

City of Bradford, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BRADFORD, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT** Financial and Compliance Report

City of Bradford, 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 Bradford, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated October 10, 2023. These procedures were not performed for the Water and Sewer 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 2022:

Mayor: Dennis Whitener
Recorder/Treasurer: Janet Richards (resigned May 20, 2022)
Bliss Akridge (appointed September 12, 2022)
District Court Clerk: Chrystal Bonner (resigned January 21, 2022)
Brandi McFall (hired February 14, 2022)
Police Chief: David Lock

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 **Mayor**, **Recorder/Treasurer**, and **District Court Clerk**.

Mayor

General Fund disbursements exceeded appropriations by \$93,973 (24%), in noncompliance with Ark. Code Ann. § 14-58-203.

Recorder/Treasurer

Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 - 14-59-119. The City was not in compliance with these codes as indicated below:

- Monthly bank reconciliations were not performed.
- Cash receipts and disbursements journals were not always properly posted and classified.
- Annual financial statements were not prepared and posted.

District Court Clerk

The balance in the District Court bank account was not identified with receipts issued for cases not yet adjudicated and the payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. A similar finding was noted in the previous five reports.

The District Court monthly bank reconciliations were not prepared, as required by Ark. Code Ann. § 16-10-209.

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



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

Little Rock, Arkansas
October 10, 2023
LOM201522

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 152,887	\$ 327,230
Receipts:		
State aid	26,262	87,878
Federal aid		91,242
Property taxes	9,538	4,982
Franchise fees	23,300	
Sales taxes	232,586	125,658
Fines, forfeitures, and costs	42,395	2,190
Interest	258	482
Sanitation fees	86,326	
Contribution from county		120,887
Proceeds from line of credit		109,751
Other	43,154	958
Unclassified		65
Total Receipts	<u>463,819</u>	<u>544,093</u>
Disbursements:		
General government	176,557	239
Law enforcement	154,778	18,189
Highways and streets	616	95,925
Public safety	9,162	247,369
Sanitation	87,660	
Health		1,200
Recreation and culture	500	
Debt service		96,306
Contributions to water	57,117	86,072
Unclassified		23
Total Disbursements	<u>486,390</u>	<u>545,323</u>
Cash Balance, December 31, 2022	<u>\$ 130,316</u>	<u>\$ 326,000</u>

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

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Volunteer Fire Department	Fire Equipment	Court Automation	Save City Hall	McKinley Goad Sports Complex
Cash Balance, January 1, 2022	\$ 27,542	\$ 1,616	\$ 19,282	\$ 73,273	\$ 2,646	\$ 3,420	\$ 16,251
Receipts:							
State aid	58,537		29,341				
Federal aid				15,000			
Property taxes	2,990	1,992					
Sales taxes	57,117			22,847			22,847
Fines, forfeitures, and costs					2,190		
Interest	47	1	47	191			
Contribution from county				18,018			
Proceeds from line of credit							
Other	113						
Unclassified							65
Total Receipts	<u>118,804</u>	<u>1,993</u>	<u>29,388</u>	<u>56,056</u>	<u>2,190</u>		<u>22,912</u>
Disbursements:							
General government						239	
Law enforcement					3,772		
Highways and streets	95,925						
Public safety		2,715	26,317	24,008			17,897
Health							
Debt service							
Contributions to water							
Unclassified			23				
Total Disbursements	<u>95,925</u>	<u>2,715</u>	<u>26,340</u>	<u>24,008</u>	<u>3,772</u>	<u>239</u>	<u>17,897</u>
Cash Balance, December 31, 2022	<u>\$ 50,421</u>	<u>\$ 894</u>	<u>\$ 22,330</u>	<u>\$ 105,321</u>	<u>\$ 1,064</u>	<u>\$ 3,181</u>	<u>\$ 21,266</u>

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

Schedule 2

	<u>Police Department</u>	<u>Fire Department County Sales Tax</u>	<u>Senior Center</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 18,801	\$ 87,341	\$ 783	\$ 76,275	\$ 327,230
Receipts:					
State aid					87,878
Federal aid				76,242	91,242
Property taxes					4,982
Sales taxes	22,847				125,658
Fines, forfeitures, and costs					2,190
Interest		107		89	482
Contribution from county		102,869			120,887
Proceeds from line of credit		109,751			109,751
Other	845				958
Unclassified					65
Total Receipts	<u>23,692</u>	<u>212,727</u>		<u>76,331</u>	<u>544,093</u>
Disbursements:					
General government					239
Law enforcement	14,417				18,189
Highways and streets					95,925
Public safety		176,432			247,369
Health	1,200				1,200
Debt service	5,835	90,471			96,306
Contributions to water				86,072	86,072
Unclassified					23
Total Disbursements	<u>21,452</u>	<u>266,903</u>		<u>86,072</u>	<u>545,323</u>
Cash Balance, December 31, 2022	<u>\$ 21,041</u>	<u>\$ 33,165</u>	<u>\$ 783</u>	<u>\$ 66,534</u>	<u>\$ 326,000</u>

CITY OF BRADFORD, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

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

	December 31, 2022
District Court	\$ 19,983
Administration of Justice	6,087

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

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

	December 31, 2022
Land	\$ 111,689
Buildings	366,355
Equipment	1,014,868
Total	\$ 1,492,912

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

	December 31, 2022
Financed Purchases	\$ 48,517
Line of Credit	109,751
Total	\$ 158,268

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 76,242
American Rescue Plan Act (passed through from Jackson County)	15,000
Total	\$ 91,242