

City of Marvell, Arkansas

Financial and Compliance Report

December 31, 2023, 2022, and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MARVELL, ARKANSAS
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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 Marvell, 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 Marvell, Arkansas, as of and for the years ended December 31, 2023, 2022, and 2021, and have issued our report thereon dated March 21, 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 findings contained in this section relate to the following officials who held office during 2023, 2022, and 2021:

Mayor: Lee Guest
Recorder/Treasurer: Christy Davidson
District Court Clerk: Jennifer Williams
Police Chief/Marshal: Bennie Daniels

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**, **Recorder/Treasurer**, and **District Court Clerk**.

Mayor

Street Fund expenditures exceeded budgeted appropriations in 2022 by \$26,228 (22%) in noncompliance with Ark. Code Ann. § 14-58-203. Also, the General Fund expenditures exceeded budgeted appropriations in 2021 by \$228,153 (28%). A similar finding was issued in the previous report.

Recorder/Treasurer

Act 833 expenditures were improperly classified as assets and revenues in noncompliance with Ark. Code Ann. §14-59-111.

District Court Clerk

Balances remaining in the bank account were not properly identified with receipt numbers for cases not yet adjudicated and the payments made on all unpaid individual time account, as required by Ark. Code Ann. § 16-10-209. A similar finding was noted in the previous 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 21, 2025
LOM212323

CITY OF MARVELL, 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	\$ 82,952	\$ 29,286
Receipts:		
State aid	18,382	96,358
Property taxes	45,384	50,501
Franchise fees	81,272	
Sales taxes	507,413	
Fines, forfeitures, and costs	32,196	1,692
Interest	158	25
Local permits and fees	6,215	
Sanitation fees	76,048	
Rent	23,550	
Employer contributions		32,863
Other	26,800	
Transfers in	28,100	24,300
Total Receipts	<u>845,518</u>	<u>205,739</u>
Disbursements:		
General government	236,034	
Law enforcement	513,492	31,605
Highways and streets	7,150	110,497
Public safety	2,414	10,839
Sanitation	75,013	
Health	749	
Recreation and culture	9,408	
Debt service	25,354	13,461
Transfers out	24,300	28,100
Unclassified		8,022
Total Disbursements	<u>893,914</u>	<u>202,524</u>
Cash Balance, December 31, 2023	<u>\$ 34,556</u>	<u>\$ 32,501</u>

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

Schedule 2

	Street	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training Act 833	Total
Cash Balance, January 1, 2023	\$ 6,976	\$ 5,720	\$ 4,860	\$ 11,730	\$ 29,286
Receipts:					
State aid	72,125			24,233	96,358
Property taxes	50,501				50,501
Fines, forfeitures, and costs		1,692			1,692
Interest	18	3	4		25
Employer contributions			32,863		32,863
Transfers in	24,300				24,300
Total Receipts	<u>146,944</u>	<u>1,695</u>	<u>32,867</u>	<u>24,233</u>	<u>205,739</u>
Disbursements:					
Law enforcement		4,157	27,448		31,605
Highways and streets	110,497				110,497
Public safety			8,929	1,910	10,839
Debt service				13,461	13,461
Transfers out	25,600	2,500			28,100
Unclassified	8,022				8,022
Total Disbursements	<u>144,119</u>	<u>6,657</u>	<u>36,377</u>	<u>15,371</u>	<u>202,524</u>
Cash Balance, December 31, 2023	<u>\$ 9,801</u>	<u>\$ 758</u>	<u>\$ 1,350</u>	<u>\$ 20,592</u>	<u>\$ 32,501</u>

CITY OF MARVELL, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 281,522	\$ 39,359
Receipts:		
State aid	50,101	87,670
Federal aid		94,888
Property taxes	73,839	18,498
Franchise fees	77,864	
Sales taxes	492,831	
Fines, forfeitures, and costs	79,287	2,018
Interest	344	46
Local permits and fees	7,019	
Sanitation fees	76,650	
Rent	31,145	
Employer contributions		26,886
Loan proceeds	69,609	
Other	1,942	
Transfers in	11,200	50,250
Unclassified		26
Total Receipts	<u>971,831</u>	<u>280,282</u>
Disbursements:		
General government	210,605	94,888
Law enforcement	676,065	19,247
Highways and streets	16,335	146,228
Public safety	80,798	18,792
Sanitation	74,632	
Health	31,171	
Recreation and culture	9,572	
Debt service	20,973	
Transfers out	50,250	11,200
Total Disbursements	<u>1,170,401</u>	<u>290,355</u>
Cash Balance, December 31, 2022	<u>\$ 82,952</u>	<u>\$ 29,286</u>

CITY OF MARVELL, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 4

	Street	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training Act 833	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 10,599	\$ 14,877	\$ 4,503	\$ 9,380		\$ 39,359
Receipts:						
State aid	73,818			13,852		87,670
Federal aid					\$ 94,888	94,888
Property taxes	18,498					18,498
Fines, forfeitures, and costs		2,018				2,018
Interest	13	25	8			46
Employer contributions			26,886			26,886
Transfers in	50,250					50,250
Unclassified	26					26
Total Receipts	142,605	2,043	26,894	13,852	94,888	280,282
Disbursements:						
General government					94,888	94,888
Law enforcement			19,247			19,247
Highways and streets	146,228					146,228
Public safety			7,290	11,502		18,792
Transfers out		11,200				11,200
Total Disbursements	146,228	11,200	26,537	11,502	94,888	290,355
Cash Balance, December 31, 2022	\$ 6,976	\$ 5,720	\$ 4,860	\$ 11,730	\$ 0	\$ 29,286

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

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 327,502	\$ 44,346
Receipts:		
State aid	18,334	180,680
Federal aid	2,550	94,889
Property taxes	41,619	11,486
Franchise fees	86,831	
Sales taxes	471,219	
Fines, forfeitures, and costs	97,197	1,547
Interest	396	15
Local permits and fees	4,927	
Sanitation fees	93,633	
Rent	22,809	
Donation		100
Employer contributions		27,787
Loan proceeds	26,120	
Other	117,768	11,000
Transfers in	6,500	15,500
Unclassified	386	44
Total Receipts	<u>990,289</u>	<u>343,048</u>
Disbursements:		
General government	153,262	
Law enforcement	636,777	115,659
Highways and streets	3,327	121,913
Public safety	17,684	110,463
Sanitation	91,241	
Health	81,760	
Recreation and culture	11,241	
Debt service	17,660	
Transfers out	22,000	
Unclassified	1,317	
Total Disbursements	<u>1,036,269</u>	<u>348,035</u>
Cash Balance, December 31, 2021	<u>\$ 281,522</u>	<u>\$ 39,359</u>

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

Schedule 6

	Street	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Equipment and Training Act 833	Fire Grant Fund	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2021	\$ 14,365	\$ 13,325	\$ 4,701	\$ 11,955			\$ 44,346
Receipts:							
State aid	91,115			14,565	\$ 75,000		180,680
Federal aid						\$ 94,889	94,889
Property taxes	11,486						11,486
Fines, forfeitures, and costs		1,547					1,547
Interest	2	5	8				15
Donation					100		100
Employer contributions			27,787				27,787
Other					11,000		11,000
Transfers in	15,500						15,500
Unclassified	44						44
Total Receipts	<u>118,147</u>	<u>1,552</u>	<u>27,795</u>	<u>14,565</u>	<u>86,100</u>	<u>94,889</u>	<u>343,048</u>
Disbursements:							
Law enforcement			20,770			94,889	115,659
Highways and streets	121,913						121,913
Public safety			7,223	17,140	86,100		110,463
Total Disbursements	<u>121,913</u>		<u>27,993</u>	<u>17,140</u>	<u>86,100</u>	<u>94,889</u>	<u>348,035</u>
Cash Balance, December 31, 2021	<u>\$ 10,599</u>	<u>\$ 14,877</u>	<u>\$ 4,503</u>	<u>\$ 9,380</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,359</u>

CITY OF MARVELL, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Police Car, Medical Clinic, Drug Control, Infrastructure, and Sanitation.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Police Bond and Fine	\$ 23,195	\$ 10,589	\$ 17,158
Administration of Justice	45	43	191

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

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

	December 31, 2023	December 31, 2022	December 31, 2021
Land	\$ 78,450	\$ 88,450	\$ 125,000
Buildings	401,096	498,592	498,592
Equipment	686,802	719,450	663,593
Totals	<u>\$ 1,166,348</u>	<u>\$ 1,306,492</u>	<u>\$ 1,287,185</u>

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

	December 31, 2023	December 31, 2022	December 31, 2021
Financed purchases	<u>\$ 53,407</u>	<u>\$ 75,337</u>	<u>\$ 25,198</u>

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

	December 31, 2022	December 31, 2021
American Rescue Plan ACT (ARPA)	<u>\$ 94,888</u>	<u>\$ 94,889</u>