

City of Cherry Valley, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHERRY VALLEY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Kevin William White, CPA, JD
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, 2023, and have issued our report thereon dated August 13, 2024. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2023:

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 13, 2024
LOM203023

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund (Park Complex)
Cash Balance, January 1, 2023	\$ 209,232	\$ 302,070	\$ 157,293
Receipts:			
State aid	8,742	65,395	
Property taxes	22,856	4,859	
Franchise fees	23,343		
Sales taxes	132,338		60,417
Fines, forfeitures, and costs	83,633	4,185	
Interest	640	58	
Local permits and fees	3,208		
Community development grant		125,000	
Other	919		
Total Receipts	<u>275,679</u>	<u>199,497</u>	<u>60,417</u>
Disbursements:			
General government	92,349		
Law enforcement	127,457	4,216	
Highways and streets		96,191	
Public safety	26,349		
Recreation and culture	1,271		78,148
Debt service	5,134	9,704	
Total Disbursements	<u>252,560</u>	<u>110,111</u>	<u>78,148</u>
Cash Balance, December 31, 2023	<u>\$ 232,351</u>	<u>\$ 391,456</u>	<u>\$ 139,562</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>Court Automation</u>	<u>Mosquito Control</u>	<u>Economic Development</u>	<u>Inmate Housing</u>
Cash Balance, January 1, 2023	\$ 44,208	\$ 10,483	\$ 8,474	\$ 3,509	\$ 48,688	\$ 210
Receipts:						
State aid	48,505	16,890				
Property taxes	4,859					
Fines, forfeitures, and costs			1,285			2,900
Interest	58					
Community development grant						
Total Receipts	<u>53,422</u>	<u>16,890</u>	<u>1,285</u>			<u>2,900</u>
Disbursements:						
Law enforcement			1,531			2,685
Highways and streets	57,538					
Debt service		9,704				
Total Disbursements	<u>57,538</u>	<u>9,704</u>	<u>1,531</u>			<u>2,685</u>
Cash Balance, December 31, 2023	<u>\$ 40,092</u>	<u>\$ 17,669</u>	<u>\$ 8,228</u>	<u>\$ 3,509</u>	<u>\$ 48,688</u>	<u>\$ 425</u>

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

Schedule 2

	Street Sales Tax	American Rescue Plan Act	Community Development	Total
Cash Balance, January 1, 2023	\$ 65,712	\$ 120,786		\$ 302,070
Receipts:				
State aid				65,395
Property taxes				4,859
Fines, forfeitures, and costs				4,185
Interest				58
Community development grant			\$ 125,000	125,000
Total Receipts			125,000	199,497
Disbursements:				
Law enforcement				4,216
Highways and streets	16,204	22,449		96,191
Debt service				9,704
Total Disbursements	16,204	22,449		110,111
Cash Balance, December 31, 2023	\$ 49,508	\$ 98,337	\$ 125,000	\$ 391,456

CITY OF CHERRY VALLEY, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts 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, 2023
District Court	\$ 3,539

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

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

	December 31, 2023
Land	\$ 85,143
Buildings	349,784
Equipment	649,690
Total	\$ 1,084,617

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

	December 31, 2023
Financed purchases	\$ 147,274