

City of Greenway, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF GREENWAY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
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 Greenway, 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 Greenway, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated March 21, 2024. 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 findings contained in this section relate to the following officials who held office during 2022:

Mayor: William McHaffey (deceased August 2022)
Steve Faris (appointed August 18, 2022)
Recorder/Treasurer: Julie Hicks
Marshal: Terry Robertson (terminated October 6, 2022)

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.

Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

The City opened a line of credit with Piggott State Bank with a balance of 18,200 in 2021 and initiated further drawdowns of \$11,500 in 2022 for a total balance of \$29,700 as of December 31, 2022, for the purpose of providing financing for the general purposes of City government. This appears to be in conflict with Ark. Const. Amend, 78 § 2, which limits short-term financing obligations for a period not to exceed five years for the purpose of acquiring, constructing, installing, or renting real property or tangible property having a useful life of more than one year. A similar finding was noted in the previous report.

The minutes of the governing body did not document the review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann. § 10-4-418.

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
March 21, 2024
LOM207222

CITY OF GREENWAY, 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	\$ 41,752	\$ 36,968
Receipts:		
State aid	2,596	15,023
Federal aid		19,579
Property taxes	5,621	1,414
Franchise fees	9,559	
Sales taxes	30,197	
Fines, forfeitures, and costs	1,780	
Loan proceeds	10,000	
Reimbursement from water and sewer department		7,000
Other	3,698	60
Transfers in		4,884
Total Receipts	<u>63,451</u>	<u>47,960</u>
Disbursements:		
General government	28,666	19,579
Law enforcement		11,518
Highways and streets		13,868
Public safety	2,739	5,914
Sanitation	311	
Contribution to water and sewer department	14,145	
Debt service	297	4,935
Transfers out	4,884	
Total Disbursements	<u>51,042</u>	<u>55,814</u>
Cash Balance, December 31, 2022	<u>\$ 54,161</u>	<u>\$ 29,114</u>

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

Schedule 2

	Street	Fire Equipment and Training	City Marshall	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 4,947	\$ 17,082	\$ 14,939		\$ 36,968
Receipts:					
State aid	15,023				15,023
Federal aid				\$ 19,579	19,579
Property taxes	1,414				1,414
Reimbursement from water and sewer department	7,000				7,000
Other			60		60
Transfers in			4,884		4,884
Total Receipts	<u>23,437</u>		<u>4,944</u>	<u>19,579</u>	<u>47,960</u>
Disbursements:					
General government				19,579	19,579
Law enforcement			11,518		11,518
Highways and streets	13,868				13,868
Public safety		5,914			5,914
Debt service	2,283		2,652		4,935
Total Disbursements	<u>16,151</u>	<u>5,914</u>	<u>14,170</u>	<u>19,579</u>	<u>55,814</u>
Cash Balance, December 31, 2022	<u>\$ 12,233</u>	<u>\$ 11,168</u>	<u>\$ 5,713</u>	<u>\$ 0</u>	<u>\$ 29,114</u>

CITY OF GREENWAY, 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 and Fire Department

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

	December 31, 2022
Citations	\$ 84

This balance reflects start up funds to open the account.

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

	December 31, 2022
Land	\$ 9,740
Buildings	33,021
Equipment	168,932
Total	\$ 211,693

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2022
Financed purchases	\$ 10,644
Line of credit	29,494
Total	\$ 40,138

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 19,579