

CITY OF QUITMAN, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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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 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, 2022, and have issued our report thereon dated May 11, 2023. 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 2022:

Mayor: Cyndi Kerr
Recorder: Pam Bennett
Treasurer: Dena Barger
District Court Clerk: Sherry Davis (Resigned October 28, 2022)
Alex Bennett (Appointed October 28, 2022)
Police Chief: Todd Henry

We evaluated the '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 11, 2023
LOM216022

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 689,149	\$ 531,563
Receipts:		
State aid	28,674	59,918
Federal aid		77,481
Property taxes	36,833	3,425
Franchise fees	62,918	
Sales taxes	437,322	70,420
Fines, forfeitures, and costs	86,892	14,583
Interest	18,048	11,556
Local permits and fees	1,500	1,020
Royalties	12,843	
Festival income		19,660
Fire dues	20,031	
Repayment of economic development loans		40,639
Other	52,407	8,006
Transfers in	12	43,000
Unclassified	11,732	
Total Receipts	<u>769,212</u>	<u>349,708</u>
Disbursements:		
General government	299,111	
Law enforcement	303,020	62,927
Highways and streets		36,726
Public safety	66,268	
Recreation and culture		99,087
Social services	250	
Industrial development		56,122
Transfers out	43,000	12
Contribution to water	100,000	
Contribution to sewer	73,000	
Unclassified	13,480	
Total Disbursements	<u>898,129</u>	<u>254,874</u>
Cash Balance, December 31, 2022	<u>\$ 560,232</u>	<u>\$ 626,397</u>

CITY OF QUITMAN, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (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, 2022	\$ 145,423	\$ 12	\$ 28,079	\$ 25,432	\$ 113,399	\$ 144,736	\$ 74,482	\$ 531,563
Receipts:								
State aid	59,918							59,918
Federal aid			3,000				74,481	77,481
Property taxes	3,425							3,425
Sales taxes					70,420			70,420
Fines, forfeitures, and costs			13,108	1,475				14,583
Interest	4,083		792	598	2,867	3,216		11,556
Local permits and fees			170		850			1,020
Festival income					19,660			19,660
Repayment of economic development loans						40,639		40,639
Other	530		2,420	650	4,406			8,006
Transfers in			43,000					43,000
Total Receipts	<u>67,956</u>		<u>62,490</u>	<u>2,723</u>	<u>98,203</u>	<u>43,855</u>	<u>74,481</u>	<u>349,708</u>
Disbursements:								
Law enforcement			57,760	5,167				62,927
Highways and streets	36,726							36,726
Recreation and culture					99,087			99,087
Economic Development						56,122		56,122
Transfers out		12						12
Total Disbursements	<u>36,726</u>	<u>12</u>	<u>57,760</u>	<u>5,167</u>	<u>99,087</u>	<u>56,122</u>		<u>254,874</u>
Cash Balance, December 31, 2022	<u>\$ 176,653</u>	<u>\$ 0</u>	<u>\$ 32,809</u>	<u>\$ 22,988</u>	<u>\$ 112,515</u>	<u>\$ 132,469</u>	<u>\$ 148,963</u>	<u>\$ 626,397</u>

CITY OF QUITMAN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, 2022
District Court	\$ 18,115
Payroll	39,786

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
Land	\$ 188,790
Buildings	1,362,508
Equipment	643,355
Total	<u>\$ 2,194,653</u>

5. The City loaned economic development funds of \$120,000 in 2013, \$89,500 in 2020, \$10,000 in 2021, and \$45,000 in 2022 to local area businesses. The outstanding balances of the loans at December 31, 2022 were \$115,277.
6. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 74,481</u>