

City of Cherry Valley, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHERRY VALLEY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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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, 2022, and have issued our report thereon dated May 2, 2023. 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 2022:

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 2, 2023
LOM203022

CITY OF CHERRY VALLEY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund (Park Complex)
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2022	145,401	354,664	20,232
Receipts:			
State aid	13,960	65,000	
Federal aid		60,392	
Property taxes	20,221	7,214	
Franchise fees	23,827		
Sales taxes	122,330		62,094
Fines, forfeitures, and costs	65,661	3,692	
Interest	202	113	
Local permits and fees	1,975		
Loan proceeds	40,000		
Sale of building	50,000		
Other	2,502	250	
Transfers in			74,993
Total Receipts	<u>340,678</u>	<u>136,661</u>	<u>137,087</u>
Disbursements:			
General government	90,254	12	
Law enforcement	106,239	3,386	
Highways and streets		87,522	
Public safety	56,196	4,044	
Recreation and culture		2,500	26
Debt service	24,158	16,798	
Transfers out		74,993	
Total Disbursements	<u>276,847</u>	<u>189,255</u>	<u>26</u>
Cash Balance, December 31, 2022	<u>\$ 209,232</u>	<u>\$ 302,070</u>	<u>\$ 157,293</u>

CITY OF CHERRY VALLEY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	Emergency Tax Service	Court Automation	Mosquito Control	Economic Development
Cash Balance, January 1, 2022	\$ 44,081	\$ 8,875	\$ 19,917	\$ 8,213	\$ 3,509	\$ 105,938
Receipts:						
State aid	49,644	15,356				
Federal aid						
Property taxes	7,214					
Fines, forfeitures, and costs				1,182		
Interest	25		88			
Other						250
Total Receipts	<u>56,883</u>	<u>15,356</u>	<u>88</u>	<u>1,182</u>		<u>250</u>
Disbursements:						
General government			12			
Law enforcement				921		
Highways and streets	55,606					
Public safety		4,044				
Recreation and culture						2,500
Debt service	1,150	9,704				
Transfers out			19,993			55,000
Total Disbursements	<u>56,756</u>	<u>13,748</u>	<u>20,005</u>	<u>921</u>		<u>57,500</u>
Cash Balance, December 31, 2022	<u>\$ 44,208</u>	<u>\$ 10,483</u>	<u>\$ 0</u>	<u>\$ 8,474</u>	<u>\$ 3,509</u>	<u>\$ 48,688</u>

CITY OF CHERRY VALLEY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 2

	Inmate Housing	Street Sales Tax	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	<u>\$ 165</u>	<u>\$ 103,572</u>	<u>\$ 60,394</u>	<u>\$ 354,664</u>
Receipts:				
State aid				65,000
Federal aid			60,392	60,392
Property taxes				7,214
Fines, forfeitures, and costs	2,510			3,692
Interest				113
Other				250
Total Receipts	<u>2,510</u>		<u>60,392</u>	<u>136,661</u>
Disbursements:				
General government				12
Law enforcement	2,465			3,386
Highways and streets		31,916		87,522
Public safety				4,044
Recreation and culture				2,500
Debt service		5,944		16,798
Transfers out				74,993
Total Disbursements	<u>2,465</u>	<u>37,860</u>		<u>189,255</u>
Cash Balance, December 31, 2022	<u>\$ 210</u>	<u>\$ 65,712</u>	<u>\$ 120,786</u>	<u>\$ 302,070</u>

CITY OF CHERRY VALLEY, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, 2022
District Court	\$ 6,134

This balance represents 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, 2022
Land	\$ 85,143
Buildings	349,784
Equipment	584,961
Total	<u>\$ 1,019,888</u>

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

	December 31, 2022
Notes payable	<u>\$ 153,508</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 60,392</u>