

City of Caddo Valley, Arkansas

Financial and Compliance Report

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CADDO VALLEY, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial and Compliance Report

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Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Caddo Valley, 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 Caddo Valley, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated June 30, 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 and 2021:

Mayor: Allen Golden (resigned July 14, 2022)
Joe Jackson (appointed July 14, 2022)
Recorder/Treasurer: Deborah Roberson
Court Clerk: Kim Hughes (resigned December 15, 2022)
Rosey Clemmons (hired December 6, 2022)
Police Chief: Aaron Collier

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

The City made salary overpayments of \$3,752 to the Administrative Assistant in 2021, in noncompliance with Ark. Code Ann. § 14-42-120. The City was reimbursed for the overpayment on April 19, 2023.

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

Handwritten signature of Roger A. Norman in black ink.

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

Little Rock, Arkansas
June 30, 2023
LOM222122

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 953,121	\$ 613,099
Receipts:		
State aid	30,406	61,773
Federal aid	3,000	66,504
Property taxes	64,885	7,139
Franchise fees	65,517	
Sales taxes	651,395	91,413
Fines, forfeitures, and costs	102,908	4,101
Interest	4,813	3,166
Local permits and fees	40,445	8,400
Advertising and promotion taxes		102,768
Contribution from water and sewer department	19,404	
Other	23,131	2,114
Transfers in		66,679
Total Receipts	<u>1,005,904</u>	<u>414,057</u>
Disbursements:		
General government	91,325	
Law enforcement	412,552	45,854
Highways and streets	33	32,248
Public safety	1,241	55,435
Sanitation	27,912	
Recreation and culture	10,852	66,785
Contribution to water and sewer department	385,782	
Transfers out	66,679	
Total Disbursements	<u>996,376</u>	<u>200,322</u>
Cash Balance, December 31, 2022	<u>\$ 962,649</u>	<u>\$ 826,834</u>

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

Schedule 2

	Street	District Court Cost	Advertising and Promotion Commission	No Liability Insurance	Fire Equipment and Training	Fire Department	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 166,805	\$ 7,543	\$ 136,368	\$ 12,483	\$ 14,816	\$ 275,084		\$ 613,099
Receipts:								
State aid	51,370				10,403			61,773
Federal aid							\$ 66,504	66,504
Property taxes	7,139							7,139
Sales taxes						91,413		91,413
Fines, forfeitures, and costs		1,420		2,681				4,101
Interest	1,025	8	149	14	12	1,895	63	3,166
Local permits and fees						8,400		8,400
Advertising and promotion taxes			102,768					102,768
Other	223		1,850			41		2,114
Transfers in							66,679	66,679
Total Receipts	<u>59,757</u>	<u>1,428</u>	<u>104,767</u>	<u>2,695</u>	<u>10,415</u>	<u>101,749</u>	<u>133,246</u>	<u>414,057</u>
Disbursements:								
Law enforcement		259		198			45,397	45,854
Highways and streets	32,248							32,248
Public safety					11,516	43,919		55,435
Recreation and culture			66,785					66,785
Total Disbursements	<u>32,248</u>	<u>259</u>	<u>66,785</u>	<u>198</u>	<u>11,516</u>	<u>43,919</u>	<u>45,397</u>	<u>200,322</u>
Cash Balance, December 31, 2022	<u>\$ 194,314</u>	<u>\$ 8,712</u>	<u>\$ 174,350</u>	<u>\$ 14,980</u>	<u>\$ 13,715</u>	<u>\$ 332,914</u>	<u>\$ 87,849</u>	<u>\$ 826,834</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 862,827	\$ 525,648
Receipts:		
State aid	10,214	61,085
Federal aid	69,055	
Property taxes	61,111	6,726
Franchise fees	60,335	
Sales taxes	624,923	88,471
Fines, forfeitures, and costs	116,154	8,950
Interest	886	548
Local permits and fees	43,101	6,200
Advertising and promotion taxes		97,539
Contribution from water and sewer department	17,242	
Other	41,001	2,512
Total Receipts	<u>1,044,022</u>	<u>272,031</u>
Disbursements:		
General government	76,884	
Law enforcement	399,924	
Highways and streets		27,125
Public safety	1,223	100,688
Sanitation	28,184	
Recreation and culture	72,273	56,767
Contribution to water and sewer department	375,240	
Total Disbursements	<u>953,728</u>	<u>184,580</u>
Cash Balance, December 31, 2021	<u>\$ 953,121</u>	<u>\$ 613,099</u>

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

Schedule 4

	Street	District Court Cost	Advertising and Promotion Commission	No Liability Insurance	Fire Equipment and Training	Fire Department	Total
Cash Balance, January 1, 2021	\$ 134,774	\$ 5,437	\$ 95,284	\$ 5,623	\$ 14,728	\$ 269,802	\$ 525,648
Receipts:							
State aid	51,539				9,546		61,085
Property taxes	6,726						6,726
Sales taxes						88,471	88,471
Fines, forfeitures, and costs		2,099		6,851			8,950
Interest	144	7	112	9	12	264	548
Local permits and fees						6,200	6,200
Advertising and promotion taxes			97,539				97,539
Other	747		200			1,565	2,512
Total Receipts	<u>59,156</u>	<u>2,106</u>	<u>97,851</u>	<u>6,860</u>	<u>9,558</u>	<u>96,500</u>	<u>272,031</u>
Disbursements:							
Highways and streets	27,125						27,125
Public safety					9,470	91,218	100,688
Recreation and culture			56,767				56,767
Total Disbursements	<u>27,125</u>		<u>56,767</u>		<u>9,470</u>	<u>91,218</u>	<u>184,580</u>
Cash Balance, December 31, 2021	<u>\$ 166,805</u>	<u>\$ 7,543</u>	<u>\$ 136,368</u>	<u>\$ 12,483</u>	<u>\$ 14,816</u>	<u>\$ 275,084</u>	<u>\$ 613,099</u>

CITY OF CADDO VALLEY, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)

Schedule 5

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

2. Cash balances at year-end in the custodial funds are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Court	\$ 11,616	\$ 11,950
Payroll	1,230	3,210

These balances represent fines, forfeitures, and costs and payroll taxes that have not been transferred to the appropriate entities.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land and buildings	\$ 754,372	\$ 754,372
Equipment	878,454	866,446
Improvements	948,625	944,430
Totals	<u>\$ 2,581,451</u>	<u>\$ 2,565,248</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
American Rescue Plan Act (ARPA)	<u>\$ 66,504</u>	<u>\$ 66,505</u>

The American Rescue Plan Act (ARPA) funds received in 2021 were deposited into the General Fund and subsequently transferred to the special revenue fund (American Rescue Plan Act Fund) in 2022.