

City of Hermitage, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HERMITAGE, 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 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, 2023, and have issued our report thereon dated October 7, 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Matt Cathey
Recorder: Kassi Howard (appointed February 27, 2023)
Vacant (January 1, 2023 through February 26, 2023)
Treasurer: Taylor Hernandez (appointed January 3, 2023)
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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 7, 2024
LOM223023

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 98,848	\$ 319,694
Receipts:		
State aid	38,784	59,573
Property taxes	20,217	5,655
Franchise fees	33,493	
Sales taxes	256,912	
Fines, forfeitures, and costs	255	
Interest		18
Local permits and fees	150	
Donations	2,061	7,175
Sanitation fees	54,589	
Other	12,313	6,742
Total Receipts	<u>418,774</u>	<u>79,163</u>
Disbursements:		
General government	182,776	
Law enforcement	127,378	
Highways and streets		100,508
Public safety	23,570	89,015
Recreation and culture	35,790	13,306
Social services		4,255
Wastewater	182	6,305
Debt service	3,987	
Unclassified	76,655	
Total Disbursements	<u>450,338</u>	<u>213,389</u>
Cash Balance, December 31, 2023	<u>\$ 67,284</u>	<u>\$ 185,468</u>

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

Schedule 2

	Street	Fire Equipment and Training Act 833	Police Reserve	Sprit of Christmas	Facilities Grant	American Rescue Plan Act	Hermit Daze Festival	Fire Department Fundraiser	Total
Cash Balance, January 1, 2023	\$ 141,186	\$ 6,613	\$ 1,773	\$ 2,826	\$ 7,560	\$ 159,736			\$ 319,694
Receipts:									
State aid	44,287	15,286							59,573
Property taxes	5,655								5,655
Interest	18								18
Donations				920			\$ 5,875	\$ 380	7,175
Other	190	6,552							6,742
Total Receipts	<u>50,150</u>	<u>21,838</u>		<u>920</u>			<u>5,875</u>	<u>380</u>	<u>79,163</u>
Disbursements:									
Highways and streets	51,133					49,375			100,508
Public safety		13,215				74,225		1,575	89,015
Recreation and culture				1,090		12,216			13,306
Social services							4,255		4,255
Wastewater						6,305			6,305
Total Disbursements	<u>51,133</u>	<u>13,215</u>		<u>1,090</u>		<u>142,121</u>	<u>4,255</u>	<u>1,575</u>	<u>213,389</u>
Cash Balance, December 31, 2023	<u>\$ 140,203</u>	<u>\$ 15,236</u>	<u>\$ 1,773</u>	<u>\$ 2,656</u>	<u>\$ 7,560</u>	<u>\$ 17,615</u>	<u>\$ 1,620</u>	<u>\$ (1,195)</u>	<u>\$ 185,468</u>

CITY OF HERMITAGE, 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. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
Police Bond and Fine	\$ 3,546
Payroll	5,420
Entergy Payments	2,581

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, 2023
Land	\$ 52,800
Buildings	828,566
Equipment	260,309
Total	\$ 1,141,675

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

	December 31, 2023
Financed purchase	\$ 7,340