

**City of Melbourne, Arkansas**

**Financial and Compliance Report**

**December 31, 2024**

***Including Financial Information  
For  
December 31, 2023***

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF MELBOURNE, ARKANSAS  
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FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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# Arkansas

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Senate Chair  
**Sen. Jim Dotson**  
Senate Vice Chair



**Rep. Robin Lundstrum**  
House Chair  
**Rep. RJ Hawk**  
House Vice Chair

**Kevin William White, CPA, JD**  
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, 2024. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the year ended December 31, 2023 and have issued our report thereon dated August 20, 2025. 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 finding contained in this section relates to the following officials who held office during 2024 and 2023:

Mayor: Mike Cone  
Recorder/Treasurer: Alecia Bray

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 **Mayor**.

#### Mayor

In July 2023, a Council member purchased eight acres from the City for \$8,000. Prior to the purchase, in October 2022, the City advertised the sale of the property and solicited bids. The only bid received, which the City rejected, was from the Council member. Nine months later, the Council member verbally offered the City a higher amount (i.e., \$8,000), and the City accepted the offer. Recordings of Council meetings indicate the Council member did not leave the room during the vote regarding this sale, and no documentation was available to confirm whether the Council member participated in the vote. In addition, the City did not adopt an authorizing ordinance allowing business to be conducted with the Council member, as required by 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 dark ink, appearing to read "Kevin White", written over a light blue horizontal line.

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
August 20, 2025  
LOM212824

CITY OF MELBOURNE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2024	\$ 427,539	\$ 1,494,118
	<u>          </u>	<u>          </u>
Receipts:		
State aid	44,733	150,482
Federal aid	195,657	
Property taxes	97,093	33,752
Franchise fees	127,090	
Sales taxes	721,165	327,802
Fines, forfeitures, and costs	15,129	
Interest	591	12,027
Local permits and fees	1,476	
Rent	1,937	
Fire dues	8,796	
Other	5,885	29,022
Transfers in		14,000
Total Receipts	<u>1,219,552</u>	<u>567,085</u>
	<u>          </u>	<u>          </u>
Disbursements:		
General government	249,970	28,000
Law enforcement	248,354	
Highways and streets		435,185
Public safety	345,373	7,954
Recreation and culture	249,637	
Social services	2,530	
Community development	196,681	
Contribution to water department		333,162
Transfers out	14,000	
Total Disbursements	<u>1,306,545</u>	<u>804,301</u>
	<u>          </u>	<u>          </u>
Cash Balance, December 31, 2024	<u>\$ 340,546</u>	<u>\$ 1,256,902</u>

CITY OF MELBOURNE, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (UNAUDITED)

Schedule 2

	Street	Local Police and Fire Retirement	Economic Development Sales Tax	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	\$ 291,959	\$ 14,418	\$ 856,314	\$ 331,427	\$ 1,494,118
Receipts:					
State aid	150,482				150,482
Property taxes	33,752				33,752
Sales taxes	196,681		131,121		327,802
Interest		159	10,131	1,737	12,027
Other	25,022		4,000		29,022
Transfers in		14,000			14,000
Total Receipts	<u>405,937</u>	<u>14,159</u>	<u>145,252</u>	<u>1,737</u>	<u>567,085</u>
Disbursements:					
General government			28,000		28,000
Highways and streets	435,185				435,185
Public safety		7,954			7,954
Contribution to water department				333,162	333,162
Total Disbursements	<u>435,185</u>	<u>7,954</u>	<u>28,000</u>	<u>333,162</u>	<u>804,301</u>
Cash Balance, December 31, 2024	<u>\$ 262,711</u>	<u>\$ 20,623</u>	<u>\$ 973,566</u>	<u>\$ 2</u>	<u>\$ 1,256,902</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 303,275	\$ 1,579,849
Receipts:		
State aid	44,037	154,373
Property taxes	98,848	29,881
Franchise fees	148,661	
Sales taxes	724,298	329,227
Fines, forfeitures, and costs	15,630	
Interest	520	8,828
Local permits and fees	9,942	
Other	12,468	88
Transfers in		10,000
Total Receipts	<u>1,054,404</u>	<u>532,397</u>
Disbursements:		
General government	197,005	24,000
Law enforcement	267,030	
Highways and streets		450,869
Public safety	120,327	12,541
Recreation and culture	134,803	
Social services	3,439	
Contribution to Ozarka	197,536	
Contribution to water department		57,945
Debt service		72,773
Transfers out	10,000	
Total Disbursements	<u>930,140</u>	<u>618,128</u>
Cash Balance, December 31, 2023	<u>\$ 427,539</u>	<u>\$ 1,494,118</u>

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

Schedule 4

	Street	Local Police and Fire Retirement	Economic Development Sales Tax	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 433,723	\$ 16,903	\$ 741,913	\$ 387,310	\$ 1,579,849
Receipts:					
State aid	154,373				154,373
Property taxes	29,881				29,881
Sales taxes	197,536		131,691		329,227
Interest		56	6,710	2,062	8,828
Other	88				88
Transfers in		10,000			10,000
Total Receipts	<u>381,878</u>	<u>10,056</u>	<u>138,401</u>	<u>2,062</u>	<u>532,397</u>
Disbursements:					
General government			24,000		24,000
Highways and streets	450,869				450,869
Public safety		12,541			12,541
Contribution to water department				57,945	57,945
Debt service	72,773				72,773
Total Disbursements	<u>523,642</u>	<u>12,541</u>	<u>24,000</u>	<u>57,945</u>	<u>618,128</u>
Cash Balance, December 31, 2023	<u>\$ 291,959</u>	<u>\$ 14,418</u>	<u>\$ 856,314</u>	<u>\$ 331,427</u>	<u>\$ 1,494,118</u>

CITY OF MELBOURNE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(UNAUDITED)

Schedule 5

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, 2024	December 31, 2023
Land	\$ 604,739	\$ 604,739
Buildings	7,502,089	7,409,621
Equipment	1,679,057	1,476,763
Totals	<u>\$ 9,785,885</u>	<u>\$ 9,491,123</u>