

City of Caldwell, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CALDWELL, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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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 Caldwell, 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 Caldwell, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated August 24, 2022. These procedures were not performed for the Water Fund. 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 2021:

Mayor: Kevin Middlebrook
Recorder/Treasurer: Pam Speer

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 office of **Recorder/Treasurer**.

Recorder/Treasurer

The City's bank accounts were under collateralized by \$594,946 (70% 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 24, 2022
LOM222721

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 613,120	\$ 439,295
Receipts:		
State aid	8,727	67,045
Federal aid		47,238
Property taxes	22,096	2,824
Franchise fees	28,639	
Sales taxes	65,392	65,392
Interest	1,213	1
Property damage reimbursement		5,250
Sale of fixed assets	5,000	
Donations	10,971	
Other	3,631	
Total Receipts	<u>145,669</u>	<u>187,750</u>
Disbursements:		
General government	52,615	
Highways and streets		29,647
Public safety	46,739	23,781
Sanitation		40,975
Recreation and culture	414	
Contribution to water department	40,000	
Total Disbursements	<u>139,768</u>	<u>94,403</u>
Cash Balance, December 31, 2021	<u>\$ 619,021</u>	<u>\$ 532,642</u>

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

Schedule 2

	Street	Fire Equipment and Training	Sanitation	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 189,887	\$ 33,536	\$ 215,872		\$ 439,295
Receipts:					
State aid	43,660	23,385			67,045
Federal aid				\$ 47,238	47,238
Property taxes	2,824				2,824
Sales taxes			65,392		65,392
Interest	1				1
Property damage reimbursement	5,250				5,250
Total Receipts	<u>51,735</u>	<u>23,385</u>	<u>65,392</u>	<u>47,238</u>	<u>187,750</u>
Disbursements:					
Highways and streets	29,647				29,647
Public safety		23,781			23,781
Sanitation			40,975		40,975
Total Disbursements	<u>29,647</u>	<u>23,781</u>	<u>40,975</u>		<u>94,403</u>
Cash Balance, December 31, 2021	<u>\$ 211,975</u>	<u>\$ 33,140</u>	<u>\$ 240,289</u>	<u>\$ 47,238</u>	<u>\$ 532,642</u>

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

Schedule 3

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General and Volunteer Fire Fighters

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

	December 31, 2021
Land	\$ 21,862
Buildings	264,223
Equipment	<u>293,115</u>
Total	<u><u>\$ 579,200</u></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><u>\$ 47,238</u></u>