

City of Ashdown, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Ashdown, 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 Ashdown, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 18, 2023. 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 commentary contained in this section relates to the following officials who held office during 2021:

Mayor: James Sutton
Recorder/Treasurer: Kirk Mounts
District Court Clerk: Kristi Lewis
Police Chief: Boyd Kennemore
Park Director: Bradley Day

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local 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
April 18, 2023
LOM100321

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

Schedule 1

	General Fund	Special Revenue Funds	Firemen's Pension and Relief Trust Fund
Cash and Investment Balance, January 1, 2021	\$ 770,950	\$ 645,679	\$ 781,947
Receipts:			
State aid	147,825	380,035	3,782
Federal aid	35,528	455,801	
Property taxes		70,446	
Franchise fees	207,377		
Sales taxes	1,608,448	995,820	
Fines, forfeitures, and costs	192,553	48,897	
Interest and dividends	1,853	2,072	19,032
Local permits and fees	18,348	57,675	
Sanitation fees		687,303	
Donations	122,729		
Loan proceeds		71,742	
Contribution from water and sewer	80,000		
Net increase/(decrease) in fair value of investments			53,447
Other	90,397	8,396	100
Transfers in		490,306	
Total Receipts	2,505,058	3,268,493	76,361
Disbursements:			
General government	369,115	42,051	
Law enforcement	1,195,725	329,837	
Highways and streets	82,008	635,884	
Public safety	142,192	58,101	57,844
Sanitation	18,530	812,033	
Recreation and culture	390,144	11,941	
Water and sewer		48,362	
Debt service	25,699	75,849	
Transfers out	155,000	335,306	
Contribution to water and sewer		668,604	
Total Disbursements	2,378,413	3,017,968	57,844
Cash and Investment Balance, December 31, 2021	\$ 897,595	\$ 896,204	\$ 800,464

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

Schedule 2

	Street	Sales Tax Surplus	Sanitation	District Court Automation	District Court Cost
Cash and Investment Balance, January 1, 2021	\$ 4,681	\$ 125,686	\$ 394,188	\$ 104,408	\$ 2,115
Receipts:					
State aid	380,035				
Federal aid					
Property taxes	70,446				
Sales taxes					
Fines, forfeitures, and costs				11,432	1,867
Interest	85	497	1,039	314	2
Local permits and fees			57,675		
Sanitation fees			687,303		
Loan proceeds		71,742			
Other	85		7,871		
Transfers in	155,000	335,306			
Total Receipts	<u>605,651</u>	<u>407,545</u>	<u>753,888</u>	<u>11,746</u>	<u>1,869</u>
Disbursements:					
General government					
Law enforcement		224,471		9,082	1,625
Highways and streets	587,414				
Public safety		51,758			
Sanitation			762,888		
Recreation and culture					
Water and sewer					
Debt service	7,460	17,088	51,301		
Transfers out					
Contribution to water and sewer					
Total Disbursements	<u>594,874</u>	<u>293,317</u>	<u>814,189</u>	<u>9,082</u>	<u>1,625</u>
Cash and Investment Balance, December 31, 2021	<u>\$ 15,458</u>	<u>\$ 239,914</u>	<u>\$ 333,887</u>	<u>\$ 107,072</u>	<u>\$ 2,359</u>

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

Schedule 2

	Prisoner Fee	Ordinance no. 691 (September 7, 1999) Sales Tax	American Rescue Plan Act	Police Court Fines	Total
Cash and Investment Balance, January 1, 2021	\$ 6,465	\$ 8,136			\$ 645,679
Receipts:					
State aid					380,035
Federal aid			\$ 455,801		455,801
Property taxes					70,446
Sales taxes		995,820			995,820
Fines, forfeitures, and costs	30,466			\$ 5,132	48,897
Interest	43	11	80	1	2,072
Local permits and fees					57,675
Sanitation fees					687,303
Loan proceeds					71,742
Other	440				8,396
Transfers in					490,306
Total Receipts	30,949	995,831	455,881	5,133	3,268,493
Disbursements:					
General government			42,051		42,051
Law enforcement	9,030		83,987	1,642	329,837
Highways and streets			48,470		635,884
Public safety			6,343		58,101
Sanitation			49,145		812,033
Recreation and culture			11,941		11,941
Water and sewer			48,362		48,362
Debt service					75,849
Transfers out		335,306			335,306
Contribution to water and sewer		668,604			668,604
Total Disbursements	9,030	1,003,910	290,299	1,642	3,017,968
Cash and Investment Balance, December 31, 2021	\$ 28,384	\$ 57	\$ 165,582	\$ 3,491	\$ 896,204

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

Schedule 3

1. Cash and investment balances on the Financial Schedules include demand and savings accounts and mutual funds.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Sales Tax, Street Maintenance and Library Building

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2021
District Court - City division	\$ 24,319
District Court - County division	17,770
District Court - Foreman division	730
Total	<u>\$ 42,819</u>

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2021
Land	\$ 191,300
Buildings	1,141,592
Improvements	1,363,538
Equipment	4,001,406
Construction in progress	25,922
Total	<u>\$ 6,723,758</u>

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

	December 31, 2021
Leases payable	\$ 14,928
Notes payable	374,914
Installment contract	41,647
Total	<u>\$ 431,489</u>

6. The City received federal funding in the following amounts related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 455,801</u>