

Town of Shirley, Arkansas

Financial Information Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF SHIRLEY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial Information Report

Schedule

Schedule of Financial Information (Unaudited)

1

Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)

2

Other Information (Unaudited)

3

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial Information Report

Town of Shirley, 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 requested certain cash basis financial information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the Town of Shirley, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated October 28, 2022. Management of the Town 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: Lisa Hackett
Recorder/Treasurer: Melissa Worthing

Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

On March 8, 2021, the Town executed a \$23,058 Promissory Note to sell Town-owned residential property to the current tenants on a lease-to-own basis. This arrangement appears to conflict with Ark. Const. art. 12, § 5, which states, in part, "No county, city, town or other municipal corporation, shall...loan its credit to, any corporation, association, institution or individual." Additionally, the Town Council did not adopt a resolution authorizing this conveyance of town property, as required by Ark. Code Ann. § 14-54-302.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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
October 28, 2022
LOM314821

TOWN OF SHIRLEY, 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	\$ 229,694	\$ 128,799
Receipts:		
State aid	4,609	23,123
Federal aid		28,488
Property taxes	6,949	3,761
Franchise fees	18,733	
Sales taxes	65,846	21,005
Interest	4,640	2,960
Local permits and fees	230	
Proceeds from Note	4,500	
Donations and fundraisers	3,270	
Other	13,447	1,507
Transfers in		185
Total Receipts	<u>122,224</u>	<u>81,029</u>
Disbursements:		
General government	45,726	6,639
Highways and streets		27,358
Sanitation	57	
Recreation and culture	18,713	
Debt Service	11,692	
Transfers out	185	
Total Disbursements	<u>76,373</u>	<u>33,997</u>
Cash Balance, December 31, 2021	<u>\$ 275,545</u>	<u>\$ 175,831</u>

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

Schedule 2

	Street	Save the Bank	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 128,236	\$ 563		\$ 128,799
Receipts:				
State aid	23,123			23,123
Federal aid			\$ 28,488	28,488
Property taxes	3,761			3,761
Sales taxes	21,005			21,005
Interest	2,678	17	265	2,960
Other	192	1,315		1,507
Transfers in	85	100		185
Total Receipts	<u>50,844</u>	<u>1,432</u>	<u>28,753</u>	<u>81,029</u>
Disbursements:				
General government		110	6,529	6,639
Highways and streets	27,358			27,358
Total Disbursements	<u>27,358</u>	<u>110</u>	<u>6,529</u>	<u>33,997</u>
Cash Balance, December 31, 2021	<u>\$ 151,722</u>	<u>\$ 1,885</u>	<u>\$ 22,224</u>	<u>\$ 175,831</u>

TOWN OF SHIRLEY, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

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, Emergency, Grant Matching, Centennial Museum, and Public Fund Savings
3. The Municipality's fixed asset records are summarized below:

	December 31, 2021
	<hr/>
Land	\$ 106,056
Buildings	387,316
Equipment	<hr/> 71,070
Total	<hr/> \$ 564,442 <hr/>

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

	December 31, 2021
	<hr/>
American Rescue Plan Act (ARPA)	<hr/> \$ 28,488 <hr/>