City of Cotter, Arkansas

Financial and Compliance Report

December 31, 2020 and 2019

LEGISLATIVE JOINT AUDITING COMMITTEE

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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 years ended December 31, 2020 and 2019, and have issued our report thereon dated April 8, 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 relates to the following officials who held office during 2020 and 2019:

Mayor: Phillip McGeorge Caradine
Recorder/Treasurer: Andrea Kray
District Court Clerk: Kay Laughry (January 1, 2019 – May 1, 2020)
Pamela Milton (May 5, 2020 – December 31, 2020)
Police Chief/Marshal: 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

Roger A. Norman

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

Little Rock, Arkansas
April 8, 2021
LOM203620

500 WOODLANE STREET, SUITE 172 • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE: (501) 683-8600 • FAX: (501) 683-8605
www.arklegaudit.gov

Schedule 1

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	$ 678,916	$ 115,876
Receipts:		
State aid	92,490	73,226
Federal aid	32,598	12,000
Property taxes	105,604	22,875
Franchise fees	46,261	
Sales taxes	374,316	
Fines, forfeitures, and costs	26,260	1,205
Interest	3,210	513
Local permits and fees	3,590	
Donations	7,010	30,026
Other	7,978	9,536
Transfers in		82,012
Total Receipts	699,317	231,393
Disbursements:		
General government	254,182	
Law enforcement	151,850	3,292
Highways and streets		86,433
Public safety	69,310	24,514
Recreation and culture	29,066	3,570
Cemetery		8,447
Sales tax collected and remitted to water department	93,320	
Transfers out	82,012	
Total Disbursements	679,740	126,256
Cash Balance, December 31, 2020	$ 698,493	$ 221,013

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

Schedule 2

	Street	Street Capital Reserve Fund	Cemetery	Local Police and Fire Retirement System	Court Automation	Fun Park Grant	USDA RD Grant	Total
Cash Balance, January 1, 2020	$ 86,969	$ 10,122	$ 13,990	$ 1,779	$ 3,016			$ 115,876
Receipts:								
State aid	73,226							73,226
Federal aid							$ 12,000	12,000
Property taxes	22,875							22,875
Fines, forfeitures, and costs					1,205			1,205
Interest	397	41	60	5	10			513
Donations						$ 30,026		30,026
Other			9,536					9,536
Transfers in				1,148	2,000	50,000	28,864	82,012
Total Receipts	96,498	41	9,596	1,153	3,215	80,026	40,864	231,393
Disbursements:								
Law enforcement					3,292			3,292
Highways and streets	86,433							86,433
Public safety				1,821			22,693	24,514
Recreation and culture						3,570		3,570
Cemetery			8,447					8,447
Total Disbursements	86,433	0	8,447	1,821	3,292	3,570	22,693	126,256
Cash Balance, December 31, 2020	$ 97,034	$ 10,163	$ 15,139	$ 1,111	$ 2,939	$ 76,456	$ 18,171	$ 221,013

CITY OF COTTER, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2019	$ 652,982	$ 85,187
Receipts:		
State aid	29,943	69,549
Federal aid	2,300	
Property taxes	98,262	21,565
Franchise fees	45,126	
Sales taxes	328,943	
Fines, forfeitures, and costs	28,927	1,718
Interest	7,774	1,208
Local permits and fees	4,459	
Insurance proceeds	13,250	
Donations	27,612	
Sale of assets	6,008	
Other	2,500	14,037
Transfers in		14,855
Total Receipts	595,104	122,932
Disbursements:		
General government	217,825	
Law enforcement	180,419	3,292
Highways and streets		66,485
Public safety	66,077	1,356
Recreation and culture	20,473	
Cemetery		11,060
Sales tax collected and remitted to water department	79,571	
Transfers out	4,805	10,050
Total Disbursements	569,170	92,243
Cash Balance, December 31, 2019	$ 678,916	$ 115,876

Schedule 4

CITY OF COTTER, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

	Street	Street Capital Reserve Fund	Cemetery	Local Police and Fire Retirement System	Court Automation	Total
Cash Balance, January 1, 2019	$ 71,122		$ 11,191	$ 307	$ 2,567	$ 85,187
Receipts:						
State aid	69,549					69,549
Property taxes	21,565					21,565
Fines, forfeitures, and costs					1,718	1,718
Interest	929	$ 72	161	23	23	1,208
Other	339		13,698			14,037
Transfers in		10,050		2,805	2,000	14,855
Total Receipts	92,382	10,122	13,859	2,828	3,741	122,932
Disbursements:						
Law enforcement					3,292	3,292
Highways and streets	66,485					66,485
Public safety				1,356		1,356
Cemetery			11,060			11,060
Transfers out	10,050					10,050
Total Disbursements	76,535	0	11,060	1,356	3,292	92,243
Cash Balance, December 31, 2019	$ 86,969	$ 10,122	$ 13,990	$ 1,779	$ 3,016	$ 115,876

CITY OF COTTER, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(UNAUDITED)

Schedule 5

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, 2020	December 31, 2019
District Court Fund	5,045	2,919
Payroll Fund	3,873	2,510

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

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

	December 31, 2020	December 31, 2019
Land	$ 298,840	$ 298,840
Buildings	1,038,611	1,038,611
Improvements	89,065	28,389
Equipment	863,192	818,170
Total	$ 2,289,708	$ 2,184,010