

City of Cherry Valley, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHERRY VALLEY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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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 Cherry Valley, 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 Cherry Valley, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated May 9, 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: Adam Love
Recorder/Treasurer: Stacey Bennett
District Court Clerk: Terrie Hess-Chappell
Police Chief: Jamie Walls

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
May 9, 2022
LOM203021

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund (Park Complex)
Cash Balance, January 1, 2021	\$ 156,310	\$ 303,147	
Receipts:			
State aid	10,369	66,226	
Federal aid		60,394	
Property taxes	22,549	6,444	
Franchise fees	20,997		
Sales taxes	107,675		\$ 20,232
Fines, forfeitures, and costs	59,922	3,655	
Interest	161	132	
Local permits and fees	1,811		
Rental income		275	
Loan proceeds		7,699	
Other	3,025		
Reimbursements		2,000	
Total Receipts	<u>226,509</u>	<u>146,825</u>	<u>20,232</u>
Disbursements:			
General government	86,237		
Law enforcement	115,177	6,721	
Highways and streets		71,258	
Public safety	22,015	5,572	
Debt service	13,989	11,757	
Total Disbursements	<u>237,418</u>	<u>95,308</u>	
Cash Balance, December 31, 2021	<u>\$ 145,401</u>	<u>\$ 354,664</u>	<u>\$ 20,232</u>

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

Schedule 2

	Street	Local Police and Fire Retirement	Fire Equipment and Training	Emergency Service	Court Automation	Mosquito Control	Economic Development	Inmate Housing	Street Sales Tax	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 45,084	\$ 8	\$ 10,052	\$ 19,798	\$ 10,864	\$ 3,509	\$ 105,663	\$ 580	\$ 107,589		\$ 303,147
Receipts:											
State aid	52,135		14,091								66,226
Federal aid										\$ 60,394	60,394
Property taxes	6,444										6,444
Fines, forfeitures, and costs					1,745			1,910			3,655
Interest	13			119							132
Rental income							275				275
Loan proceeds	7,699										7,699
Reimbursement									2,000		2,000
Total Receipts	<u>66,291</u>		<u>14,091</u>	<u>119</u>	<u>1,745</u>		<u>275</u>	<u>1,910</u>	<u>2,000</u>	<u>60,394</u>	<u>146,825</u>
Disbursements:											
Law enforcement					4,396			2,325			6,721
Highways and streets	65,241								6,017		71,258
Public safety		8	5,564								5,572
Debt service	2,053		9,704								11,757
Total Disbursements	<u>67,294</u>	<u>8</u>	<u>15,268</u>		<u>4,396</u>			<u>2,325</u>	<u>6,017</u>		<u>95,308</u>
Cash Balance, December 31, 2021	<u>\$ 44,081</u>	<u>\$ 0</u>	<u>\$ 8,875</u>	<u>\$ 19,917</u>	<u>\$ 8,213</u>	<u>\$ 3,509</u>	<u>\$ 105,938</u>	<u>\$ 165</u>	<u>\$ 103,572</u>	<u>\$ 60,394</u>	<u>\$ 354,664</u>

CITY OF CHERRY VALLEY, 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 and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Drug Forfeiture, Police Savings, Police Equipment, and Fire Department

3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2021
District Court	\$ 5,069

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

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

	December 31, 2021
Land	\$ 77,643
Buildings	397,284
Equipment	571,359
Total	<u>\$ 1,046,286</u>

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

	December 31, 2021
Leases payable	\$ 6,474
Notes payable	146,339
Total	<u>\$ 152,813</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 60,394</u>