

**City of Fordyce, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF FORDYCE, ARKANSAS  
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# Arkansas



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**Kevin William White, CPA, JD**  
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 years ended December 31, 2023 and 2022, and have issued our report thereon dated March 7, 2025. 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 2023 and 2022:

Mayor: John MacNichol  
Clerk/Treasurer: Shirley Richart  
District Court Clerk: Ericka Davis (Hired February 6, 2023)  
Tarina MacNichol (Hired March 1, 2022, Resigned January 6, 2023)  
Rita Ford (Retired February 23, 2022)  
Police Chief: Chad Hughbanks (Hired March 15, 2023)  
Jimmy Vaughan (Resigned March 15, 2023)

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.

Noncompliance with state law and accepted accounting practices was noted in the offices of **Clerk/Treasurer** and **District Court Clerk**.

#### **Clerk/Treasurer**

In noncompliance with Ark. Code Ann. §§ 14-59-110, -111, General Fund financial statements had misclassified revenues and expenditures totaling \$483,979 and \$185,875 for 2023 and 2022, respectively. In addition, financial statements had misclassified revenues for the Street Fund in 2023, totaling \$84,493, and the American Rescue Plan Act in 2022, totaling \$383,800.

#### **District Court Clerk**

The District Court Clerk was in noncompliance with Ark. Code Ann. § 16-10-209 and proper accounting practices as follows:

- Bank reconciliations were not prepared.
- Receipts and disbursements journals were not properly maintained and reconciled to bank deposits and withdrawals.
- The ending balance in the District Court County bank account was not identified with receipts issued for cases not yet adjudicated. In 2023, identified receipts exceeded the bank balance in the amount of \$1,651. In 2022, the bank balance exceeded identified receipts in the amount of \$4,899.
- The ending balance in the District Court City bank account was not identified with receipts issued for cases not yet adjudicated. In 2023, the bank balance exceeded identified receipts in the amount of \$1,379.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
March 7, 2025  
LOM103523

CITY OF FORDYCE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Funds
Cash and Investment Balances, January 1, 2023	\$ 1,261,623	\$ 1,408,350	\$ 556,987
Receipts:			
State aid	83,246	380,767	4,636
Federal aid	70,562		
Property taxes	120,304	37,818	15,708
Franchise fees	249,800		
Sales taxes	736,020	490,680	
Fines, forfeitures, and costs	104,842	43,504	
Interest	4,338	2,328	21,174
Local permits and fees	13,462	390	
Rental income	3,850	19,946	
Insurance premiums	25,554		
Insurance proceeds		30,000	
Other	16,339	42,996	
Transfers in		30,396	
Total Receipts	<u>1,428,317</u>	<u>1,078,825</u>	<u>41,518</u>
Disbursements:			
General government	346,009		
Law enforcement	531,452	379,130	
Highways and streets		423,884	
Public safety	191,394	15,416	95,559
Recreation and culture	121,489	448,731	
Airport	2,290	10,181	
Transfers out	30,396		
Total Disbursements	<u>1,223,030</u>	<u>1,277,342</u>	<u>95,559</u>
Cash and Investment Balances, December 31, 2023	<u>\$ 1,466,910</u>	<u>\$ 1,209,833</u>	<u>\$ 502,946</u>

CITY OF FORDYCE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>LOPFI</u>	<u>Criminal Justice</u>	<u>Breathalyzer</u>	<u>Fire Equipment and Training Act (833)</u>	<u>Parks Operation and Maintenance</u>	<u>Airport Commission</u>
Cash Balance, January 1, 2023	\$ 302,369	\$ 3,635	\$ 3,140	\$ 1,188	\$ 144,866	\$ 266,842	\$ 76,800
Receipts:							
State aid	370,968				9,799		
Property taxes	37,818						
Sales taxes	81,780					408,900	
Fines, forfeitures, and costs			1,489	53			
Interest	542	2			701	513	193
Local permits and fees	390						
Rental income						19,946	
Insurance proceeds							
Other	948				5,900	32,028	2,500
Transfers in		4,296			19,200		6,900
Total Receipts	<u>492,446</u>	<u>4,298</u>	<u>1,489</u>	<u>53</u>	<u>35,600</u>	<u>461,387</u>	<u>9,593</u>
Disbursements:							
Law enforcement							
Highways and streets	423,884						
Public safety		5,233			10,183		
Recreation and culture						448,731	
Airport							10,181
Total Disbursements	<u>423,884</u>	<u>5,233</u>			<u>10,183</u>	<u>448,731</u>	<u>10,181</u>
Cash Balance, December 31, 2023	<u>\$ 370,931</u>	<u>\$ 2,700</u>	<u>\$ 4,629</u>	<u>\$ 1,241</u>	<u>\$ 170,283</u>	<u>\$ 279,498</u>	<u>\$ 76,212</u>

CITY OF FORDYCE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 2

	District Court Automation	Prisoner Expense	Emergency Vehicle (Police Special)	Municipal Judge's Retirement	Police Special Equipment	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 28,072	\$ 105,399	\$ 38,788	\$ 6,609	\$ 29,783	\$ 400,859	\$ 1,408,350
Receipts:							
State aid							380,767
Property taxes							37,818
Sales taxes							490,680
Fines, forfeitures, and costs	8,626	19,208	6,605	1,726	5,797		43,504
Interest						377	2,328
Local permits and fees							390
Rental income							19,946
Insurance proceeds			30,000				30,000
Other					1,620		42,996
Transfers in							30,396
Total Receipts	<u>8,626</u>	<u>19,208</u>	<u>36,605</u>	<u>1,726</u>	<u>7,417</u>	<u>377</u>	<u>1,078,825</u>
Disbursements:							
Law enforcement	6,009	37,405	57,468		11,559	266,689	379,130
Highways and streets							423,884
Public safety							15,416
Recreation and culture							448,731
Airport							10,181
Total Disbursements	<u>6,009</u>	<u>37,405</u>	<u>57,468</u>		<u>11,559</u>	<u>266,689</u>	<u>1,277,342</u>
Cash Balance, December 31, 2023	<u>\$ 30,689</u>	<u>\$ 87,202</u>	<u>\$ 17,925</u>	<u>\$ 8,335</u>	<u>\$ 25,641</u>	<u>\$ 134,547</u>	<u>\$ 1,209,833</u>

CITY OF FORDYCE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Pension Trust Funds</u>
Cash and Investment Balances, January 1, 2022	\$ 1,253,742	\$ 1,153,992	\$ 565,517
Receipts:			
State aid	124,255	317,028	4,523
Federal aid	3,000	383,800	
Property taxes	109,581	34,663	28,670
Franchise fees	171,043		
Sales taxes	680,053	453,368	
Fines, forfeitures, and costs	103,725	37,180	
Interest	3,892	2,250	30,486
Local permits and fees	22,889	705	
Rental income	4,200	14,262	
Insurance premiums	19,760		
Other	15,537	40,601	
Transfers in		26,400	
Total Receipts	<u>1,257,935</u>	<u>1,310,257</u>	<u>63,679</u>
Disbursements:			
General government	424,720		
Law enforcement	571,420	85,530	
Highways and streets	25,655	528,715	
Public safety	195,283	9,670	72,209
Recreation and culture	4,032	407,848	
Airport	2,544	24,136	
Transfers out	26,400		
Total Disbursements	<u>1,250,054</u>	<u>1,055,899</u>	<u>72,209</u>
Cash and Investment Balances, December 31, 2022	<u>\$ 1,261,623</u>	<u>\$ 1,408,350</u>	<u>\$ 556,987</u>

CITY OF FORDYCE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 4

	Street	LOPFI	Criminal Justice	Breathalyzer	Fire Equipment and Training Act (833)	Parks Operation and Maintenance	Airport Commission
Cash Balance, January 1, 2022	\$ 422,639	\$ 4,453	\$ 1,527	\$ 1,131	\$ 114,270	\$ 256,523	\$ 78,493
Receipts:							
State aid	293,199				14,373		9,456
Federal aid							
Property taxes	34,663						
Sales taxes	75,561					377,807	
Fines, forfeitures, and costs			1,613	57			
Interest	646	2			218	503	107
Local permits and fees	700				5		
Rental income						14,262	
Other	3,676				5,650	25,595	5,680
Transfers in					19,200		7,200
Total Receipts	<u>408,445</u>	<u>2</u>	<u>1,613</u>	<u>57</u>	<u>39,446</u>	<u>418,167</u>	<u>22,443</u>
Disbursements:							
Law enforcement							
Highways and streets	528,715						
Public safety		820			8,850		
Recreation and culture						407,848	
Airport							24,136
Total Disbursements	<u>528,715</u>	<u>820</u>			<u>8,850</u>	<u>407,848</u>	<u>24,136</u>
Cash Balance, December 31, 2022	<u>\$ 302,369</u>	<u>\$ 3,635</u>	<u>\$ 3,140</u>	<u>\$ 1,188</u>	<u>\$ 144,866</u>	<u>\$ 266,842</u>	<u>\$ 76,800</u>



CITY OF FORDYCE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 4

	District Court Automation	Prisoner Expense	Emergency Vehicle (Police Special)	Municipal Judge's Retirement	Police Special Equipment	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 27,918	\$ 95,529	\$ 33,963	\$ 4,738	\$ 24,841	\$ 87,967	\$ 1,153,992
Receipts:							
State aid							317,028
Federal aid						383,800	383,800
Property taxes							34,663
Sales taxes							453,368
Fines, forfeitures, and costs	8,912	14,960	4,825	1,871	4,942		37,180
Interest						774	2,250
Local permits and fees							705
Rental income							14,262
Other							40,601
Transfers in							26,400
Total Receipts	<u>8,912</u>	<u>14,960</u>	<u>4,825</u>	<u>1,871</u>	<u>4,942</u>	<u>384,574</u>	<u>1,310,257</u>
Disbursements:							
Law enforcement	8,758	5,090				71,682	85,530
Highways and streets							528,715
Public safety							9,670
Recreation and culture							407,848
Airport							24,136
Total Disbursements	<u>8,758</u>	<u>5,090</u>				<u>71,682</u>	<u>1,055,899</u>
Cash Balance, December 31, 2022	<u>\$ 28,072</u>	<u>\$ 105,399</u>	<u>\$ 38,788</u>	<u>\$ 6,609</u>	<u>\$ 29,783</u>	<u>\$ 400,859</u>	<u>\$ 1,408,350</u>

CITY OF FORDYCE, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
 (UNAUDITED)

1. Cash and investment 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 custodial funds are as follows:

	December 31, 2023	December 31, 2022
Police Bond and Fine	\$ 20	\$ 130
District Court	81,734	65,308
Payroll	2,195	700
Administration of Justice	435	

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, 2023	December 31, 2022
Land, Buildings and Improvements	\$ 2,511,748	\$ 2,511,748
Equipment	4,046,379	3,931,372
Totals	\$ 6,558,127	\$ 6,443,120

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 383,800