

City of Mitchellville, Arkansas

Financial and Compliance Report

December 31, 2020 and 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MITCHELLVILLE, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Financial and Compliance Report

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Arkansas

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Sen. Gary Stubblefield
Senate Vice 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 Mitchellville, 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 Mitchellville, Arkansas, as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated October 26, 2022. 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 finding contained in this section relates to the following officials who held office during 2020 and 2019:

Mayor: Carl Griswold
City Clerk: Joy Chaffin
Recorder: Shirley Portis
Treasurer: Willie Hampton

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report. Noncompliance with state law and accepted accounting practices was noted in the offices of **Mayor** and **City Clerk**.

Mayor

The 2020 General and Street Fund expenditures exceeded budgeted appropriations by \$31,415 (48%) and \$14,855 (71%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203.

City Clerk

Prenumbered receipts were not issued for all funds received in the General Fund for 2020 and 2019 and the Street Fund for 2020, as required by Ark. Code Ann. § 14-59-109.

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
October 26, 2022
LOM213020

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 139,393	\$ 128,286	\$ 22,955
Receipts:			
State aid	5,341	27,177	
Property taxes	4,687	1,144	
Franchise fees	9,738		
Sales taxes	53,187		
Interest	1,365	96	
Local permits and fees	633		
Reimbursements	4,204		
Insurance proceeds	21,623		
Unclassified		15	
Total Receipts	<u>100,778</u>	<u>28,432</u>	
Disbursements:			
General government	96,501		
Highways and streets		31,542	
Public safety		2,317	
Debt service	414	3,767	
Unclassified		546	
Total Disbursements	<u>96,915</u>	<u>38,172</u>	
Cash Balance, December 31, 2020	<u>\$ 143,256</u>	<u>\$ 118,546</u>	<u>\$ 22,955</u>

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

Schedule 2

	Street	Fire Department	Total
Cash Balance, January 1, 2020	\$ 94,371	\$ 33,915	\$ 128,286
Receipts:			
State aid	27,177		27,177
Property taxes	1,144		1,144
Interest	96		96
Unclassified	15		15
Total Receipts	<u>28,432</u>		<u>28,432</u>
Disbursements:			
Highways and streets	31,542		31,542
Public safety		2,317	2,317
Debt service	3,767		3,767
Unclassified	546		546
Total Disbursements	<u>35,855</u>	<u>2,317</u>	<u>38,172</u>
Cash Balance, December 31, 2020	<u>\$ 86,948</u>	<u>\$ 31,598</u>	<u>\$ 118,546</u>

CITY OF MITCHELLVILLE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Capital Projects Funds
Cash Balance, January 1, 2019	\$ 133,069	\$ 119,295	\$ 22,955
Receipts:			
State aid	5,691	25,812	
Property taxes	3,066	950	
Franchise fees	9,884		
Sales taxes	49,621		
Interest	1,635	138	
Local permits and fees	812		
Reimbursements	4,000		
Other	2,815		
Total Receipts	<u>77,524</u>	<u>26,900</u>	
Disbursements:			
General government	71,200		
Highways and streets		14,183	
Debt service		3,726	
Total Disbursements	<u>71,200</u>	<u>17,909</u>	
Cash Balance, December 31, 2019	<u>\$ 139,393</u>	<u>\$ 128,286</u>	<u>\$ 22,955</u>

CITY OF MITCHELLVILLE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (UNAUDITED)

Schedule 4

	Street	Fire Department	Total
Cash Balance, January 1, 2019	\$ 85,380	\$ 33,915	\$ 119,295
Receipts:			
State aid	25,812		25,812
Property taxes	950		950
Interest	138		138
Total Receipts	<u>26,900</u>		<u>26,900</u>
Disbursements:			
Highways and streets	14,183		14,183
Debt service	3,726		3,726
Total Disbursements	<u>17,909</u>		<u>17,909</u>
Cash Balance, December 31, 2019	<u>\$ 94,371</u>	<u>\$ 33,915</u>	<u>\$ 128,286</u>

CITY OF MITCHELLVILLE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(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, 2020	December 31, 2019
	<u> </u>	<u> </u>
Land	\$ 10,661	\$ 10,661
Buildings	101,025	101,025
Equipment	<u>122,752</u>	<u>122,752</u>
Totals	<u><u>\$ 234,438</u></u>	<u><u>\$ 234,439</u></u>

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

	December 31, 2020	December 31, 2019
	<u> </u>	<u> </u>
Notes payable	<u><u>\$ 1,589</u></u>	<u><u>\$ 6,487</u></u>