

City of Bradford, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BRADFORD, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2020

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 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, 2020, and have issued our report thereon dated July 20, 2021. 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 2020:

Mayor: Dennis Whitener
Recorder/Treasurer: Kayla Lock
District Court Clerk: Chrystal Bonner
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 **Recorder/Treasurer** and **District Court Clerk**.

Recorder/Treasurer

1. A fixed asset listing was established, but did not include all additions, as required by Ark. Code Ann. § 14-59-107. A similar finding was noted in the previous eight reports dating back to 2012.
2. Electronic disbursements were made in multiple funds without proper approval of the council (by ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal accounting controls and documentation for audit and accounting purposes, as required by Ark. Code Ann § 14-59-105. A similar finding was noted in the previous three reports.

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 three reports.

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.

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

Little Rock, Arkansas
July 20, 2021
LOM201520

CITY OF BRADFORD, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 68,617	\$ 165,774
Receipts:		
State aid	11,261	79,765
Federal aid	30,070	
Property taxes	8,957	4,689
Franchise fees	22,269	
Sales taxes	213,189	113,443
Fines, forfeitures, and costs	56,514	3,410
Interest	187	500
Contributions from county		100,234
Insurance proceeds		8,720
Sanitation fees	88,474	
Other	44,838	4,945
Transfers in		17,502
Total Receipts	<u>475,759</u>	<u>333,208</u>
Disbursements:		
General government	142,888	
Law enforcement	122,564	17,509
Highways and streets		93,945
Public safety	7,198	89,357
Sanitation	77,121	
Recreation and culture		13,354
Sales taxes remitted to water and sewer department	58,420	
Debt service		43,750
Transfers out	16,746	756
Total Disbursements	<u>424,937</u>	<u>258,671</u>
Cash Balance, December 31, 2020	<u>\$ 119,439</u>	<u>\$ 240,311</u>

CITY OF BRADFORD, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Volunteer Fire Department	Fire Equipment	Court Automation	Save City Hall	McKinley Goat Sports Complex	Police Department	Fire County Tax	Senior Center	Total
Cash Balance, January 1, 2020	\$ 29,145	\$ 1,514	\$ 23,630	\$ 43,766	\$ 4,393	\$ 3,420	\$ 3,418	\$ 1,990	\$ 53,428	\$ 1,070	\$ 165,774
Receipts:											
State aid	57,297		22,468								79,765
Property taxes	2,808	1,881									4,689
Sales taxes	51,565			20,626			20,626	20,626			113,443
Fines, forfeitures, and costs					3,410						3,410
Interest	68	1	72	359							500
Contributions from county				9,807					90,427		100,234
Insurance proceeds								8,720			8,720
Other	4,802		8	90				45			4,945
Transfers in	7,064	895		2,742			4,059	2,742			17,502
Total Receipts	<u>123,604</u>	<u>2,777</u>	<u>22,548</u>	<u>33,624</u>	<u>3,410</u>		<u>24,685</u>	<u>32,133</u>	<u>90,427</u>		<u>333,208</u>
Disbursements:											
Law enforcement		1,423			4,102			11,984			17,509
Highways and streets	93,945										93,945
Public safety		1,423	10,312	6,259					71,363		89,357
Recreation and culture							13,354				13,354
Debt service	14,495		12,396					5,835	11,024		43,750
Transfers out				756							756
Total Disbursements	<u>108,440</u>	<u>2,846</u>	<u>22,708</u>	<u>7,015</u>	<u>4,102</u>		<u>13,354</u>	<u>17,819</u>	<u>82,387</u>		<u>258,671</u>
Cash Balance, December 31, 2020	<u>\$ 44,309</u>	<u>\$ 1,445</u>	<u>\$ 23,470</u>	<u>\$ 70,375</u>	<u>\$ 3,701</u>	<u>\$ 3,420</u>	<u>\$ 14,749</u>	<u>\$ 16,304</u>	<u>\$ 61,468</u>	<u>\$ 1,070</u>	<u>\$ 240,311</u>

CITY OF BRADFORD, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
 (UNAUDITED)

Schedule 3

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

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

	December 31, 2020
District Court Fund	19,839
Administration of Justice Fund	335

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, 2020
Land	\$ 111,689
Buildings	366,355
Equipment	851,636
Total	\$ 1,329,680

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

	December 31, 2020
Leases payable	\$ 15,477
Notes payable	121,193
Total	\$ 136,670