

# **City of Caraway, Arkansas**

## **Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF CARAWAY, ARKANSAS  
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# Arkansas

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**Sen. John Payton**  
Senate Vice Chair



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House Chair  
**Rep. Richard Womack**  
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, 2022, and have issued our report thereon dated December 15, 2023. These procedures were not performed for the Water and Sewer Funds. 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 2022:

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  
December 15, 2023  
LOM202422

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 288,981	\$ 297,826
Receipts:		
State aid	16,902	124,782
Federal aid		132,802
Property taxes	15,252	8,883
Franchise fees	51,472	
Sales taxes	388,627	
Fines, forfeitures, and costs	37,065	
Interest	470	754
Local permits and fees	17,378	5,408
Donations		4,892
Reimbursements	27,815	
Other	39,339	10,406
Transfers in		72,004
Total Receipts	<u>594,320</u>	<u>359,931</u>
Disbursements:		
General government	178,811	60
Law enforcement	274,200	
Highways and streets		203,244
Public safety	29,053	14,522
Recreation and culture		8,592
Contributions to water and sewer department	86,639	
Transfers out	72,004	
Total Disbursements	<u>640,707</u>	<u>226,418</u>
Cash Balance, December 31, 2022	<u>\$ 242,594</u>	<u>\$ 431,339</u>

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

Schedule 2

	Street	Fire Equipment and Training	Parks Commission	Industrial Development	Veteran's Memorial	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 133,364	\$ 32,006	\$ 12,035	\$ 1,563	\$ 755	\$ 118,103	\$ 297,826
Receipts:							
State aid	97,819	26,963					124,782
Federal aid						132,802	132,802
Property taxes	8,883						8,883
Interest	195	69	23		2	465	754
Local permits and fees			5,408				5,408
Donations			4,891		1		4,892
Other	7,697	720	1,988	1			10,406
Transfers in	72,004						72,004
Total Receipts	186,598	27,752	12,310	1	3	133,267	359,931
Disbursements:							
General government				60			60
Highways and streets	203,244						203,244
Public safety		14,522					14,522
Recreation and culture			8,592				8,592
Total Disbursements	203,244	14,522	8,592	60			226,418
Cash Balance, December 31, 2022	\$ 116,718	\$ 45,236	\$ 15,753	\$ 1,504	\$ 758	\$ 251,370	\$ 431,339

CITY OF CARAWAY, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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 funds is as follows:

	December 31, 2022
	<u>                    </u>
Tax Deposit	<u>\$          1,690</u>

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, 2022
	<u>                    </u>
Land	\$          55,795
Buildings	505,313
Equipment	<u>660,125</u>
Total	<u>\$      1,221,233</u>

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

	December 31, 2022
	<u>                    </u>
American Rescue Plan Act (ARPA)	<u>\$         132,802</u>