

City of Melbourne, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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Arkansas

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Senate Vice Chair



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House Chair
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House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Melbourne, 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 Melbourne, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated October 2, 2023. These procedures were not performed for the Water and Sewer Department and the Airport Commission. 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 2022:

Mayor: Rhonda Halbrook
Recorder/Treasurer: Alecia Bray

We evaluated the City's compliance with certain state laws concerning general 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 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
October 2, 2023
LOM212822

CITY OF MELBOURNE, 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	\$ 333,289	\$ 1,225,102
Receipts:		
State aid	43,708	157,996
Federal aid		193,506
Property taxes	92,509	36,593
Franchise fees	121,004	
Sales taxes	691,185	314,175
Fines, forfeitures, and costs	10,873	
Interest	236	1,128
Local permits and fees	10,490	
Other	33,103	35,447
Transfers in		8,000
Total Receipts	<u>1,003,108</u>	<u>746,845</u>
Disbursements:		
General government	176,612	24,000
Law enforcement	266,387	
Highways and streets		249,899
Public safety	144,374	9,040
Recreation and culture	246,418	
Social services	2,826	
Contribution to Ozark College	188,505	
Debt service		109,159
Transfers out	8,000	
Total Disbursements	<u>1,033,122</u>	<u>392,098</u>
Cash Balance, December 31, 2022	<u>\$ 303,275</u>	<u>\$ 1,579,849</u>

CITY OF MELBOURNE, 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	Economic Development Sales Tax	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 374,240	\$ 17,911	\$ 639,397	\$ 193,554	\$ 1,225,102
Receipts:					
State aid	157,996				157,996
Federal aid				193,506	193,506
Property taxes	36,593				36,593
Sales taxes	188,505		125,670		314,175
Interest		32	846	250	1,128
Other	35,447				35,447
Transfers in		8,000			8,000
Total Receipts	<u>418,541</u>	<u>8,032</u>	<u>126,516</u>	<u>193,756</u>	<u>746,845</u>
Disbursements:					
General government			24,000		24,000
Highways and streets	249,899				249,899
Public safety		9,040			9,040
Debt service	109,159				109,159
Total Disbursements	<u>359,058</u>	<u>9,040</u>	<u>24,000</u>		<u>392,098</u>
Cash Balance, December 31, 2022	<u>\$ 433,723</u>	<u>\$ 16,903</u>	<u>\$ 741,913</u>	<u>\$ 387,310</u>	<u>\$ 1,579,849</u>

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

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The Municipality's capital assets records are summarized below:

	December 31, 2022
Land	\$ 604,739
Buildings	7,409,621
Equipment	1,517,027
 Total	 \$ 9,531,387

3. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2022
Amendment No. 78 Bonds, Series 2018, dated August 28, 2018, issued for the purpose of improvements to the City's streets. Principal and interest payments are to be paid in monthly installments of \$9,097 through August 28, 2023. The interest rate is 3.5%.	\$ 71,829

The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Bonds
2023	\$ 72,772
Total Obligations	72,772
Less Interest	943
Total Principal	\$ 71,829

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 193,506