

City of Eudora, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF EUDORA, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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Senate Vice Chair



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Eudora, 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 Eudora, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated August 29, 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 findings contained in this section relate to the following officials who held office during 2017:

Mayor: Stephen Tisdale
Clerk/Treasurer: Juanita Burton
District Court Clerk: Jennifer Bordelon
Police Chief: William El-Amin

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 of **Clerk/Treasurer**, **District Court Clerk**, and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

1. State highway aid from previous years again was not transferred; therefore, the Street Fund is due a total of \$90,619 from the General Fund at December 31, 2017.
2. The City did not use prenumbered checks to pay all invoices in noncompliance with Ark. Code Ann. § 14-59-105.
3. Bank reconciliations were not approved by a municipal official or employee, other than the person preparing the reconciliation, in noncompliance with Ark. Code Ann. § 14-59-108.

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 cursive.

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

Little Rock, Arkansas
August 29, 2018
LOM103217

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

Schedule 1

	General Fund	Special Revenue Funds	Park Sales Tax Debt Service Funds	Capital Projects Funds
Cash Balance, January 1, 2017	\$ 39,824	\$ 174,709	\$ 57,582	\$ 19,547
Receipts:				
State aid	35,986	178,139		26,955
Federal aid				3,500
Property taxes	41,937	12,601		
Franchise fees	92,713			
Sales taxes	452,853		84,957	
Fines, forfeitures, and costs	67,639			
Interest	209	79	462	
Local permits and fees	4,168			
Sanitation fees	155,451			
Mosquito control	10,852			
Private grants				83,598
Contributions from water	33			88,947
Other	82,855	699		
Insurance reimbursement	766			
Transfers in		66,347		118,824
Total Receipts	<u>945,462</u>	<u>257,865</u>	<u>85,419</u>	<u>321,824</u>
Disbursements:				
General government	209,976			
Law enforcement	376,811			3,500
Highways and streets		159,571		
Public safety	18,314	13,857		7,805
Sanitation	173,512			
Recreation and culture		87,818		234,626
Debt service	6,740		44,080	
Debt service - taxes	16,833			
Transfers out	19,799	118,824	46,548	
Total Disbursements	<u>821,985</u>	<u>380,070</u>	<u>92,639</u>	<u>245,931</u>
Cash Balance, December 31, 2017	<u>\$ 163,301</u>	<u>\$ 52,504</u>	<u>\$ 50,362</u>	<u>\$ 95,440</u>

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Park	Municipal Judge and Clerk Retirement	Total
Cash Balance, January 1, 2017	\$ 4,478	\$ 10,745	\$ 146,269	\$ 13,217	\$ 174,709
Receipts:					
State aid	156,088	22,051			178,139
Property taxes	12,601				12,601
Interest		13	33	33	79
Other			699		699
Transfers in			66,347		66,347
Total Receipts	<u>168,689</u>	<u>22,064</u>	<u>67,079</u>	<u>33</u>	<u>257,865</u>
Disbursements:					
Highways and streets	159,571				159,571
Public safety		13,857			13,857
Recreation and culture			87,818		87,818
Transfers out			118,824		118,824
Total Disbursements	<u>159,571</u>	<u>13,857</u>	<u>206,642</u>	<u></u>	<u>380,070</u>
Cash Balance, December 31, 2017	<u>\$ 13,596</u>	<u>\$ 18,952</u>	<u>\$ 6,706</u>	<u>\$ 13,250</u>	<u>\$ 52,504</u>

CITY OF EUDORA, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 3

	<u>Fire Truck Grant</u>	<u>Johns Basketball Court</u>	<u>Police Car Grant</u>	<u>Park Rehabilitation Grant</u>	<u>Police Equipment Grant</u>	<u>Local Law Enforcement Block Grant</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 18,086	\$ 251	\$ 1,210				\$ 19,547
Receipts:							
State aid				\$ 26,955			26,955
Federal aid						\$ 3,500	3,500
Contributions from water				88,947			88,947
Private grants	62,000				\$ 21,598		83,598
Transfers in				118,824			118,824
Total Receipts	<u>62,000</u>			<u>234,726</u>	<u>21,598</u>	<u>3,500</u>	<u>321,824</u>
Disbursements:							
Law enforcement						3,500	3,500
Public safety	7,805						7,805
Recreation and culture				234,626			234,626
Total Disbursements	<u>7,805</u>			<u>234,626</u>		<u>3,500</u>	<u>245,931</u>
Cash Balance, December 31, 2017	<u>\$ 72,281</u>	<u>\$ 251</u>	<u>\$ 1,210</u>	<u>\$ 100</u>	<u>\$ 21,598</u>	<u>\$ 0</u>	<u>\$ 95,440</u>

CITY OF EUDORA, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Schedule 4

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Mosquito Control, Sales and Use Tax, General Secured Line of Credit, and Police Miscellaneous.
3. Cash balances at year-end in the agency funds are as follows:

	December 31, 2017
District Court Fund - City	\$ 1,555
Payroll Fund	34,599
District Court Fund - Civil	680

These balances represent fines, forfeitures, and costs and 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 and buildings	\$ 1,371,433
Equipment	1,366,462
Total	\$ 2,737,895

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2017
<u>Bonds payable</u>	
1998 Sales and Use Tax Bond for \$525,000; interest at 3.6 - 5.1%. Interest to be paid on April 1 and October 1 from 1991 to 2018. Payments are to be made from the Debt Service Fund.	\$ 40,000
<u>Notes payable</u>	
36 monthly payments of \$562 at 3.47% interest. Payments to be made from General Fund.	7,667
Compensated absences	6,376
Total	\$ 54,043