

**City of Earle, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF EARLE, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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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

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, 2023, and have issued our report thereon dated September 11, 2024. 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Jaylen Smith  
Clerk/Treasurer: Cynthia Conner  
District Court Clerk: Chiquita Moore (appointed January 30, 2023)  
Nanette Nauden (resigned January 17, 2023)  
Police Chief: Charles Atkins (appointed May 16, 2023)  
Nemi Matthews (interim March 3, 2023 – May 15, 2023)  
Jonathan Parks (resigned March 2, 2023)

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 office of **District Court Clerk**.

#### **District Court Clerk**

Balance remaining in the District Court account was not identified with cases not yet adjudicated, in noncompliance with Ark. Code Ann. § 16-10-209. Ending cash balance exceeded the receipts identified by \$9,984 (62%). A similar finding was noted in the prior year 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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
September 11, 2024  
LOM102923

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Pension Trust Fund (Firemen's Pension)</u>
Cash and Investment Balance, January 1, 2023	\$ 800,409	\$ 598,216	\$ 245,502
Receipts:			
State aid	27,839	226,098	2,649
Federal aid	7,000		
Property taxes	26,188	2,910	
Franchise fees	72,875		
Sales taxes	592,514	48,258	
Fines, forfeitures, and costs	70,108	863	
Interest	9,773	256	5,596
Local permits and fees	26,336		
Sanitation fees	155,464		
Realized loss on sale of investments			(789)
Other	95,763		
Transfers in	39,954		
Total Receipts	<u>1,123,814</u>	<u>278,385</u>	<u>7,456</u>
Disbursements:			
General government	615,421		
Law enforcement	302,599	41,873	
Highways and streets	33,858	138,170	
Public safety	14,728	100,000	26,680
Sanitation	192,181		
Recreation and culture	7,936	20,000	
Debt service	61,167	18,151	
Transfers out		39,954	
Total Disbursements	<u>1,227,890</u>	<u>358,148</u>	<u>26,680</u>
Cash and Investment Balance, December 31, 2023	<u>\$ 696,333</u>	<u>\$ 518,453</u>	<u>\$ 226,278</u>

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

Schedule 2

	Street	Fire Equipment and Training	Court Automation	Local Police and Fire Retirement Cost	American Rescue Plan Act	Parks and Recreation Grant	Earle Community Center Roof Renovation	USDA Facility Grant	Public Safety Grant	Total
Cash Balance, January 1, 2023	\$ 189,141	\$ 25,505	\$ 1,910	\$ 13,672	\$ 346,309	\$ 875	\$ 20,000	\$ 804		\$ 598,216
Receipts:										
State aid	106,199	19,899							\$ 100,000	226,098
Property taxes	2,910									2,910
Sales taxes	48,258									48,258
Fines, forfeitures, and costs			863							863
Interest				256						256
Total Receipts	<u>157,367</u>	<u>19,899</u>	<u>863</u>	<u>256</u>					<u>100,000</u>	<u>278,385</u>
Disbursements:										
Law enforcement			2,723		39,150					41,873
Highways and streets	138,170									138,170
Public safety									100,000	100,000
Recreation and culture							20,000			20,000
Debt service	18,151									18,151
Transfers out					39,150			804		39,954
Total Disbursements	<u>156,321</u>		<u>2,723</u>		<u>78,300</u>		<u>20,000</u>	<u>804</u>	<u>100,000</u>	<u>358,148</u>
Cash Balance, December 31, 2023	<u>\$ 190,187</u>	<u>\$ 45,404</u>	<u>\$ 50</u>	<u>\$ 13,928</u>	<u>\$ 268,009</u>	<u>\$ 875</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 518,453</u>

CITY OF EARLE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

Schedule 3

1. Cash and investment 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 & Drainage, Sanitation, Police Fundraiser, Balloon Note, Prosecuting Attorney Asset Holding
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
District Court	\$ 16,034
Payroll	11,056

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, 2023
Land	\$ 107,521
Buildings	1,010,578
Equipment	1,392,872
Total	\$ 2,510,971

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

	December 31, 2023
Financed purchases	\$ 365,618