

**City of Caraway, Arkansas**

**Financial and Compliance Report**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF CARAWAY, ARKANSAS  
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# Arkansas

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**Sen. Lance Eads**  
Senate Vice Chair



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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 Caraway, 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 Caraway, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 7, 2018. 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 commentary contained in this section relate to the following officials who held office during 2017:

Mayor: Barry Riley  
Recorder/Treasurer: Rick Stevens  
Police Chief: William Hicks (resigned October 17, 2017)  
Shannon Kelems (appointed October 17, 2017)

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.

Our procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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  
September 7, 2018  
LOM202417

CITY OF CARAWAY, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2017	\$ 172,149	\$ 123,782
Receipts:		
State aid	21,122	108,591
Property taxes	12,501	7,251
Franchise fees	48,880	
Sales taxes	254,951	66,343
Fines, forfeitures, and costs	24,113	
Interest	430	123
Local permits and fees	4,805	
Sale of property	8,628	
Rental income	20,634	
Park income		2,293
Other	22,166	7,860
Total Receipts	<u>418,230</u>	<u>192,461</u>
Disbursements:		
General government	183,658	14
Law enforcement	257,158	
Highways and streets		177,716
Public safety	24,399	3,287
Recreation and culture		2,987
Debt service	4,521	37,997
Total Disbursements	<u>469,736</u>	<u>222,001</u>
Cash Balance, December 31, 2017	<u>\$ 120,643</u>	<u>\$ 94,242</u>

CITY OF CARAWAY, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	Parks Commission	Industrial Development	Fire Department General Improvement	Total
Cash Balance, January 1, 2017	\$ 77,859	\$ 32,283	\$ 11,026	\$ 1,745	\$ 869	\$ 123,782
Receipts:						
State aid	87,984	20,607				108,591
Property taxes	7,251					7,251
Sales taxes	66,343					66,343
Interest	123					123
Park income			2,293			2,293
Other	7,860					7,860
Total Receipts	<u>169,561</u>	<u>20,607</u>	<u>2,293</u>			<u>192,461</u>
Disbursements:						
General government				14		14
Highways and streets	177,716					177,716
Public safety		3,287				3,287
Recreation and culture			2,987			2,987
Debt service	10,758	27,239				37,997
Total Disbursements	<u>188,474</u>	<u>30,526</u>	<u>2,987</u>	<u>14</u>		<u>222,001</u>
Cash Balance, December 31, 2017	<u>\$ 58,946</u>	<u>\$ 22,364</u>	<u>\$ 10,332</u>	<u>\$ 1,731</u>	<u>\$ 869</u>	<u>\$ 94,242</u>

CITY OF CARAWAY, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (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, Factory Building Maintenance, and One Cent Sales Tax.

3. The cash balance at year-end in the agency fund is as follows:

	December 31, 2017
Tax Deposit Fund	\$ 1,690

This balance represents payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2017
Land	\$ 55,795
Buildings	505,313
Equipment	546,682
Total	\$ 1,107,790

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

	December 31, 2017
Notes payable	\$ 57,009