

City of Marianna, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MARIANNA, 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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Senate Vice Chair



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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 Marianna, 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 Marianna, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated March 19, 2025. These procedures were not performed for the Water and Sewer Fund. 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 2023:

Mayor: Ora Barnes Stevens
Recorder/Treasurer: Kim Miles
Police Chief: Rodney Perry (appointed January 2023)
Daniel Strickland (resigned January 2023)

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.

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", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 19, 2025
LOM105723

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund (Series 2019 Refunds Bonds)
Cash Balance, January 1, 2023	\$ 419,736	\$ 972,726	\$ 282,199
Receipts:			
State aid	65,120	388,601	
Property taxes	258,171		
Franchise fees	167,026		
Sales taxes	1,027,557	306	590,319
Fines, forfeitures, and costs	62,789	2,076	
Interest	951	3,684	11,598
Local permits and fees	39,691		
Advertising and promotion taxes		48,511	
Rent	38,165	15,733	
Donations	500	1,500	
Sanitation fees	631,516		
Cemetery plot sales	13,500		
Insurance proceeds		7,600	
Other	283,324	600	
Transfers in	325,726	16,730	
Total Receipts	2,914,036	485,341	601,917
Disbursements:			
General government	573,794	1,400	
Law enforcement	1,328,757		
Highways and streets	3,416	581,953	
Public safety	285,905	51,866	
Sanitation	359,595	8,062	
Health	11,000		
Recreation and culture	28,423	109,539	
Social services		16,430	
Airport		2,650	
Debt service	80,348	44,749	264,800
Transfers out	16,730		325,726
Total Disbursements	2,687,968	816,649	590,526
Cash Balance, December 31, 2023	\$ 645,804	\$ 641,418	\$ 293,590

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

Schedule 2

	Street	Advertising and Promotion	Act 833 Fire Equipment and Training	Airport	Christmas Decorations	Fire Department	Housing Commission	Local Police and Fire Retirement (LOPFI)	Total
Cash Balance, January 1, 2023	\$ 481,218	\$ 161,452	\$ 96,833	\$ 66,315	\$ 9,138	\$ 127,479	\$ 15,172	\$ 15,119	\$ 972,726
Receipts:									
State aid	301,575		87,026						388,601
Sales taxes				306					306
Fines, forfeitures, and costs								2,076	2,076
Interest	603	2,368	273	106	15	319			3,684
Advertising and promotion taxes		48,511							48,511
Rent				7,800			7,933		15,733
Donations					1,500				1,500
Insurance proceeds							7,600		7,600
Other	600								600
Transfers in			3,120					13,610	16,730
Total Receipts	<u>302,778</u>	<u>50,879</u>	<u>90,419</u>	<u>8,212</u>	<u>1,515</u>	<u>319</u>	<u>15,533</u>	<u>15,686</u>	<u>485,341</u>
Disbursements:									
General government					1,400				1,400
Highways and streets	581,953								581,953
Public safety			46,021					5,845	51,866
Sanitation	8,062								8,062
Recreation and culture		109,539							109,539
Social services							16,430		16,430
Airport				2,650					2,650
Debt service	3,427		31,478				9,844		44,749
Total Disbursements	<u>593,442</u>	<u>109,539</u>	<u>77,499</u>	<u>2,650</u>	<u>1,400</u>		<u>26,274</u>	<u>5,845</u>	<u>816,649</u>
Cash Balance, December 31, 2023	<u>\$ 190,554</u>	<u>\$ 102,792</u>	<u>\$ 109,753</u>	<u>\$ 71,877</u>	<u>\$ 9,253</u>	<u>\$ 127,798</u>	<u>\$ 4,431</u>	<u>\$ 24,960</u>	<u>\$ 641,418</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Police, Community House, Civic Center, and Cemetery

3. The Municipality's capital assets records are summarized below:

	December 31, 2023
Land	\$ 844,077
Buildings	6,931,211
Equipment	1,913,502
Total	<u>\$ 9,688,790</u>

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

	December 31, 2023
Bonds payable	\$ 2,900,000
Notes payable	86,207
Financed purchases	217,450
Total	<u>\$ 3,203,657</u>

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

Schedule 3

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

	December 31, 2023
<u>Bonds</u>	
2019 Sales and Use Tax Refunding Bonds in the amount of \$3,535,000, dated April 1, 2019, due in annual installments of \$5,000 - \$730,000 plus interest through July 1, 2037; interest at 3.0 - 3.375 percent. Payments are to be made from the Debt Service Fund.	\$ 2,900,000
<u>Direct Borrowings</u>	
Noninterest-Bearing Note Payable with Arkansas Development Finance Authority in the amount of \$203,386, dated December 7, 1997. Payable in 30 principal payments due annually in the amount of \$7,875 beginning January 1, 2004. Payments are to be made from the Housing Commission Fund.	86,207
Financed purchase agreement with Bancorp South for a 2021 Freightliner Garbage Truck, dated March 5, 2021, in the amount of \$436,240, due in 60 monthly payments of \$3,427 at 1.99% interest beginning April 5, 2021. Payments are made from General Fund.	90,409
Financed purchase agreement with First National Bank of Eastern Arkansas for a 2019 Freightliner Garbage Truck, dated September 20, 2019, in the amount of \$185,103, due in 60 monthly payments of \$3,353 at 3.25% interest beginning November 10, 2019. Payments are made from General Fund.	29,196
Financed purchase agreement with Armor Bank for a 2021 Fire Truck, dated October 12, 2021, in the amount of \$160,000, due in 5 annual payments of \$33,897 at 1.95% interest beginning October 12, 2022. Payments are made from Act 833 Fire Equipment and Training Fund.	97,845
Total Direct Borrowings	303,657
Total Long-term liabilities	\$ 3,203,657

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

Schedule 3

6. The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Bonds	Direct Borrowings	Total
2024	\$ 261,400	\$ 114,450	\$ 375,850
2025	261,300	82,893	344,193
2026	261,050	52,052	313,102
2027	260,650	7,875	268,525
2028	260,100	7,875	267,975
2029 through 2033	1,291,025	39,374	1,330,399
2034 through 2037	1,042,063	5,490	1,047,553
Total Obligations	3,637,588	310,009	3,947,597
Less Interest	737,588	6,352	743,940
Total Principal	<u>\$ 2,900,000</u>	<u>\$ 303,657</u>	<u>\$ 3,203,657</u>