

City of Mansfield, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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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 Mansfield, 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 Mansfield, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated August 13, 2018. These procedures were not performed for the Water Department. 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: Larry Austin
Recorder/Treasurer: Rebecca Walker
Police Chief: Boyd Farmer

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

Handwritten signature of Roger A. Norman in cursive script.

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

Little Rock, Arkansas
August 13, 2018
LOM212017

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Street Bond Fund
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 289,444	\$ 120,102	\$ 101,758
Receipts:			
State aid	75,017	78,353	
Federal aid		43,150	
Property taxes	58,818	9,396	
Franchise fees	47,362		
Sales taxes	384,885		238,400
Fines, forfeitures, and costs	42,011		
Interest	300	79	346
Local permits and fees	3,378		
Grant income		85,015	
Donations	4,796		
Sanitation fee	126,134		
Contribution from water department	6,000		
Other	68,652		
Transfers in	6,000	9,147	
Total Receipts	<u>823,353</u>	<u>225,140</u>	<u>238,746</u>
Disbursements:			
General government	305,255		
Law enforcement	228,894	334	
Highways and streets		92,953	
Public safety	24,517		
Sanitation	161,881		
Recreation and culture	74,027	43,828	
Debt service	51,037	730	88,356
Transfers out	9,147	6,000	
Contributions to water department			158,933
Total Disbursements	<u>854,758</u>	<u>143,845</u>	<u>247,289</u>
Cash Balance, December 31, 2017	<u>\$ 258,039</u>	<u>\$ 201,397</u>	<u>\$ 93,215</u>

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

Schedule 2

	<u>Street</u>	<u>Jail Administration</u>	<u>Dixie Theater Restoration Grant</u>	<u>Police Department Remodel</u>	<u>City Lake Trail Grant</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 98,583	\$ 20,111	\$ 678	\$ 730		\$ 120,102
Receipts:						
State aid	78,353					78,353
Federal aid			43,150			43,150
Property taxes	9,396					9,396
Interest	79					79
Grant income					\$ 85,015	85,015
Transfers in	373	8,774				9,147
Total Receipts	<u>88,201</u>	<u>8,774</u>	<u>43,150</u>		<u>85,015</u>	<u>225,140</u>
Disbursements:						
Law enforcement		334				334
Highways and streets	92,953					92,953
Recreation and culture			43,828			43,828
Debt service				730		730
Transfers out	6,000					6,000
Total Disbursements	<u>98,953</u>	<u>334</u>	<u>43,828</u>	<u>730</u>		<u>143,845</u>
Cash Balance, December 31, 2017	<u>\$ 87,831</u>	<u>\$ 28,551</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 85,015</u>	<u>\$ 201,397</u>

CITY OF MANSFIELD, 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 Fund, Dixie Theatre, Retirement, Waste, and Fire
3. The cash balance at year-end in the agency fund is as follows:

	<u>December 31, 2017</u>
Payroll Fund	<u>\$ 17,581</u>

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

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

	<u>December 31, 2017</u>
Land	\$ 83,549
Buildings	552,111
Improvements	528,447
Equipment	<u>953,919</u>
Total	<u>\$ 2,118,026</u>

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

Schedule 3

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

Sales and Use Tax Bonds, Series 2007, \$930,000; annual installments of \$15,000 to \$55,000 due on February 1 beginning in 2008 through 2032; 4% to 4.6% interest rate; payable from the Debt Service Street Bond Fund.	\$ 560,000
Note payable with Allied Bank (Today's Bank), \$50,000; dated September 3, 2013, for the purchase of two 2013 Dodge Charger Police Vehicles. Due in Sixty monthly payments of \$898 commencing October 3, 2013. 3.00% interest rate. Payments are to be made from the General Fund.	7,986
Note payable with Today's Bank, \$95,750; dated December 7, 2017, for the purchase of a 2016 Freightliner Garbage Truck. Due in Five annual payments of \$21,237 commencing December 7, 2018. 3.50% interest rate. Payments are to be made from the General Fund (Waste).	<u>95,750</u>
Total Long-term liabilities	<u><u>\$ 663,736</u></u>

6. The City is obligated for the following amounts as of December 31, 2017:

Years Ending December 31,	Bonds	Notes	Total
2018	\$ 54,490	\$ 29,323	\$ 83,813
2019	58,068	21,237	79,305
2020	56,537	21,237	77,774
2021	55,006	21,237	76,243
2022	58,365	20,362	78,727
2023 through 2027	283,825		283,825
2028 through 2031	<u>177,075</u>		<u>177,075</u>
Total Obligations	743,366	113,396	856,762
Less interest	<u>183,366</u>	<u>9,660</u>	<u>193,026</u>
Total principal	<u><u>\$ 560,000</u></u>	<u><u>\$ 103,736</u></u>	<u><u>\$ 663,736</u></u>