

**City of Marshall, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF MARSHALL, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas

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Senate Vice Chair



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**Rep. Nelda Speaks**  
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 Marshall, 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 Marshall, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated August 24, 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 findings contained in this section relate to the following officials who held office during 2021:

Mayor: Kevin Elliott  
Recorder/Treasurer: Christina Sisk (Resigned August 31, 2021)  
Misty England (Appointed July 12, 2021)  
Police Chief/Marshal: Kevin Ward

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 offices of **Mayor** and **Recorder/Treasurer**.

#### Mayor and Recorder/Treasurer

The Mayor was overpaid \$8,500 from Street Fund during 2021 due to a clerical error. According to the Mayor, during an executive session held on August 9, 2022, the City Council discussed this overpayment, as well as restricted Street Fund monies of \$6,500 expended for the Mayor's salary in 2020 and reported in the prior audit report. The Council agreed unanimously in executive session not to require the Mayor to repay the 2021 salary overpayment and then voted in open session to transfer \$15,000 from the General Fund to the Street Fund to cover the unallowable expenses.

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  
August 24, 2022  
LOM212221

CITY OF MARSHALL, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 135,312	\$ 199,468
Receipts:		
State aid	35,388	134,694
Federal aid	47,873	171,398
Property taxes	129,431	20,652
Franchise fees	70,894	
Sales taxes	360,534	
Fines, forfeitures, and costs	55,057	9,859
Interest	16	7
Fire dues		6,830
Rent	12,600	
Other	4,200	41,517
Transfers in	12	19,601
Contributions from water and sewer		14,500
Total Receipts	<u>716,005</u>	<u>419,058</u>
Disbursements:		
General government	342,435	84,539
Law enforcement	275,142	22,474
Highways and streets		231,588
Public safety	5,050	20,578
Recreation and culture	8,092	
Wastewater	4,718	8,608
Debt service	27,225	
Transfers out	19,500	113
Refund to water and sewer		5,784
Total Disbursements	<u>682,162</u>	<u>373,684</u>
Cash Balance, December 31, 2021	<u>\$ 169,155</u>	<u>\$ 244,842</u>

CITY OF MARSHALL, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 2

	Street	Detention and Jail	Fire Protection	District Court Automation	American Rescue Plan Act	Vactron	Mower	Total
Cash Balance, January 1, 2021	\$ 38,494	\$ 117,209	\$ 25,636	\$ 18,129				\$ 199,468
Receipts:								
State aid	111,169		8,525			\$ 15,000		134,694
Federal aid	17,000				\$ 138,398	13,000	\$ 3,000	171,398
Property taxes	20,652							20,652
Fines, forfeitures, and costs		6,121		3,738				9,859
Interest					6	1		7
Fire dues			6,830					6,830
Other	41,516		1					41,517
Transfers in	12,001						7,600	19,601
Contributions from water and sewer	4,500					10,000		14,500
Total Receipts	<u>206,838</u>	<u>6,121</u>	<u>15,356</u>	<u>3,738</u>	<u>138,404</u>	<u>38,001</u>	<u>10,600</u>	<u>419,058</u>
Disbursements:								
General government					73,951		10,588	84,539
Law enforcement				7,392	15,082			22,474
Highways and streets	189,084				4,504	38,000		231,588
Public safety			20,578					20,578
Wastewater					8,608			8,608
Transfers out	100					1	12	113
Refund to water and sewer			5,784					5,784
Total Disbursements	<u>189,184</u>		<u>26,362</u>	<u>7,392</u>	<u>102,145</u>	<u>38,001</u>	<u>10,600</u>	<u>373,684</u>
Cash Balance, December 31, 2021	<u>\$ 56,148</u>	<u>\$ 123,330</u>	<u>\$ 14,630</u>	<u>\$ 14,475</u>	<u>\$ 36,259</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 244,842</u>

CITY OF MARSHALL, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Marshall Fire/Police, Sidewalk/Old Jail Grant, General Savings, and Rent
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2021
Police Bond and Fine	\$ 2,320
Administration of Justice	(3,688)

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

The negative balance in the Administration of Justice account represents a payment for the State District Court Judges Salary and Benefits. This payment was reimbursed from the General Fund on January 18, 2022.

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

	December 31, 2021
Land	\$ 3,200
Buildings	921,167
Equipment	1,165,085
Total	<u>\$ 2,089,452</u>

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

	December 31, 2021
Notes payable	<u>\$ 100,000</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 138,398</u>