

City of Cotter, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF COTTER, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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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 Cotter, 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 Cotter, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 12, 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: Phillip McGeorge Caradine
Recorder/Treasurer: Andrea Kray
District Court Clerk: Pamela Milton
Police Chief: Travis Hopson

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
June 12, 2023
LOM203622

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 774,555	\$ 254,086
Receipts:		
State aid	41,251	76,494
Federal aid	74,357	148,395
Property taxes	111,755	24,288
Franchise fees	51,805	
Sales taxes	422,989	
Fines, forfeitures, and costs	66,467	1,613
Interest	2,088	365
Local permits and fees	1,725	
Other	42,481	41,430
Transfers in		36,965
Total Receipts	<u>814,918</u>	<u>329,550</u>
Disbursements:		
General government	341,685	
Law enforcement	277,924	3,951
Highways and streets		221,588
Public safety	91,903	2,087
Recreation and culture	26,751	
Cemetery		6,920
Sales tax collected and remitted to water department	95,196	
Other	83	
Transfers out	26,836	10,129
Total Disbursements	<u>860,378</u>	<u>244,675</u>
Cash Balance, December 31, 2022	<u>\$ 729,095</u>	<u>\$ 338,961</u>

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

Schedule 2

	Street	Street Capital Reserve Fund	Cemetery	Local Police and Fire Retirement System	Court Automation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 128,708	\$ 10,177	\$ 14,271	\$ 858	\$ 1,849	\$ 98,223	\$ 254,086
Receipts:							
State aid	76,494						76,494
Federal aid	49,985					98,410	148,395
Property taxes	24,288						24,288
Fines, forfeitures, and costs					1,613		1,613
Interest	316	2	38	4	5		365
Other	33,682		7,748				41,430
Transfers in	32,485			2,480	2,000		36,965
Total Receipts	<u>217,250</u>	<u>2</u>	<u>7,786</u>	<u>2,484</u>	<u>3,618</u>	<u>98,410</u>	<u>329,550</u>
Disbursements:							
Law enforcement					3,951		3,951
Highways and streets	221,588						221,588
Public safety				2,087			2,087
Cemetery			6,920				6,920
Transfers out		10,129					10,129
Total Disbursements	<u>221,588</u>	<u>10,129</u>	<u>6,920</u>	<u>2,087</u>	<u>3,951</u>		<u>244,675</u>
Cash Balance, December 31, 2022	<u>\$ 124,370</u>	<u>\$ 50</u>	<u>\$ 15,137</u>	<u>\$ 1,255</u>	<u>\$ 1,516</u>	<u>\$ 196,633</u>	<u>\$ 338,961</u>

CITY OF COTTER, 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 Fund, General Savings, General Investments, Fire Department, and Fire Department Capital Reserve.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022
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District Court	\$ 7,217
Payroll	2,509

These balances represent fines, forfeitures, and costs and payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2022
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Land	\$ 269,990
Buildings and Improvements	1,195,558
Equipment	991,624
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Total	\$ 2,457,172
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5. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
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American Rescue Plan Act (ARPA)	\$ 98,410
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