

Arkansas



Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

TO: Auditee

FROM: Marti Steel, CPA
Deputy Legislative Auditor

DATE: September 3, 2021

SUBJECT: Legislative Joint Auditing Committee Review Of:

City of Cherry Valley
December 31, 2020

With the approval of the Chairs of the Legislative Joint Auditing Committee, the enclosed report will be presented to the Legislative Joint Auditing Committee for its review at **1:30 p.m., on Thursday, September 9, 2021 in Conference Room 151, State Capitol Building, Little Rock, Arkansas.**

Depending upon the status of protocols put into place due to the COVID-19 health emergency, the meeting may be moved to Room A, MAC Building. In the event the location is changed, notification will be posted at Conference Room 151.

If your presence at the meeting is requested, you will be notified in a separate letter.

If you should have any questions or comments regarding this matter, please feel free to contact us.

City of Cherry Valley, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHERRY VALLEY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2020

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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, 2020, and have issued our report thereon dated August 10, 2021. 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 relate to the following officials who held office during 2020:

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
August 10, 2021
LOM203020

CITY OF CHERRY VALLEY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 145,826	\$ 320,613
Receipts:		
State aid	9,659	62,523
Federal aid	25,546	
Property taxes	19,432	6,699
Franchise fees	22,208	2,345
Sales taxes	105,792	11,500
Fines, forfeitures, and costs	67,349	4,242
Interest	139	362
Local permits and fees	1,525	
Rental income		350
Other	320	1,050
Transfers in		12,497
Total Receipts	<u>251,970</u>	<u>101,568</u>
Disbursements:		
General government	103,853	
Law enforcement	101,765	13,117
Highways and streets		51,041
Public safety	9,692	7,289
Industrial development		25,000
Debt service	5,000	15,647
Other		1,521
Transfers out	12,497	
Distribution of sales tax to water and sewer department	11,500	
Contributions to water and sewer department	2,598	
Total Disbursements	<u>246,905</u>	<u>113,615</u>
Cash Balance, December 31, 2020	<u>\$ 150,891</u>	<u>\$ 308,566</u>

CITY OF CHERRY VALLEY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Street	Local Police and Fire Retirement	Fire Equipment and Training	Emergency Service	Court Automation	Mosquito Control
Cash Balance, January 1, 2020	\$ 41,512	\$ 8	\$ 6,377	\$ 19,473	\$ 12,018	\$ 3,509
Receipts:						
State aid	49,144		13,379			
Property taxes	6,699					
Franchise fees						
Sales taxes						
Fines, forfeitures, and costs					1,897	
Interest	16			346		
Rental income						
Other						
Transfers in					750	
Total Receipts	<u>55,859</u>		<u>13,379</u>	<u>346</u>	<u>2,647</u>	
Disbursements:						
Law enforcement					3,051	
Highways and streets	51,041					
Public safety						
Economic development						
Debt service	1,246		9,704			
Other				21	750	
Total Disbursements	<u>52,287</u>		<u>9,704</u>	<u>21</u>	<u>3,801</u>	
Cash Balance, December 31, 2020	<u>\$ 45,084</u>	<u>\$ 8</u>	<u>\$ 10,052</u>	<u>\$ 19,798</u>	<u>\$ 10,864</u>	<u>\$ 3,509</u>

CITY OF CHERRY VALLEY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Police Equipment	Fire Department	Economic Development	Inmate Housing	Street Sales Tax	Total
Cash Balance, January 1, 2020	\$ 8,576	\$ 838	\$ 130,313	\$ 1,900	\$ 96,089	\$ 320,613
Receipts:						
State aid						62,523
Property taxes						6,699
Franchise fees				2,345		2,345
Sales taxes					11,500	11,500
Fines, forfeitures, and costs	2,345					4,242
Interest						362
Other			350			350
	5,447	1,050				1,050
	5,447	6,300				12,497
Total Receipts	7,792	7,350	350	2,345	11,500	101,568
Disbursements:						
Law enforcement	6,401			3,665		13,117
Highways and streets						51,041
Public safety		7,289				7,289
Economic development			25,000			25,000
Debt service	4,697					15,647
Other	750					1,521
Total Disbursements	11,848	7,289	25,000	3,665		113,615
Cash Balance, December 31, 2020	\$ 4,520	\$ 899	\$ 105,663	\$ 580	\$ 107,589	\$ 308,566

CITY OF CHERRY VALLEY, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, and Police Savings

3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2020
District Court Fund	\$ 6,654

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, 2020
Land	\$ 77,643
Buildings	397,284
Equipment	590,302
Total	<u>\$ 1,065,229</u>

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2020
Leases payable	\$ 8,661
Notes payable	155,142
Total	<u>\$ 163,803</u>