

City of Cherokee Village, Arkansas

Financial and Compliance Report

December 31, 2023

*Including Financial Information
For
December 31, 2022*

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHEROKEE VILLAGE, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Cherokee Village, 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 Cherokee Village, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the year ended December 31, 2022, and have issued our report thereon dated November 19, 2024. 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 2023 and 2022:

Mayor: Steven Rose (January 1, 2023 – December 31, 2023)
Russ Stokes (January 1, 2022 – December 31, 2022)
Recorder: Penny Trumpy
Treasurer: Debra Weichinger (March 1, 2023 – December 31, 2023)
Deanna Hefner (May 4, 2022 – February 24, 2023)
Vacant (January 1, 2022 – May 3, 2022)
District Court Clerk: Sandra Elliot
Police Chief/Marshal: Monte Lane

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 19, 2024
LOM110323

CITY OF CHEROKEE VILLAGE, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 2,030,014	\$ 1,010,227
Receipts:		
State aid	83,441	484,041
Federal aid	2,500	
Property taxes	344,496	61,644
Franchise fees	259,761	
Sales taxes	1,175,435	
Fines, forfeitures, and costs	61,675	6,318
Interest	43,332	20,172
Local permits and fees	52,089	20
Advertising and promotion taxes		44,841
Donations	29,481	52,136
Other	29,148	850
Transfers in	118	63,180
Total Receipts	<u>2,081,476</u>	<u>733,202</u>
Disbursements:		
General government	446,257	1,709
Law enforcement	904,129	257,327
Highways and streets		481,452
Public safety	573,471	117,217
Advertising and promotion		59,257
Transfers out	63,180	118
Total Disbursements	<u>1,987,037</u>	<u>917,080</u>
Cash Balance, December 31, 2023	<u>\$ 2,124,453</u>	<u>\$ 826,349</u>

CITY OF CHEROKEE VILLAGE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>District Court Automation</u>	<u>Advertising and Promotion</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>Federal Emergency Management Agency</u>	<u>Tornado Siren</u>	<u>American Rescue Plan Act</u>	<u>Fire Department American Rescue Plan</u>
Cash Balance, January 1, 2023	\$ 243,881	\$ 51	\$ 81,260	\$ 18,224	\$ 248	\$ 118	\$ 587,747	\$ 10,769
Receipts:								
State aid	413,793			70,248				
Property taxes	61,644							
Fines, forfeitures, and costs		2,442						
Interest	6,437	5	1,691	525	6		10,831	2
Local permits and fees								
Advertising and promotion taxes			44,841					
Donations			1,355					
Other			850					
Transfers in	50,000			13,180				
Total Receipts	<u>531,874</u>	<u>2,447</u>	<u>48,737</u>	<u>83,953</u>	<u>6</u>		<u>10,831</u>	<u>2</u>
Disbursements:								
General government							1,709	
Law enforcement		1,966					154,499	
Highways and streets	400,459						80,993	
Public safety				64,217			42,229	10,771
Advertising and promotion			59,257					
Transfers out						118		
Total Disbursements	<u>400,459</u>	<u>1,966</u>	<u>59,257</u>	<u>64,217</u>		<u>118</u>	<u>279,430</u>	<u>10,771</u>
Cash Balance, December 31, 2023	<u>\$ 375,296</u>	<u>\$ 532</u>	<u>\$ 70,740</u>	<u>\$ 37,960</u>	<u>\$ 254</u>	<u>\$ 0</u>	<u>\$ 319,148</u>	<u>\$ 0</u>

CITY OF CHEROKEE VILLAGE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	V. Pour Trust Animal Control Fund	Drug	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 67,929		\$ 1,010,227
Receipts:			
State aid			484,041
Property taxes			61,644
Fines, forfeitures, and costs		\$ 3,876	6,318
Interest	643	32	20,172
Local permits and fees	20		20
Advertising and promotion taxes			44,841
Donations	50,781		52,136
Other			850
Transfers in			63,180
Total Receipts	<u>51,444</u>	<u>3,908</u>	<u>733,202</u>
Disbursements:			
General government			1,709
Law enforcement	100,862		257,327
Highways and streets			481,452
Public safety			117,217
Advertising and promotion			59,257
Transfers out			118
Total Disbursements	<u>100,862</u>		<u>917,080</u>
Cash Balance, December 31, 2023	<u>\$ 18,511</u>	<u>\$ 3,908</u>	<u>\$ 826,349</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 1,551,128	\$ 547,369
Receipts:		
State aid	71,310	476,804
Federal aid	7,946	542,832
Property taxes	323,239	59,732
Franchise fees	257,060	
Sales taxes	1,191,832	
Fines, forfeitures, and costs	56,216	2,383
Interest	5,726	2,389
Local permits and fees	75,488	
Advertising and promotion taxes		47,585
Donations	27,308	76,734
Insurance proceeds	94,670	
Land sales	43,600	
Other	31,439	15,797
Transfers in		51,263
Total Receipts	<u>2,185,834</u>	<u>1,275,519</u>
Disbursements:		
General government	417,074	34,881
Law enforcement	731,400	50,168
Highways and streets		527,223
Public safety	507,211	157,252
Advertising and promotion		43,137
Transfers out	51,263	
Total Disbursements	<u>1,706,948</u>	<u>812,661</u>
Cash Balance, December 31, 2022	<u>\$ 2,030,014</u>	<u>\$ 1,010,227</u>

CITY OF CHEROKEE VILLAGE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 4

	Street	District Court Automation	Advertising and Promotion	Fire Equipment and Training (Act 833)	Federal Emergency Management Agency	Tornado Siren	American Rescue Plan Act	Fire Department American Rescue Plan	V. Pour Trust Animal Control Fund	Total
Cash Balance, January 1, 2022	\$ 216,711	\$ 290	\$ 69,900	\$ 20,150	\$ 247	\$ 806	\$ 239,265			\$ 547,369
Receipts:										
State aid	412,689			64,115						476,804
Federal aid							482,832	\$ 60,000		542,832
Property taxes	59,732									59,732
Fines, forfeitures, and costs		2,383								2,383
Interest	1,547		412	122	1	3	260	7	\$ 37	2,389
Advertising and promotion taxes			47,585							47,585
Donations									76,734	76,734
Other	9,297		6,500							15,797
Transfers in	50,000						1,263			51,263
Total Receipts	<u>533,265</u>	<u>2,383</u>	<u>54,497</u>	<u>64,237</u>	<u>1</u>	<u>3</u>	<u>484,355</u>	<u>60,007</u>	<u>76,771</u>	<u>1,275,519</u>
Disbursements:										
General government							34,881			34,881
Law enforcement		2,622					38,704		8,842	50,168
Highways and streets	506,095						21,128			527,223
Public safety				66,163		691	41,160	49,238		157,252
Advertising and promotion			43,137							43,137
Total Disbursements	<u>506,095</u>	<u>2,622</u>	<u>43,137</u>	<u>66,163</u>		<u>691</u>	<u>135,873</u>	<u>49,238</u>	<u>8,842</u>	<u>812,661</u>
Cash Balance, December 31, 2022	<u>\$ 243,881</u>	<u>\$ 51</u>	<u>\$ 81,260</u>	<u>\$ 18,224</u>	<u>\$ 248</u>	<u>\$ 118</u>	<u>\$ 587,747</u>	<u>\$ 10,769</u>	<u>\$ 67,929</u>	<u>\$ 1,010,227</u>

CITY OF CHEROKEE VILLAGE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (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, General Savings, General Reserve, Fire, Fire Prevention, and Police
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022
District Court	\$ 4,825	\$ 10,842
Payroll	63,433	47,367
Drug Seizure	5,504	

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, 2023	December 31, 2022
Land	\$ 67,626	\$ 67,626
Buildings	701,832	641,832
Equipment	3,000,297	3,017,297
Totals	\$ 3,769,755	\$ 3,726,755

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 482,832
American Rescue Plan Act (Passed through Sharp County)	60,000
	\$ 542,832