

City of Mayflower, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Arkansas

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Senate Vice Chair



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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 Mayflower, 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 Mayflower, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 6, 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: Randy Holland
Treasurer: Crystal Hatfield
Recorder: Barbara Mathes
District Court Clerk: Danielle Rappold
Police Chief/Marshal: Douglas Hunter

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 office of the **Mayor**.

Mayor

The City notified Arkansas Legislative Audit that \$8,850 was paid to a business owned by a member of the Planning Commission without an authorizing Ordinance. This transaction appears to be in conflict with Ark. Code Ann. § 14-42-107.

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
June 6, 2023
LOM212422

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund - Community Center and Police Building Building
Cash Balance, January 1, 2022	\$ 370,081	\$ 997,483	\$ 21,091
Receipts:			
State aid	85,080	196,023	
Federal aid		247,683	
Property taxes	126,237	43,956	
Franchise fees	96,137		
Sales taxes	966,608	593,959	
Fines, forfeitures, and costs	96,753	19,859	
Interest	13,748	34,207	476
Local permits and fees	34,830		
Fire dues		140,908	
Donations	15,135	770	
Insurance proceeds	13,488		
Self-Insured Fidelity Bond Program reimbursement	82,500	82,500	
Contributions from water department	95,367		
Reimbursement law enforcement	20,543		
Debt proceeds	73,105		
Other	12,698	6,304	
Transfers in	23,000		
Total Receipts	<u>1,755,229</u>	<u>1,366,169</u>	<u>476</u>
Disbursements:			
General government	1,047,702		
Law enforcement	334,474	12,908	
Highways and streets	28,218	408,359	
Public safety		267,062	
Recreation and culture	16,990		
Debt service	76,945	46,289	
Transfers out		12,000	11,000
Total Disbursements	<u>1,504,329</u>	<u>746,618</u>	<u>11,000</u>
Cash Balance, December 31, 2022	<u>\$ 620,981</u>	<u>\$ 1,617,034</u>	<u>\$ 10,567</u>

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

Schedule 2

	Street	American Rescue Plan Act	Street 1% Sales Tax	Administration of Justice	Volunteer Fire Department	Police Vehicle and Maintenance	Total
Cash Balance, January 1, 2022	\$ 108,201	\$ 248,920	\$ 457,695	\$ 19,622	\$ 160,260	\$ 2,785	\$ 997,483
Receipts:							
State aid	171,292				24,731		196,023
Federal aid		247,683					247,683
Property taxes	43,956						43,956
Sales taxes			593,959				593,959
Fines, forfeitures, and costs				15,834		4,025	19,859
Interest	3,243	10,818	17,310	603	2,074	159	34,207
Fire dues					140,908		140,908
Donations					770		770
Self-Insured Fidelity Bond Program reimbursement						82,500	82,500
Other	175		1,876		3,693	560	6,304
Total Receipts	<u>218,666</u>	<u>258,501</u>	<u>613,145</u>	<u>16,437</u>	<u>172,176</u>	<u>87,244</u>	<u>1,366,169</u>
Disbursements:							
Law enforcement				7,896		5,012	12,908
Highways and streets	163,130		245,229				408,359
Public safety					267,062		267,062
Debt service			46,289				46,289
Transfers out			12,000				12,000
Total Disbursements	<u>163,130</u>		<u>303,518</u>	<u>7,896</u>	<u>267,062</u>	<u>5,012</u>	<u>746,618</u>
Cash Balance, December 31, 2022	<u>\$ 163,737</u>	<u>\$ 507,421</u>	<u>\$ 767,322</u>	<u>\$ 28,163</u>	<u>\$ 65,374</u>	<u>\$ 85,017</u>	<u>\$ 1,617,034</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund and Matching Grant Reserve
3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2022
District Court	\$ 109,804

This balance represents 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, 2022
Land	\$ 83,603
Buildings	2,431,401
Equipment	1,827,206
Total	<u>\$ 4,342,210</u>

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

	December 31, 2022
Financed purchases	\$ 75,875
Notes payable	213,883
Total	<u>\$ 289,758</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 247,683</u>

7. The City received reimbursement from the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board totaling \$247,500 for actual losses sustained by the City in a previous reporting period. Monies were disbursed in equal proportions to the City General, Police Vehicle and Maintenance, and District Court Funds.