

**City of Earle, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF EARLE, 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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**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Earle, 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 Earle, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated November 16, 2022. 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 2021:

Mayor: Sherman Smith  
Recorder/Treasurer: Cynthia Conner  
District Court Clerk: Nanette Nauden  
Police Chief: David Hallmark (resigned April 15, 2021)  
Terry Aikens (appointed June 15, 2021)

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
November 16, 2022  
LOM102921

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

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Fund (Firemen's Pension)
Cash and Investments Balances, January 1, 2021	\$ 690,429	\$ 178,894	\$ 265,315
Receipts:			
State aid	37,580	203,879	2,837
Federal aid		225,725	
Property taxes	25,284	2,809	
Franchise fees	64,839		
Sales taxes	482,916		
Fines, forfeitures, and costs	18,298	457	
Interest	876	29	4,552
Local permits and fees	22,937		
Sanitation fees	166,853		
Sale of equipment	67,299		
Realized gain on sale of investments			14,524
Other	32,555		
Transfers in	100	40,753	
Total Receipts	<u>919,537</u>	<u>473,652</u>	<u>21,913</u>
Disbursements:			
General government	367,439		
Law enforcement	219,132	3,506	
Highways and streets		133,014	
Public safety	25,345	21,467	29,696
Sanitation	125,181		
Health	15,675		
Recreation and culture	10,931	1,847	
Debt service	78,225	7,563	
Transfers out	40,653	200	
Total Disbursements	<u>882,581</u>	<u>167,597</u>	<u>29,696</u>
Cash and Investments Balances, December 31, 2021	<u>\$ 727,385</u>	<u>\$ 484,949</u>	<u>\$ 257,532</u>

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

Schedule 2

	Street	Fire Equipment and Training	Court Automation	Local Police and Fire Retirement Cost	Street Improvement Project	Parks and Recreation Grant	Arkansas Rural Connect	Earle Community Center Roof Renovation	American Rescue Plan Act	USDA Facility Grant	Total
Cash Balance, January 1, 2021	\$ 139,520	\$ 16,873	\$ 3,453	\$ 16,126	\$ 100	\$ 2,722	\$ 100				\$ 178,894
Receipts:											
State aid	187,278	16,601									203,879
Federal aid									\$ 225,725		225,725
Property taxes	2,809										2,809
Fines, forfeitures, and costs			457								457
Interest				29							29
Transfers in	100							\$ 20,000		\$ 20,653	40,753
Total Receipts	<u>190,187</u>	<u>16,601</u>	<u>457</u>	<u>29</u>				<u>20,000</u>	<u>225,725</u>	<u>20,653</u>	<u>473,652</u>
Disbursements:											
Law enforcement			2,350	1,156							3,506
Highways and streets	133,014										133,014
Public safety		21,467									21,467
Recreation and culture						1,847					1,847
Debt service	7,563										7,563
Transfers out					100		100				200
Total Disbursements	<u>140,577</u>	<u>21,467</u>	<u>2,350</u>	<u>1,156</u>	<u>100</u>	<u>1,847</u>	<u>100</u>				<u>167,597</u>
Cash Balance, December 31, 2021	<u>\$ 189,130</u>	<u>\$ 12,007</u>	<u>\$ 1,560</u>	<u>\$ 14,999</u>	<u>\$ 0</u>	<u>\$ 875</u>	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 225,725</u>	<u>\$ 20,653</u>	<u>\$ 484,949</u>

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

Schedule 3

1. Cash and investments balances on the Financial Schedules include demand and savings accounts, certificates of deposit, and mutual funds. Investments are recorded at cost..

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, General Retirement Liability, Yard Waste, Demolition and Drainage Projects, Sanitation, Police Fundraiser, and Balloon Note.

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2021
District Court	\$ 32,986
City Court	3,909
Payroll	11,337

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

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

	December 31, 2021
Land	\$ 107,521
Buildings	751,578
Equipment	1,282,676
Total	<u>\$ 2,141,775</u>

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

	December 31, 2021
Leases payable	<u>\$ 359,666</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 225,725</u>