

# **City of Caraway, Arkansas**

## **Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF CARAWAY, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas

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Senate Vice Chair



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House Chair  
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House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Caraway, 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 Caraway, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated February 27, 2023. These procedures were not performed for the Water and Sewer Fund. 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: Bo James  
Recorder/Treasurer: Rick Stevens  
Police Chief: Shannon Kelems

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, reading "Roger A. Norman".

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

Little Rock, Arkansas  
February 27, 2023  
LOM202421

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 294,410	\$ 152,437
Receipts:		
State aid	20,382	127,236
Federal aid	179,907	132,804
Property taxes	15,592	8,180
Franchise fees	58,924	
Sales taxes	418,198	
Fines, forfeitures, and costs	47,826	
Interest	205	89
Local permits and fees	10,282	7,562
Donations		3,350
Reimbursements	20,440	
Other	24,658	9,371
Transfers in		81,300
Total Receipts	<u>796,414</u>	<u>369,892</u>
Disbursements:		
General government	180,944	6,181
Law enforcement	305,013	
Highways and streets		191,965
Public safety	32,129	13,558
Recreation and culture		7,610
Grant money pass thru to water and sewer department	162,393	
Contributions to water and sewer department	29,500	5,189
Debt service	10,564	
Transfers out	81,300	
Total Disbursements	<u>801,843</u>	<u>224,503</u>
Cash Balance, December 31, 2021	<u>\$ 288,981</u>	<u>\$ 297,826</u>

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

Schedule 2

	Street	Fire Equipment and Training	Parks Commission	Industrial Development	Veteran's Memorial	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 122,974	\$ 20,817	\$ 6,200	\$ 1,623	\$ 823		\$ 152,437
Receipts:							
State aid	102,495	24,741					127,236
Federal aid						\$ 132,804	132,804
Property taxes	8,180						8,180
Interest	83	6					89
Local permits and fees			7,562				7,562
Donations			3,350				3,350
Other	6,838		2,533				9,371
Transfers in	81,300						81,300
Total Receipts	<u>198,896</u>	<u>24,747</u>	<u>13,445</u>			<u>132,804</u>	<u>369,892</u>
Disbursements:							
General government				60	68	6,053	6,181
Highways and streets	188,506					3,459	191,965
Public safety		13,558					13,558
Recreation and culture			7,610				7,610
Contributions to water and sewer department						5,189	5,189
Total Disbursements	<u>188,506</u>	<u>13,558</u>	<u>7,610</u>	<u>60</u>	<u>68</u>	<u>14,701</u>	<u>224,503</u>
Cash Balance, December 31, 2021	<u>\$ 133,364</u>	<u>\$ 32,006</u>	<u>\$ 12,035</u>	<u>\$ 1,563</u>	<u>\$ 755</u>	<u>\$ 118,103</u>	<u>\$ 297,826</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Factory Building Maintenance, and One Cent Sales Tax

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

	December 31, 2021
Tax Deposit	\$ 1,687

This balance represent 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	\$ 55,795
Buildings	505,313
Equipment	657,825
Total	\$ 1,218,933

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

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 132,804