

City of Quitman, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF QUITMAN, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Quitman, 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 Quitman, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated September 28, 2022. These procedures were not performed for the Water and Sewer Department Funds. 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: Cyndi Kerr
Recorder: Pam Bennett
Treasurer: Dena Barger
District Court Clerk: Sherry Davis
Police Chief: Todd Henry

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
September 28, 2022
LOM216021

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 516,887	\$ 437,854
Receipts:		
State aid	29,003	240,421
Federal aid		77,032
Property taxes	37,729	4,246
Franchise fees	53,541	
Sales taxes	426,453	103,657
Fines, forfeitures, and costs	81,327	17,208
Interest	5,178	2,742
Local permits and fees	1,100	1,130
Royalties	4,780	
Festival income		23,056
Fire dues	14,745	
Repayment of economic development loans		61,031
Other	37,490	4,651
Transfers in	46,119	8,500
Total Receipts	<u>737,465</u>	<u>543,674</u>
Disbursements:		
General government	201,703	58
Law enforcement	239,633	22,322
Highways and streets		254,879
Public safety	47,367	
Recreation and culture		121,587
Economic development loans		10,000
Contribution to sewer	48,000	
Contribution to water	15,000	
Transfers out	13,500	41,119
Total Disbursements	<u>565,203</u>	<u>449,965</u>
Cash Balance, December 31, 2021	<u>\$ 689,149</u>	<u>\$ 531,563</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Police Equipment	Court Automation	Parks and Festival	Economic Development	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 161,751	\$ 15,978	\$ 18,950	\$ 32,495	\$ 109,393	\$ 99,287		\$ 437,854
Receipts:								
State aid	238,420	1			2,000			240,421
Federal aid			2,550				\$ 74,482	77,032
Property taxes	4,246							4,246
Sales taxes					103,657			103,657
Fines, forfeitures, and costs			15,895	1,313				17,208
Interest	885	33	137	233	676	778		2,742
Local permits and fees			330		800			1,130
Festival income					23,056			23,056
Repayment of economic development loans						61,031		61,031
Other			430		4,163	58		4,651
Transfers in			8,500					8,500
Total Receipts	<u>243,551</u>	<u>34</u>	<u>27,842</u>	<u>1,546</u>	<u>134,352</u>	<u>61,867</u>	<u>74,482</u>	<u>543,674</u>
Disbursements:								
General government						58		58
Law enforcement			18,713	3,609				22,322
Highways and streets	254,879							254,879
Recreation and culture					121,587			121,587
Economic development loans						10,000		10,000
Transfers out	5,000	16,000		5,000	8,759	6,360		41,119
Total Disbursements	<u>259,879</u>	<u>16,000</u>	<u>18,713</u>	<u>8,609</u>	<u>130,346</u>	<u>16,418</u>		<u>449,965</u>
Cash Balance, December 31, 2021	<u>\$ 145,423</u>	<u>\$ 12</u>	<u>\$ 28,079</u>	<u>\$ 25,432</u>	<u>\$ 113,399</u>	<u>\$ 144,736</u>	<u>\$ 74,482</u>	<u>\$ 531,563</u>

CITY OF QUITMAN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Fire Department, Emergency, and Community Center
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2021
District Court	\$ 31,708
Payroll	32,183

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, 2021
Land	\$ 188,790
Buildings	1,363,458
Equipment	618,958
Total	\$ 2,171,206

5. The City loaned economic development funds of \$120,000 in 2013, \$89,500 in 2020, and \$10,000 in 2021 to local area businesses. The outstanding balances of the loans at December 31, 2021 were \$111,728.
6. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 74,482