HERMITAGE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.

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

|                      | December 31,<br>2021 |
|----------------------|----------------------|
| Police Bond and Fine | \$ 316               |
| Payroll fund         | 10,733               |
| Entergy Payments     | (93)                 |

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

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

|           | December 31,<br>2021 |
|-----------|----------------------|
| Land      | \$ 52,800            |
| Buildings | 765,066              |
| Equipment | 260,309              |
| Total     | <u>\$ 1,078,175</u>  |

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

|               | December 31,<br>2021 |
|---------------|----------------------|
| Notes payable | <u>\$ 15,124</u>     |

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

|                                 | December 31,<br>2021 |
|---------------------------------|----------------------|
| American Rescue Plan Act (ARPA) | <u>\$ 79,869</u>     |