

City of Lewisville, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF LEWISVILLE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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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 Lewisville, 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 Lewisville, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated May 29, 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Ethan Dunbar
Recorder/Treasurer: Misty Wright
District Court Clerk: Dianne Jetton
Police Chief: Victor Rose

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 **District Court Clerk**.

District Court Clerk

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

- Bank reconciliations were not prepared.
- Prenumbered receipts were not issued for all sources of income.
- Cash receipts and disbursements journals were not properly maintained for all accounts or reconciled with bank deposits or withdrawals.
- Monthly settlements were not always made in a timely manner.
- Ending bank balances were not identified with receipts issued for cases not yet adjudicated and payments on all unpaid individual time accounts.
- Due to inadequate documentation, bank deposits could not always be reconciled to receipts.

A similar finding was issued in the previous two 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

A handwritten signature in black ink, appearing to read "Kevin White". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 29, 2025
LOM222623

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 162,279	\$ 436,246
Receipts:		
State aid	33,565	94,579
Federal aid	58,650	74,295
Property taxes	39,443	21,676
Franchise fees	68,092	
Sales taxes	194,867	75,476
Fines, forfeitures, and costs	85,883	
Interest	350	662
Sanitation fees	61,651	
Other	25,702	3
Transfers in	65,250	36,672
Total Receipts	<u>633,453</u>	<u>303,363</u>
Disbursements:		
General government	156,911	80,945
Law enforcement	244,794	58,574
Highways and streets		133,045
Public safety	19,469	35,096
Sanitation	96,117	
Health	2,499	
Recreation and culture	4,486	
Wastewater	46,418	20,000
Debt service		18,297
Transfers out	101,922	
Total Disbursements	<u>672,616</u>	<u>345,957</u>
Cash Balance, December 31, 2023	<u>\$ 123,116</u>	<u>\$ 393,652</u>

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

Schedule 2

	Street	Fire Department Sales Tax	Fire Fighting Apparatus	Fire Equipment and Training ACT 833	Police Department Sales Tax	Local Police and Fire Retirement LOPFI	Police Asset Forfeiture Fund	American Rescue Plan Act (ARPA)	Community Center Project Fund	Total
Cash Balance, January 1, 2023	\$ 162,167	\$ 32,534	\$ 49,323	\$ 39,763	\$ 4,369	\$ 75,703	\$ 2,404	\$ 69,983		\$ 436,246
Receipts:										
State aid	77,186			17,393						94,579
Federal aid									\$ 74,295	74,295
Property taxes	15,366		6,310							21,676
Sales taxes		37,738			37,738					75,476
Interest	547		89			26				662
Other							3			3
Transfers in						36,672				36,672
Total Receipts	<u>93,099</u>	<u>37,738</u>	<u>6,399</u>	<u>17,393</u>	<u>37,738</u>	<u>36,698</u>	<u>3</u>		<u>74,295</u>	<u>303,363</u>
Disbursements:										
General government								6,650	74,295	80,945
Law enforcement					32,734	25,840				58,574
Highways and streets	133,045									133,045
Public safety		25,691	447	8,958						35,096
Wastewater							20,000			20,000
Debt service	6,987	11,310								18,297
Total Disbursements	<u>140,032</u>	<u>37,001</u>	<u>447</u>	<u>8,958</u>	<u>32,734</u>	<u>25,840</u>		<u>26,650</u>	<u>74,295</u>	<u>345,957</u>
Cash Balance, December 31, 2023	<u>\$ 115,234</u>	<u>\$ 33,271</u>	<u>\$ 55,275</u>	<u>\$ 48,198</u>	<u>\$ 9,373</u>	<u>\$ 86,561</u>	<u>\$ 2,407</u>	<u>\$ 43,333</u>	<u>\$ 0</u>	<u>\$ 393,652</u>

CITY OF LEWISVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Police Equipment, Sales Tax, Health & Sanitation, Fire Department Petty Cash, and Firemen's Festival
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
District Court	\$ 66,130
Payroll	38,204
Administration of Justice	16,611

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
Land	\$ 49,211
Buildings	490,066
Equipment	777,211
Total	\$ 1,316,488

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

	December 31, 2023
Financed purchases	\$ 19,619