

# **City of Dumas, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

**Sen. Jim Petty**  
Senate Chair  
**Sen. Jim Dotson**  
Senate Vice Chair



**Rep. Robin Lundstrum**  
House Chair  
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House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Independent Auditor's Report

City of Dumas, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the regulatory basis financial statements of the City of Dumas, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2022, the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis, and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

#### **Unmodified Opinions on Regulatory Basis of Accounting**

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Dumas, Arkansas as of December 31, 2022; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Dumas, Arkansas, as of December 31, 2022, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

#### **Emphases of Matter**

As discussed in Note 1 to the financial statements, the City would have included some funds under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, these funds are not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, in 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

### ***Other Information***

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
May 19, 2025  
LOM102822

# Arkansas

**Sen. Jim Petty**  
Senate Chair  
**Sen. Jim Dotson**  
Senate Vice Chair



**Rep. Robin Lundstrum**  
House Chair  
**Rep. RJ Hawk**  
House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### Independent Auditor's Report

City of Dumas, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Dumas, Arkansas (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated May 19, 2025. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

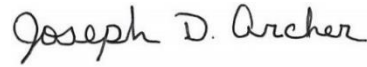
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also reported to management of the City in a separate letter dated May 19, 2025.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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 that reads "Joseph D. Archer". The signature is written in a cursive, flowing style.

Joseph D. Archer, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
May 19, 2025

# Arkansas

**Sen. Jim Petty**  
Senate Chair  
**Sen. Jim Dotson**  
Senate Vice Chair



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**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

City of Dumas, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

The findings contained in this letter relate to the following officials who held office during 2022:

Mayor: Flora Simon  
Finance Director: Rick Compton (Appointed December 20, 2022)  
LaKeshia Lattimore (Resigned October 28, 2022)  
Clerk/Treasurer: Norma (Eldridge) Esaw  
District Court Clerk: Shelbi Walters  
Police Chief: Keith Finch

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments are to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

#### **Finance Director**

1. The Payroll Preparer received an extra salary payment of \$1,176 in December 2022. After multiple requests for documentation, the Payroll Preparer provided a stipend agreement signed by the Mayor, authorizing the additional payment; however, we were unable to determine if this agreement was approved by the Council.
2. A fixed asset listing was established, but records were not properly updated, as required by Ark. Code Ann. § 14-59-107.
3. Compensated absences records were not maintained in accordance with the City's policy manual.

#### **Police Chief**

1. Police Bond & Fine was in noncompliance with Ark. Code Ann. § 16-10-207 and other proper accounting procedures as listed below:
  - Prenumbered receipts were not always issued for all monies collected.
  - Receipts and disbursements journals was not properly maintained.
  - Receipts and disbursements were not reconciled with monthly bank deposits and withdrawals.
  - Ending cash balances were not identified with receipt numbers for cases not yet adjudicated and payments made. The balance remaining in the bank was \$29,065 less than the listing of receipts issued for cases not yet adjudicated and payments made. We noted the December 2022 settlement to District Court in the amount of \$30,877 was not made.
2. The City failed to establish proper internal controls related to Bond and Fine payments. The deficiencies included payments being receipted and voided by the same individual, who was also responsible for preparing bank deposits and taking the deposits to the bank. It appears the lack of internal controls resulted in \$2,415 in cash receipts not being deposited or detected timely.

#### **Mayor**

1. The City has not obtained an audit or agreed-upon procedures and compilation report for the City's Water and Sewer Department since 2021, as required by Ark. Code Ann. § 14-234-119.
2. General Fund disbursements exceeded total appropriations by \$372,061 (10%), in non-compliance with Ark. Code Ann. § 14-58-203.



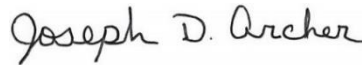
### **District Court Clerk**

The District Court was in noncompliance with Ark. Code Ann. § 16-10-209 and other proper accounting procedures as follows:

- Prenumbered receipts were not issued for monies collected from other city accounts.
- Cash receipt and disbursement journals were not properly maintained.
- Cash receipts and disbursements were not reconciled monthly to bank deposits and withdrawals.
- The ending balances remaining in the District Court account was not identified with receipts issued for cases not yet adjudicated. The balance remaining in the bank was \$5,334 less than the listing of receipts issued for cases not yet adjudicated; however, we noted the December 2022 settlement from the Police Bond & Fine account in the amount of \$30,877 was not paid to the District Court account.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City 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



Joseph D. Archer, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
May 19, 2025

CITY OF DUMAS, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2022

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 5,789,647	\$ 892,906	\$ 2,912,963
Investments	1,830,912		1,703,650
Accounts receivable	398,930	36	148,287
TOTAL ASSETS	<u>\$ 8,019,489</u>	<u>\$ 892,942</u>	<u>\$ 4,764,900</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 83,135	\$ 463	\$ 22,088
Settlements pending			90,687
Total Liabilities	<u>83,135</u>	<u>463</u>	<u>112,775</u>
Fund Balances:			
Restricted	444,979	892,479	4,299,589
Committed	59,511		
Assigned			352,536
Unassigned	7,431,864		
Total Fund Balances	<u>7,936,354</u>	<u>892,479</u>	<u>4,652,125</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,019,489</u>	<u>\$ 892,942</u>	<u>\$ 4,764,900</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DUMAS, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 222,631	\$ 345,433	\$ 23,542
Federal aid			980,610
Property taxes	212,409	42,784	
Franchise fees	274,572		
Sales taxes	2,824,921		741,468
Fines, forfeitures, and costs	125,774		22,112
Investment income	82,817	2,932	47,724
Local permits and fees	32,302		
Sanitation fees	308,483		
Advertising and promotion taxes			242,929
Rental income	95,417		83,897
Ambulance fees	708,780		
Jail fees	132,814		
Mosquito fees	70,505		
Donations	1,244,000		
Fuel sales			48,087
Net increase/(decrease) in fair value of investments	(557,419)		(363,676)
Other	117,489	30,078	42,787
TOTAL REVENUES	5,895,495	421,227	1,869,480
EXPENDITURES			
Current:			
General government	690,714		168,081
Law enforcement	1,560,179		242,908
Highways and streets	3,153	727,382	
Public safety	149,132		66,117
Sanitation	387,219		
Health	783,685		
Recreation and culture	212,739		163,239
Airport	7,052		713,905
Water and sewer			42,012
Trustee fees	15,206		
Total Current	3,809,079	727,382	1,396,262
Debt Service:			
Bond principal			405,000
Bond interest and other charges			186,925
Financed purchase principal	93,990	36,869	11,552
Financed purchase interest	8,633	1,260	2,337
TOTAL EXPENDITURES	3,911,702	765,511	2,002,076

CITY OF DUMAS, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,983,793</u>	<u>\$ (344,284)</u>	<u>\$ (132,596)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		315,592	115,200
Transfers out	(430,792)		
Contribution to water department	(111,920)		(200,000)
Contribution from water department	38,760		
Sales tax transferred to hospital	(1,029,391)		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,533,343)</u>	<u>315,592</u>	<u>(84,800)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	450,450	(28,692)	(217,396)
FUND BALANCES - JANUARY 1	<u>7,485,904</u>	<u>921,171</u>	<u>4,869,521</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 7,936,354</u></u>	<u><u>\$ 892,479</u></u>	<u><u>\$ 4,652,125</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF DUMAS, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 71,488	\$ 222,631	\$ 151,143	\$ 393,287	\$ 345,433	\$ (47,854)
Property taxes	182,264	212,409	30,145	36,386	42,784	6,398
Franchise fees	231,320	274,572	43,252			
Sales taxes	1,321,070	2,824,921	1,503,851			
Fines, forfeitures, and costs	120,971	125,774	4,803			
Investment income	9,028	82,817	73,789	10,000	2,932	(7,068)
Local permits and fees	35,382	32,302	(3,080)			
Sanitation fees	253,585	308,483	54,898			
Rental income	99,096	95,417	(3,679)			
Ambulance fees	698,338	708,780	10,442			
Jail fees	58,191	132,814	74,623			
Mosquito fees	59,841	70,505	10,664			
Donations		1,244,000	1,244,000			
Net increase/(decrease) in fair value of investments		(557,419)	(557,419)			
Other	104,198	117,489	13,291	1,720	30,078	28,358
<b>TOTAL REVENUES</b>	<b>3,244,772</b>	<b>5,895,495</b>	<b>2,650,723</b>	<b>441,393</b>	<b>421,227</b>	<b>(20,166)</b>
EXPENDITURES						
Current:						
General government	616,903	690,714	(73,811)			
Law enforcement	1,388,021	1,560,179	(172,158)			
Highways and streets		3,153	(3,153)	865,682	727,382	138,300
Public safety	80,964	149,132	(68,168)			
Sanitation	382,110	387,219	(5,109)			
Health	803,308	783,685	19,623			
Recreation and culture	143,532	212,739	(69,207)			
Airport	8,374	7,052	1,322			
Trustee fees		15,206	(15,206)			
<b>Total Current</b>	<b>3,423,212</b>	<b>3,809,079</b>	<b>(385,867)</b>	<b>865,682</b>	<b>727,382</b>	<b>138,300</b>
Debt Service:						
Financed purchase principal	116,429	93,990	22,439	38,129	36,869	1,260
Financed purchase interest		8,633	(8,633)		1,260	(1,260)
<b>TOTAL EXPENDITURES</b>	<b>3,539,641</b>	<b>3,911,702</b>	<b>(372,061)</b>	<b>903,811</b>	<b>765,511</b>	<b>138,300</b>

CITY OF DUMAS, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (294,869)	\$ 1,983,793	\$ 2,278,662	\$ (462,418)	\$ (344,284)	\$ 118,134
OTHER FINANCING SOURCES (USES)						
Transfers in	1,837,217		(1,837,217)	364,711	315,592	(49,119)
Transfers out	(483,911)	(430,792)	53,119			
Contribution to water department	(354,254)	(111,920)	242,334			
Contribution from water department		38,760	38,760			
Sales tax transferred to hospital	(806,797)	(1,029,391)	(222,594)			
TOTAL OTHER FINANCING SOURCES (USES)	192,255	(1,533,343)	(1,725,598)	364,711	315,592	(49,119)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(102,614)	450,450	553,064	(97,707)	(28,692)	69,015
FUND BALANCES - JANUARY 1	7,500,511	7,485,904	(14,607)	921,171	921,171	0
FUND BALANCES - DECEMBER 31	<u>\$ 7,397,897</u>	<u>\$ 7,936,354</u>	<u>\$ 538,457</u>	<u>\$ 823,464</u>	<u>\$ 892,479</u>	<u>\$ 69,015</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City of Dumas was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following funds of the City would have been included in the reporting entity: Water and Sewer Funds. However, under Arkansas's regulatory basis described below, inclusion of these funds are not required and these funds are not included in this report.

**B. Basis of Presentation – Regulatory**

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and street fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general and street funds; notes to financial statements; and a supplemental schedule of capital assets.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

**General Fund** - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

**Street Fund** - The Street Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Street Fund accounts for and reports the proceeds of state highway turnback and property taxes that are restricted or committed for maintaining and constructing highways and streets.

**Other Funds in the Aggregate** - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street Funds. The following types of funds are included in this column as follows:

**Special Revenue Funds** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

**Debt Service Funds** - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for the Debt Service Fund as reported with other funds in the aggregate.

**Pension Trust Funds** – Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for Pension Trust Funds as reported with other funds in the aggregate.

**Custodial Funds** - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting - Regulatory**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

In 2022, the City implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/ material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditures/function code of the applicable opinion unit.

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market accounts, and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and payroll taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.



CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Property Taxes**

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year but are not considered delinquent until after October 15. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

**F. Budget Law**

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, except for the LOPFI account, Street Fund, and the other operating funds.

**G. Fund Balance Classification Policies and Procedures**

The Municipality's highest level of decision-making authority is its City Council. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Municipality does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 2: Cash Deposits with Financial Institutions**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,087,655	\$ 1,088,981
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	8,506,661	8,627,735
Total Deposits	<u>\$ 9,594,316</u>	<u>\$ 9,716,716</u>

The above total deposits do not include cash on hand of \$1,200.

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of no longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

**Pension Trust Funds**

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	December 31, 2022 Fair Value
The City of Dumas Arkansas Agency	<u>\$ 1,830,912</u>
Pension Trust:	
Firemen's Pension	435,906
City Pension	1,267,744
Total Trust	<u>1,703,650</u>
Total	<u>\$ 3,534,562</u>

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 4: Public Fund Investments (Continued)**

Investments are reported at fair value. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

The City's investments are composed of the following:

<u>December 31, 2022</u>	Quoted Prices in Active Markets for Identical Investments Level I	Other Observable Inputs Level II	Total
Investment Type			
Equities			
Common Stock	\$ 1,830,912		\$ 1,830,912
Mutual funds			
Bond Funds	1,012,970		1,012,970
Equity Funds	314,477		314,477
Common Stock	371,421		371,421
Fixed income			
US Government Bonds - Mortgage Backed Bonds		\$ 3,335	3,335
US Government Bonds - U.S. Treasury Notes	1,447		1,447
Totals	<u>\$ 3,531,227</u>	<u>\$ 3,335</u>	<u>\$ 3,534,562</u>

The fair value of federated treasury obligations, stocks and mutual funds is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources. U.S. Government, mortgage-backed bonds are valued at fair value using quoted market prices from third parties that use, as their basis readily observable market inputs, such as yields or similar instruments with comparable inputs. As a result, these were classified as Level II inputs.

Ark. Code Ann. § 24-11-216 authorizes the Firemen's Pension Board of Trustees and the Policemen's Pension Board of Trustees to have full power to invest and reinvest monies in accordance with the rules promulgated by the Arkansas Fire and Police Pension Review Board.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 4: Public Fund Investments (Continued)**

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The City has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following summary details the maturity dates in years:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Government Obligations	\$ 4,782	\$ 4,782			
Bond Mutual Funds					
Fire Pension	116,647		\$ 18,461	\$ 80,513	\$ 17,673
City Pension	896,323		267,971	628,352	
	<u>1,012,970</u>		<u>286,432</u>	<u>708,865</u>	<u>17,673</u>
Totals	<u>\$ 1,017,752</u>	<u>\$ 4,782</u>	<u>\$ 286,432</u>	<u>\$ 708,865</u>	<u>\$ 17,673</u>

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is measured by the credit quality rating of investments in debt securities as described by nationally recognized statistical rating organizations. Obligations of or guaranteed by the U.S. Government are not considered to be exposed to credit risk and are not included in this disclosure. The City's exposure to credit risk as of December 31, 2022, is as follows:

	Fair Value		
<b>US Government Bonds</b>			
AAA	\$ 1,447		
Not rated	3,335		
	<u>4,782</u>		
<b>Bond Mutual Funds</b>		Fire Pension	City Pension
AA+	242,274		\$ 242,274
AA	140,979		140,979
A+	542,533	\$ 80,513	462,020
B+	69,511	18,461	51,050
BBB-	17,673	17,673	
	<u>1,012,970</u>	<u>\$ 116,647</u>	<u>\$ 896,323</u>
	<u>\$ 1,017,752</u>		

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the City, and are held by either a counterparty or the counterparty's trust department or agent but not in the City's name. The City has not adopted a formal investment policy addressing custodial credit risk. As of December 31, 2022, no investments were exposed to custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The City has not adopted a formal policy addressing concentration of credit risk. As of December 31, 2022, no investments were exposed to concentration of credit risk.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The City has not adopted a formal investment policy addressing foreign currency risk.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2022, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid	\$ 100,000		
Franchise fees	26,511		
Sales taxes	129,602		\$ 123,023
Investment income	631	\$ 36	286
Local permits and fees	50		
Sanitation fees	43,806		
Advertising and promotion taxes			23,668
Ambulance fees	86,054		
Jail fees	2,300		
Other	9,976		1,310
Totals	<u>\$ 398,930</u>	<u>\$ 36</u>	<u>\$ 148,287</u>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2022, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 3,393	\$ 463	\$ 4,036
Salaries payable	79,742		
Payroll withholdings payable			18,052
Totals	<u>\$ 83,135</u>	<u>\$ 463</u>	<u>\$ 22,088</u>

**NOTE 7: Federal Funds Program Compliance**

The federal grants of the City for the year ended December 31, 2022, has yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 8: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 177,117
Law enforcement	\$ 78,831		153,477
Highways and streets		\$ 892,479	
Public safety			15,996
Health	2,117		
Recreation and culture			1,046,428
Airport			43,584
Pension benefits	364,031		1,968,508
Debt service			894,479
Total Restricted	<u>444,979</u>	<u>892,479</u>	<u>4,299,589</u>
Committed for:			
Law enforcement	<u>59,511</u>		
Assigned to:			
Public safety			1,300
Recreation and culture			<u>351,236</u>
Total Assigned			<u>352,536</u>
Unassigned	<u>7,431,864</u>		
Totals	<u><u>\$ 7,936,354</u></u>	<u><u>\$ 892,479</u></u>	<u><u>\$ 4,652,125</u></u>

**NOTE 9: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2022, the legal debt limit for the bonded debt was \$8,412,533.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2022, the legal debt limit for short-term financing obligations was \$2,231,177. The amount of short-term financing obligations, was \$346,504 leaving a legal debt margin of \$1,884,673.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2022:

	December 31, 2022
Long-term liabilities	\$ 5,471,504
Construction contracts	447,992
Total Commitments	<u>\$ 5,919,496</u>

Long-term liabilities

Long-term liabilities at December 31, 2022, are comprised of the following:

	December 31, 2022
<u>Bonds</u>	
Sales and Use Tax Refunding Bonds Series 2019A and 2019B, dated September 24, 2019, in the amount of \$6,040,000, annual installments of \$115,000 - \$485,000 plus interest through January 1, 2036; interest of 2 - 4%. Payments are to be made from the Debt Service Fund 2019 Sales & Use Tax Refunding Bond.	<u>\$ 5,125,000</u>
<u>Direct Borrowings</u>	
Financed purchase agreement dated July 21, 2021, with Merchants and Farmers Bank in the amount of \$89,184 for the purchase of airport hangars; 59 monthly payments of \$818 at 2.8% interest, and one final payment of \$50,786. Payments are to be made from the Airport Fund.	78,568
Financed purchase agreement dated March 18, 2019, with Merchants and Farmers Bank in the amount of \$140,000 for the purchase of a 2019 Isuzu street sweeper; 48 monthly payments of \$3,177 at 4.25% interest. Payments are to be made from the Street Fund.	9,465
Financed purchase agreement dated March 9, 2020, with Bancorp South Equipment Finance in the amount of \$190,500 for the purchase of a 2020 Freightliner garbage truck; 48 monthly payments of \$3,276 at 3.74% interest, and one final payment of \$52,000. Payments are to be made from the General Fund.	97,415
Financed purchase agreement dated February 28, 2022, with Bancorp South Equipment Finance in the amount of \$189,900 for the purchase of a 2022 Freightliner garbage truck; 24 monthly payments of \$3,207 at 2.19% interest, and one final payment of \$120,000. Payments are to be made from the General Fund.	161,056
Total Direct Borrowings	<u>346,504</u>
Total Long-term liabilities	<u>\$ 5,471,504</u>

Due to the City's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

The City's outstanding bonds payable of \$5,125,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 10: Commitments (Continued)**

The City's outstanding direct borrowings of \$346,504 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Bonds</u>					
9/24/19	1/1/36	2-4%	\$ 6,040,000	\$ 5,125,000	\$ 915,000
<u>Direct Borrowings</u>					
7/21/21	7/21/26	2.80%	89,184	78,568	10,616
3/18/19	3/18/23	4.25%	140,000	9,465	130,535
3/9/20	4/25/24	3.74%	190,500	97,415	93,085
2/28/22	3/2/24	2.19%	189,900	161,056	28,844
Total Direct Borrowings			609,584	346,504	263,080
Total Long-Term Debt			\$ 6,649,584	\$ 5,471,504	\$ 1,178,080

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 5,530,000		\$ 405,000	\$ 5,125,000
<u>Direct Borrowings</u>				
Financed purchases	417,015	\$ 189,900	260,411 *	346,504
Total Long-Term Debt	\$ 5,947,015	\$ 189,900	\$ 665,411	\$ 5,471,504

\* Includes \$118,000 early retirement of debt – equipment returned for buy back amount.



CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10: Commitments (Continued)**

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 330,000	\$ 177,891	\$ 507,891	\$ 88,780	\$ 8,370	\$ 97,150
2024	335,000	169,344	504,344	194,796	3,261	198,057
2025	345,000	159,000	504,000	8155	1,659	9,814
2026	355,000	147,487	502,487	54,773	858	55,631
2027	365,000	136,275	501,275			
2028 through 2032	1,870,000	484,325	2,354,325			
2033 through 2036	1,525,000	100,175	1,625,175			
Totals	<u>\$ 5,125,000</u>	<u>\$ 1,374,497</u>	<u>\$ 6,499,497</u>	<u>\$ 346,504</u>	<u>\$ 14,148</u>	<u>\$ 360,652</u>

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2022:

Project Name	Completed Date	Contract Balance December 31, 2022
Bowles Pump Station	December 2023	\$ 168,700
Airport Taxiway	November 2023	150,876
Airport Hangar Expansion	May 2023	128,416
Total Construction Contracts		<u>\$ 447,992</u>

**NOTE 11: Interfund Transfers**

The General Fund transferred \$315,592 to the Street Fund to supplement city projects. The General Fund also transferred \$115,200 to the Other Funds in the Aggregate for the City Pension Fund for pension contributions.

**NOTE 12: Subsequent Event**

On July 19, 2024, the City signed a \$545,420 contract for an HVAC Renovation for the Dumas Municipal Complex.

**NOTE 13: Pledged Revenues**

The City pledged future 2% sales and use taxes to repay \$6,040,000 in sales and use tax refunding bonds that were issued in 2019 to provide funding for improvements to the City's airport and construction of the City's hospital. Total principal and interest remaining on the bonds are \$5,125,000 and \$1,374,497, respectively, payable through January 1, 2036. For 2022, principal and interest paid were \$405,000 and \$183,113, respectively.

The Debt Service Fund received \$740,659 in sales taxes in 2022. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used to assist in the maintenance, improvement, renovation, acquisition, construction, expansion, furnishing, and equipping of the hospital and related health care facilities.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

**Municipal Vehicle Program**

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed, or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first \$3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 15: Firemen's Pension and Relief Plan**

Plan Description

The Firemen's Pension and Relief Plan is a single-employer defined benefit pension plan that covers municipal firemen employed prior to January 1, 1983. The plan, administered by the City, provides retirement, disability, and survivor benefits. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. State law does provide that upon actuarial soundness of the plan, the Board may increase retirement benefits. The plan was closed to new entrants on January 1, 1983. The plan does not issue a stand-alone financial report but is included in the City's financial report.

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of \$12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was \$24 for the year ended December 31, 2022. The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's net pension liability. Based on the December 31, 2022, actuarial valuation, the plan has a net pension liability of \$131,132.

**NOTE 16: Local Police and Fire Retirement System (LOPFI)  
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3<sup>rd</sup>, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website [www.lopfi-prb.com](http://www.lopfi-prb.com).

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$14,089 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$12,744 for the year ended December 31, 2022.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2022, (actuarial valuation date and measurement date) was \$150,045.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 17: Arkansas Public Employees Retirement System**

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website [www.apers.org](http://www.apers.org).

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.5% as of July 1, 2022. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2022, (date of APERS Employer Allocation Report) was \$9,508.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2022, (actuarial valuation date and measurement date) was \$80,054.

**NOTE 18: City Employee's Pension and Relief Plan**

The City's Employee's Pension and Relief Plan is a single-employer defined benefit and pension plan that covers City employees. The plan provides retirement benefits. Contributions are recognized when paid rather than when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy/Contributions

The City is required to contribute at an actuarially determined amount each year to fund the benefits provided under the plan. The amount of the contribution varies from year-to-year depending on such factors as the plan's participant turnover, benefit payment, and the trust's investment gains and losses.

Net Pension Liability

In 2022, the City did not contribute to the plan. Employee contributions to the plan are not permitted. Based on the actuarial valuation date of January 1, 2021, the plan has a net pension liability of \$0.

**NOTE 19: Mayor's Retirement Benefits**

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayor Clay Oldner's Spouse, Sherry Oldner, \$10,500, for the year ended December 31, 2022.

CITY OF DUMAS, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 20: Clerk/Treasurer Retirement Benefits**

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurers Mary Howard, Johnny Brigham, and Erma Coburn \$12,579, \$9,561, and \$23,658, respectively, for the year ended December 31, 2022.

**NOTE 21: Hospital Lease Agreement**

On September 9, 2003, the City entered into a lease agreement with Delta Memorial Hospital Association, a nonprofit Arkansas corporation. The lease agreement stipulates that the Association leases the hospital real estate for \$25 per year for 25 years. The Association assumes all rights and responsibilities for the operation of the hospital. On September 10, 2013, the City supplemented the lease agreement. The supplement stipulates that the excess proceeds from 0.75% sales and use tax (after debt service requirements), will be used to assist in the maintenance, improvement, renovation, acquisition, construction, expansion, furnishing, and equipping of the hospital and related health care facilities.

**NOTE 22: Dumas Technology Education Center Lease Agreement**

On January 2, 2010, the City entered into a lease agreement with Dumas Technology Education Center (DTEC). The lease agreement stipulates that DTEC leases the technology center real estate for \$25 per year for 20 years. DTEC assumes rights and responsibilities for the operation of the center.

**NOTE 23: Corona Virus (COVID-19)**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2022, the City was awarded \$838,253 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$838,253 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

CITY OF DUMAS, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS							DEBT SERVICE FUND
	Criminal Justice (Act 1336)	Fire Equipment and Training (Act 833)	District Court Automation	Airport Commission	Auditorium	American Rescue Plan Act	Police Drug	Debt Service Fund 2019 Sales & Use Tax Refunding Bond
ASSETS								
Cash and cash equivalents	\$ 119,817	\$ 17,640	\$ 18,816	\$ 43,584	\$ 1,377,402	\$ 177,117	\$ 14,844	\$ 771,456
Investments								
Accounts receivable					23,954			123,023
<b>TOTAL ASSETS</b>	<b>\$ 119,817</b>	<b>\$ 17,640</b>	<b>\$ 18,816</b>	<b>\$ 43,584</b>	<b>\$ 1,401,356</b>	<b>\$ 177,117</b>	<b>\$ 14,844</b>	<b>\$ 894,479</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 344			\$ 3,692			
Settlements pending								
Total Liabilities		344			3,692			
Fund Balances:								
Restricted	\$ 119,817	15,996	\$ 18,816	\$ 43,584	1,046,428	\$ 177,117	\$ 14,844	\$ 894,479
Assigned		1,300			351,236			
Total Fund Balances	119,817	17,296	18,816	43,584	1,397,664	177,117	14,844	894,479
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 119,817</b>	<b>\$ 17,640</b>	<b>\$ 18,816</b>	<b>\$ 43,584</b>	<b>\$ 1,401,356</b>	<b>\$ 177,117</b>	<b>\$ 14,844</b>	<b>\$ 894,479</b>

CITY OF DUMAS, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2022

Schedule 1

	TRUST FUNDS		CUSTODIAL FUNDS				
	Firemen's Pension	City Pension	Police Bond and Fine	District Court	Administration of Justice	Payroll	Totals
ASSETS							
Cash and cash equivalents	\$ 17,377	\$ 247,481	\$ 13,589	\$ 51,562	\$ 2,414	\$ 39,864	\$ 2,912,963
Investments	435,906	1,267,744					1,703,650
Accounts receivable						1,310	148,287
<b>TOTAL ASSETS</b>	<b>\$ 453,283</b>	<b>\$ 1,515,225</b>	<b>\$ 13,589</b>	<b>\$ 51,562</b>	<b>\$ 2,414</b>	<b>\$ 41,174</b>	<b>\$ 4,764,900</b>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable						\$ 18,052	\$ 22,088
Settlements pending			\$ 13,589	\$ 51,562	\$ 2,414	23,122	90,687
Total Liabilities			13,589	51,562	2,414	41,174	112,775
Fund Balances:							
Restricted	\$ 453,283	\$ 1,515,225					4,299,589
Assigned							352,536
Total Fund Balances	453,283	1,515,225					4,652,125
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 453,283</b>	<b>\$ 1,515,225</b>	<b>\$ 13,589</b>	<b>\$ 51,562</b>	<b>\$ 2,414</b>	<b>\$ 41,174</b>	<b>\$ 4,764,900</b>

CITY OF DUMAS, ARKANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							DEBT SERVICE FUND
	Criminal Justice (Act 1336)	Fire Equipment and Training (Act 833)	District Court Automation	Airport Commission	Auditorium	American Rescue Plan Act	Police Drug	Debt Service Fund 2019 Sales & Use Tax Refunding Bond
REVENUES								
State aid		\$ 4,587		\$ 15,724				
Federal aid				561,486		\$ 419,124		
Sales taxes				809				\$ 740,659
Fines, forfeitures, and costs	\$ 19,557		\$ 2,555					
Investment income				6	\$ 1,643		\$ 32	3,861
Advertising and promotion taxes					242,929			
Rental income				29,485	54,412			
Fuel sales				48,087				
Net increase/(decrease) in fair value of investments								
Other				42,003	558		105	
<b>TOTAL REVENUES</b>	<b>19,557</b>	<b>4,587</b>	<b>2,555</b>	<b>697,600</b>	<b>299,542</b>	<b>419,124</b>	<b>137</b>	<b>744,520</b>
EXPENDITURES								
Current:								
General government								
Law enforcement	10,374		2,115			230,419		
Public safety		21,218						
Recreation and culture					163,239			
Airport				713,905				
Water and sewer						42,012		
<b>Total Current</b>	<b>10,374</b>	<b>21,218</b>	<b>2,115</b>	<b>713,905</b>	<b>163,239</b>	<b>272,431</b>		
Debt Service:								
Bond principal								405,000
Bond interest and other charges								186,925
Financed purchase principal				11,552				
Financed purchase interest				2,337				
<b>TOTAL EXPENDITURES</b>	<b>10,374</b>	<b>21,218</b>	<b>2,115</b>	<b>727,794</b>	<b>163,239</b>	<b>272,431</b>		<b>591,925</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,183</b>	<b>(16,631)</b>	<b>440</b>	<b>(30,194)</b>	<b>136,303</b>	<b>146,693</b>	<b>137</b>	<b>152,595</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Contribution to water department						(200,000)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						<b>(200,000)</b>		
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>9,183</b>	<b>(16,631)</b>	<b>440</b>	<b>(30,194)</b>	<b>136,303</b>	<b>(53,307)</b>	<b>137</b>	<b>152,595</b>
FUND BALANCES - JANUARY 1	110,634	33,927	18,376	73,778	1,261,361	230,424	14,707	741,884
FUND BALANCES - DECEMBER 31	\$ 119,817	\$ 17,296	\$ 18,816	\$ 43,584	\$ 1,397,664	\$ 177,117	\$ 14,844	\$ 894,479



CITY OF DUMAS, ARKANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	TRUST FUNDS		
	Firemen's Pension	City Pension	Totals
REVENUES			
State aid	\$ 3,231		\$ 23,542
Federal aid			980,610
Sales taxes			741,468
Fines, forfeitures, and costs			22,112
Investment income	42,163	\$ 19	47,724
Advertising and promotion taxes			242,929
Rental income			83,897
Fuel sales			48,087
Net increase/(decrease) in fair value of investments	(120,165)	(243,511)	(363,676)
Other	48	73	42,787
TOTAL REVENUES	(74,723)	(243,419)	1,869,480
EXPENDITURES			
Current:			
General government		168,081	168,081
Law enforcement			242,908
Public safety	44,899		66,117
Recreation and culture			163,239
Airport			713,905
Water and sewer			42,012
Total Current	44,899	168,081	1,396,262
Debt Service:			
Bond principal			405,000
Bond interest and other charges			186,925
Financed purchase principal			11,552
Financed purchase interest			2,337
TOTAL EXPENDITURES	44,899	168,081	2,002,076
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(119,622)	(411,500)	(132,596)
OTHER FINANCING SOURCES (USES)			
Transfers in		115,200	115,200
Contribution to water department			(200,000)
TOTAL OTHER FINANCING SOURCES (USES)		115,200	(84,800)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(119,622)	(296,300)	(217,396)
FUND BALANCES - JANUARY 1	572,905	1,811,525	4,869,521
FUND BALANCES - DECEMBER 31	\$ 453,283	\$ 1,515,225	\$ 4,652,125

CITY OF DUMAS, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2022

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Criminal Justice (Act 1336)	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
Airport Commission	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
Auditorium	Ark. Code Ann. § 26-75-602 and City of Dumas Ordinance nos. 458 (August 28, 1989), 514 (July 11, 1995), and 592 (March 12, 2002) established fund to account for the tax levied on the gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promotion of the City and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Police Drug	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Debt Service Fund 2019 Sales & Use Tax Refunding Bond	Dumas Ordinance no. 952 (September 24, 2019) authorized and established fund to account for sales and use tax refunding bond debt.

CITY OF DUMAS, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2022

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
City Pension	Dumas Resolution no. 166 (August 8, 1972) established fund to contribute an amount of money that represents the actuarially determined amount to be paid to the City Pension Retirement Plan.
Police Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Payroll	Established to process the payroll of all employees.

CITY OF DUMAS, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2022  
(Unaudited)

Schedule 3

	December 31, 2022
Land	\$ 128,010
Buildings	28,503,646
Equipment	<u>3,251,138</u>
Total	<u><u>\$ 31,882,794</u></u>