

**City of Crawfordsville, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF CRAWFORDSVILLE, 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  
**Rep. Nelda Speaks**  
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 Crawfordsville, 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 Crawfordsville, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated August 30, 2022. 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 findings contained in this section relate to the following officials who held office during 2021:

Mayor: Joe Marotti  
Recorder/Treasurer: Karen Williams

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 **Recorder/Treasurer**.

#### Recorder/Treasurer

1. State aid restricted for highway funds from previous years of \$40,840 was not transferred from the General Fund to the Street Fund at December 31, 2021, as required by Ark. Code Ann. § 27-70-207. On May 13, 2022, the Legislative Joint Auditing Committee approved the City's request to repay 2% of general revenues instead of 10% as required by Act 709.
2. The City's bank accounts were under collateralized by \$539,576 (68% of total deposits) at December 31, 2021, in noncompliance with Ark. Code Ann. § 19-8-107.

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  
August 30, 2022  
LOM220921

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

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and Investment Balance, January 1, 2021	\$ 117,406	\$ 123,937	\$ 135,610
Receipts:			
State aid	7,742	55,744	3,466
Federal aid	107,983	47,238	
Property taxes	37,346	8,094	
Franchise fees	193		
Sales taxes	189,382		
Interest			13,087
Local permits and fees	9,563		
Gain on sale of investments			359
Southland breakage	376		
Sale of equipment	1,500		
Other	1,221	300	
Transfers in		87,000	
Total Receipts	<u>355,306</u>	<u>198,376</u>	<u>16,912</u>
Disbursements:			
General government	102,416		
Highways and streets		15,757	
Public safety	12,147	58,389	20,627
Sanitation	6,200		
Recreation and culture	43,204		
Water tower project	107,983		
Debt service	8,448	28,089	
Transfers out	87,000		
Total Disbursements	<u>367,398</u>	<u>102,235</u>	<u>20,627</u>
Cash Balance, December 31, 2021	<u>\$ 105,314</u>	<u>\$ 220,078</u>	<u>\$ 131,895</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>American Rescue Plan</u>	<u>Total</u>
Cash Balance, January 1, 2021	\$ 123,157	\$ 780		\$ 123,937
Receipts:				
State aid	39,142	16,602		55,744
Federal aid			\$ 47,238	47,238
Property taxes	8,094			8,094
Other		300		300
Transfers in	12,000	75,000		87,000
Total Receipts	<u>59,236</u>	<u>91,902</u>	<u>47,238</u>	<u>198,376</u>
Disbursements:				
Highways and streets	15,757			15,757
Public safety		58,389		58,389
Debt service		28,089		28,089
Total Disbursements	<u>15,757</u>	<u>86,478</u>		<u>102,235</u>
Cash Balance, December 31, 2021	<u>\$ 166,636</u>	<u>\$ 6,204</u>	<u>\$ 47,238</u>	<u>\$ 220,078</u>

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

Schedule 3

1. Cash and investment balances on the Financial Schedules include demand accounts and mutual funds. Investments are recorded at cost value.

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

	December 31, 2021
Land	\$ 200,010
Buildings	950,000
Equipment	<u>268,279</u>
Total	<u>\$ 1,418,289</u>

3. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2021
Notes payable	<u>\$ 282,815</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 47,238</u>