City of Cotter, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF COTTER, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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, 2021, and have issued our report thereon dated August 12, 2022. 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 2021:

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

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

Little Rock, Arkansas
August 12, 2022
LOM203621

Schedule 1

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	$ 698,493	$ 221,013
Receipts:		
State aid	46,380	78,269
Federal aid	2,550	119,859
Property taxes	108,458	23,646
Franchise fees	47,358	
Sales taxes	410,313	
Fines, forfeitures, and costs	34,024	920
Interest	1,169	203
Local permits and fees	1,600	
Insurance Proceeds	6,585	
Blue and You Foundation Grant	31,224	
Donations	6,520	
Other	8,622	12,193
Transfers in		3,681
Total Receipts	704,803	238,771
Disbursements:		
General government	217,365	
Law enforcement	169,786	4,013
Highways and streets		72,403
Public safety	92,343	41,555
Recreation and culture	48,366	70,983
Contribution to North Arkansas Youth Center		5,473
Cemetery		11,083
Sales tax collected and remitted to water department	97,200	
Transfers out	3,681	
Contribution to water and sewer		188
Total Disbursements	628,741	205,698
Cash Balance, December 31, 2021	$ 774,555	$ 254,086

Schedule 2

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

	Street	Street Capital Reserve Fund	Cemetery	Local Police and Fire Retirement System	Court Automation	Fun Park Grant	USDA RD Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	$ 97,034	$ 10,163	$ 15,139	$ 1,111	$ 2,939	$ 76,456	$ 18,171		$ 221,013
Receipts:									
State aid	78,269								78,269
Federal aid							21,448	$ 98,411	119,859
Property taxes	23,646								23,646
Fines, forfeitures, and costs					920				920
Interest	162	14	22	2	3				203
Other	2,000		10,193						12,193
Transfers in				1,681	2,000				3,681
Total Receipts	104,077	14	10,215	1,683	2,923		21,448	98,411	238,771
Disbursements:									
Law enforcement					4,013				4,013
Highways and streets	72,403								72,403
Public safety				1,936			39,619		41,555
Recreation and culture						70,983			70,983
Refund to grantor						5,473			5,473
Cemetery			11,083						11,083
Contribution to Water and Sewer								188	188
Total Disbursements	72,403		11,083	1,936	4,013	76,456	39,619	188	205,698
Cash Balance, December 31, 2021	$ 128,708	$ 10,177	$ 14,271	$ 858	$ 1,849	$ 0	$ 0	$ 98,223	$ 254,086

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

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, 2021
District Court	$ 10,033
Payroll	2,501

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	$ 269,990
Buildings and Improvements	1,188,400
Equipment	854,780
Total	$ 2,313,170

5. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	$ 98,411