

City of Crawfordsville, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CRAWFORDSVILLE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
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 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, 2022, and have issued our report thereon dated August 24, 2023. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2022:

Mayor: Joe Marotti
Recorder/Treasurer: Karen Williams

We evaluated the City's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the offices of the **Mayor** and **Recorder/Treasurer**.

Mayor

General and Street Fund disbursements exceeded the budgeted appropriations by \$56,527 (23%) and \$25,444 (57%), respectively, in noncompliance with Ark. Code Ann. § 14-58-202.

Recorder/Treasurer

State aid restricted for highway funds from previous years of \$34,840 was not transferred from the General Fund to the Street Fund, as required by Ark. Code Ann. § 27-70-207. During 2022, the City transferred \$6,000, in accordance with the Legislative Joint Auditing Committee's repayment plan as approved on May 13, 2022.

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 24, 2023
LOM220922

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Reserve Fund	Pension Trust Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and Investment Balance, January 1, 2021	\$ 105,314	\$ 220,078		\$ 131,895
Receipts:				
State aid	6,892	57,980		3,231
Federal aid	92,017	47,237		
Property taxes	32,599	9,041		
Franchise fees		26		
Sales taxes	233,373			
Interest				22
Local permits and fees	9,632			
Investment income				2,562
Loss on sale of investments				(10,345)
Donations		31,737		
Other	1,311			100
Transfers in	5,000	49,000	\$ 17,760	
Total Receipts	<u>380,824</u>	<u>195,021</u>	<u>17,760</u>	<u>(4,430)</u>
Disbursements:				
General government	120,190			
Highways and streets		74,944		
Public safety	7,949	33,718		22,812
Sanitation	98,767	20,000		
Recreation and culture	463	35,228		
Debt service	8,448	24,335		
Transfers out	66,760	5,000		
Contribution to Local Police and Fire Retirement System				104,653
Total Disbursements	<u>302,577</u>	<u>193,225</u>		<u>127,465</u>
Cash and Investment Balance, December 31, 2022	<u>\$ 183,561</u>	<u>\$ 221,874</u>	<u>\$ 17,760</u>	<u>\$ 0</u>

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

Schedule 2

	Street	Fire Equipment and Training	American Rescue Plan Act	Wall that Heals	Total
Cash Balance, January 1, 2022	\$ 166,636	\$ 6,204	\$ 47,238		\$ 220,078
Receipts:					
State aid	39,888	18,092			57,980
Federal aid			47,237		47,237
Property taxes	9,041				9,041
Franchise fees				\$ 26	26
Donations				31,737	31,737
Transfers in	6,000	43,000			49,000
Total Receipts	<u>54,929</u>	<u>61,092</u>	<u>47,237</u>	<u>31,763</u>	<u>195,021</u>
Disbursements:					
Highways and streets	69,944		5,000		74,944
Public safety		27,718	6,000		33,718
Sanitation			20,000		20,000
Recreation and culture			21,900	13,328	35,228
Debt service		24,335			24,335
Transfers out				5,000	5,000
Total Disbursements	<u>69,944</u>	<u>52,053</u>	<u>52,900</u>	<u>18,328</u>	<u>193,225</u>
Cash Balance, December 31, 2022	<u>\$ 151,621</u>	<u>\$ 15,243</u>	<u>\$ 41,575</u>	<u>\$ 13,435</u>	<u>\$ 221,874</u>

CITY OF CRAWFORDSVILLE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (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, 2022
Land	\$ 200,010
Buildings	555,000
Equipment	268,279
Total	\$ 1,023,289

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

	December 31, 2022
Notes Payable	\$ 261,008

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 47,237