

City of Fordyce, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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 Fordyce, 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 Fordyce, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated October 1, 2018. These procedures were not performed for the Water and Sewer Funds. 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: John MacNichol
Clerk/Treasurer: Shirley Richart
District Court Clerk: Rita Ford
Police Chief: Jimmy Vaughan
Airport Commission Chairman: James Smith

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
October 1, 2018
LOM103517

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

Schedule 1

	General Fund	Special Revenue Funds	Firemen's Pension Trust Funds
Cash and Investments Balance, January 1, 2017	\$ 583,349	\$ 752,835	\$ 568,040
Receipts:			
State aid	109,411	358,494	4,620
Federal aid	105,268	218,586	
Property taxes	101,157	32,066	13,488
Franchise fees	210,346		
Sales taxes	622,394	311,197	
Fines, forfeitures, and costs	93,956	38,253	
Interest	3,216	2,741	38,568
Local permits and fees	13,128	9,175	
Rental income	3,850	9,267	
Gain on sale of investments			37,964
Other	81,472	29,621	
Transfers in		116,159	
Total Receipts	<u>1,344,198</u>	<u>1,125,559</u>	<u>94,640</u>
Disbursements:			
General government	230,964	218,586	
Law enforcement	734,846	55,665	
Highways and streets		415,040	
Public safety	135,169	7,153	64,135
Airport	62,749	64,714	
Recreation and culture	44,213	372,526	
Debt service		4,800	
Transfers out	116,159		
Total Disbursements	<u>1,324,100</u>	<u>1,138,484</u>	<u>64,135</u>
Cash and Investments Balance, December 31, 2017	<u>\$ 603,447</u>	<u>\$ 739,910</u>	<u>\$ 598,545</u>

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

	Street	LOPFI	Administration of Justice	Intoxication Detection	Fire Equipment and Training (Act 833)	Parks Operation and Maintenance	Airport Commission
Cash Balance, January 1, 2017	\$ 303,693	\$ 9,106	\$ 8,641	\$ 870	\$ 29,216	\$ 168,129	\$ 85,563
Receipts:							
State aid	295,803				12,259		50,432
Federal aid							
Property taxes	32,066						
Sales taxes						311,197	
Fines, forfeitures, and costs			1,489	53	54		
Interest	1,718	9				927	87
Local permits and fees	1,807						7,368
Rental income						9,267	
Other	2,812				500	25,509	800
Transfers in	93,359				19,200		3,600
Total Receipts	<u>427,565</u>	<u>9</u>	<u>1,489</u>	<u>53</u>	<u>32,013</u>	<u>346,900</u>	<u>62,287</u>
Disbursements:							
General government							
Law enforcement			2,232				
Highways and streets	415,040						
Public safety		605			6,548		
Airport							64,714
Recreation and culture						372,526	
Debt service						4,800	
Total Disbursements	<u>415,040</u>	<u>605</u>	<u>2,232</u>		<u>6,548</u>	<u>377,326</u>	<u>64,714</u>
Cash Balance, December 31, 2017	<u>\$ 316,218</u>	<u>\$ 8,510</u>	<u>\$ 7,898</u>	<u>\$ 923</u>	<u>\$ 54,681</u>	<u>\$ 137,703</u>	<u>\$ 83,136</u>

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

	District Court Automation	Prisoner Expense	Emergency Vehicle	Municipal Judge's Retirement	Police Special Equipment	Home Program	Total
Cash Balance, January 1, 2017	\$ 40,816	\$ 48,008	\$ 21,408	\$ 16,901	\$ 20,484		\$ 752,835
Receipts:							
State aid							358,494
Federal aid						\$ 218,586	218,586
Property taxes							32,066
Sales taxes							311,197
Fines, forfeitures, and costs	11,352	12,685	5,570	1,727	5,323		38,253
Interest							2,741
Local permits and fees							9,175
Rental income							9,267
Other							29,621
Transfers in							116,159
Total Receipts	<u>11,352</u>	<u>12,685</u>	<u>5,570</u>	<u>1,727</u>	<u>5,323</u>	<u>218,586</u>	<u>1,125,559</u>
Disbursements:							
General government						218,586	218,586
Law enforcement	24,539	4,101	12,396		12,397		55,665
Highways and streets							415,040
Public safety							7,153
Airport							64,714
Recreation and culture							372,526
Debt service							4,800
Total Disbursements	<u>24,539</u>	<u>4,101</u>	<u>12,396</u>		<u>12,397</u>	<u>218,586</u>	<u>1,138,484</u>
Cash Balance, December 31, 2017	<u>\$ 27,629</u>	<u>\$ 56,592</u>	<u>\$ 14,582</u>	<u>\$ 18,628</u>	<u>\$ 13,410</u>	<u>\$ 0</u>	<u>\$ 739,910</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts, certificates of deposit, bond funds and equity funds.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, Sales Tax, Drug Control, and Train Depot.
3. Cash balances at year-end in the agency funds are as follows:

	December 31, 2017
Police Bond and Fine Fund	\$ 100
District Court Fund	35,201
Payroll Fund	282

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, buildings, and improvements	\$ 1,841,268
Equipment	3,843,477
Total	\$ 5,684,745

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

	December 31, 2017
Notes payable	\$ 12,090