

**Town of Shirley, Arkansas**

**Financial and Compliance Report**

**December 31, 2023 and 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF SHIRLEY, ARKANSAS  
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# Arkansas

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**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance 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 performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the Town of Shirley, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated October 7, 2024. 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 2023 and 2022:

Mayor: Lisa Hackett  
Recorder/Treasurer: Vacant (October 24, 2023 – December 31, 2023)  
Melissa Worthing (Resigned October 23, 2023)

We evaluated the Town's compliance with certain state laws concerning general 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**

Total disbursements for the Street Fund in 2022 exceeded appropriations by \$27,678 (107%), in noncompliance with Ark. Code Ann. § 14-58-203.

#### **Mayor and Recorder/Treasurer**

Town deposits totaling \$154,338 and \$112,961 were uninsured and uncollateralized on December 31, 2023 and 2022, respectively, in noncompliance with Ark. Code Ann. § 19-8-107.

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 blue ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
October 7, 2024  
LOM314823

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 332,244	\$ 201,317
Receipts:		
State aid	3,771	20,920
Property taxes	7,946	4,114
Franchise fees	19,869	
Sales taxes	76,395	23,374
Interest	617	362
Donations	1,236	2,875
Other	19,278	1,145
Total Receipts	129,112	52,790
Disbursements:		
General government	82,965	12,666
Highways and streets		29,009
Sanitation	816	
Recreation and culture	14,367	
Total Disbursements	98,148	41,675
Cash Balance, December 31, 2023	\$ 363,208	\$ 212,432

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

Schedule 2

	<u>Street</u>	<u>Save the Bank</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 154,685	\$ 2,114	\$ 44,518	\$ 201,317
Receipts:				
State aid	20,920			20,920
Property taxes	4,114			4,114
Sales taxes	23,374			23,374
Interest	291	2	69	362
Donations		2,875		2,875
Other	766	379		1,145
Total Receipts	<u>49,465</u>	<u>3,256</u>	<u>69</u>	<u>52,790</u>
Disbursements:				
General government		3,856	8,810	12,666
Highways and streets	29,009			29,009
Total Disbursements	<u>29,009</u>	<u>3,856</u>	<u>8,810</u>	<u>41,675</u>
Cash Balance, December 31, 2023	<u>\$ 175,141</u>	<u>\$ 1,514</u>	<u>\$ 35,777</u>	<u>\$ 212,432</u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2022	\$ 275,545	\$ 175,831
Receipts:		
State aid	3,700	27,902
Federal aid		28,487
Property taxes	7,619	3,942
Franchise fees	20,334	
Sales taxes	72,735	22,059
Interest	2,323	1,332
Donations	1,225	884
Other	26,559	3,002
Total Receipts	<u>134,495</u>	<u>87,608</u>
Disbursements:		
General government	65,740	8,636
Highways and streets		53,486
Sanitation	1,044	
Recreation and culture	10,883	
Unclassified	129	
Total Disbursements	<u>77,796</u>	<u>62,122</u>
Cash Balance, December 31, 2022	<u>\$ 332,244</u>	<u>\$ 201,317</u>

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

Schedule 4

	<u>Street</u>	<u>Save the Bank</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 151,722	\$ 1,885	\$ 22,224	\$ 175,831
Receipts:				
State aid	27,902			27,902
Federal aid			28,487	28,487
Property taxes	3,942			3,942
Sales taxes	22,059			22,059
Interest	1,270	14	48	1,332
Donations		884		884
Other	1,276	1,726		3,002
Total Receipts	<u>56,449</u>	<u>2,624</u>	<u>28,535</u>	<u>87,608</u>
Disbursements:				
General government		2,395	6,241	8,636
Highways and streets	53,486			53,486
Total Disbursements	<u>53,486</u>	<u>2,395</u>	<u>6,241</u>	<u>62,122</u>
Cash Balance, December 31, 2022	<u>\$ 154,685</u>	<u>\$ 2,114</u>	<u>\$ 44,518</u>	<u>\$ 201,317</u>

TOWN OF SHIRLEY, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
 (UNAUDITED)

Schedule 5

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

	December 31, 2023	December 31, 2022
Land	\$ 106,056	\$ 106,056
Buildings and improvements	388,791	387,316
Equipment	66,734	66,734
Totals	\$ 561,581	\$ 560,106

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 28,487