City of Earle, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF EARLE, ARKANSAS
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
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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, 2024, and have issued our report thereon dated August 19, 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 2024:

Mayor: Jaylen Smith
Clerk/Treasurer: Cynthia Conner
District Court Clerk: Victoria Mathis (appointed August 9, 2024)
Chiquita Moore (resigned August 9, 2024)
Police Chief: Charles Atkins

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** and **District Court Clerk**.

Mayor

In August 2024, the Mayor charged $2,886 for hotel and fuel charges for an out-of-state trip. Council meeting minutes from August 2024 reflect the Council's approval to pay the expenses. Subsequently, council meeting minutes from October 2024 reflect that the Council voted not to pay for expenses related to this trip since adequate supporting documentation had not been provided to the Treasurer. On April 8, 2025, the Mayor provided supporting documentation to audit staff; however, the documentation could not be substantiated. As of report date, the City had not paid the credit card charges, and the Mayor had not reimbursed the City. Without adequate supporting documentation reflecting a business purpose, these charges appear to conflict with Ark. Const. art. 12, § 5, and the public purpose doctrine.

District Court Clerk

1. The balance remaining in the District Court account was not identified with cases not yet adjudicated, in noncompliance with Ark. Code Ann. § 16-10-209. A similar finding was noted in the prior two reports.

2. The following discrepancies, totaling $23,671, were noted in the District Court Clerk's bank deposits and receipts:

   - $11,935 in receipts issued between January 1, 2023 and August 13, 2024, were subsequently voided, leaving a balance on defendants' accounts. The validity of these voided receipts could not be substantiated.

   - $6,298 in receipts issued between January 1, 2023 and August 13, 2024, were voided and the cases adjusted by crediting the defendants' accounts. Adequate supporting documentation was not provided for these adjustments.

   - $5,438 in receipts issued between January 1, 2024 and July 24, 2024, could not be traced to a bank deposit.

   Law enforcement is currently investigating these matters.

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 19, 2025
LOM102924

CITY OF EARLE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	General Fund	Special Revenue Funds	Pension Trust Fund (Firemen's Pension)
Cash and Investment Balance, January 1, 2024	$ 696,333	$ 518,453	$ 226,278
Receipts:			
State aid	27,230	172,067	2,715
Federal aid	7,400		
Property taxes	28,891	3,210	
Franchise fees	73,718		
Sales taxes	625,938		
Fines, forfeitures, and costs	76,676		
Interest	23,039	565	5,471
Local permits and fees	17,533		
Sanitation fees	125,364		
Donations		600	
Realized gain on sale of investments			11,040
Other	39,713	246	
Total Receipts	1,045,502	176,688	19,226
Disbursements:			
General government	496,189	12,740	
Law enforcement	240,643	165,278	
Highways and streets		191,185	
Public safety	24,505		27,064
Sanitation	158,744	18,633	
Health	14,140		
Recreation and culture	4,239		
Debt service	80,512	18,151	
Total Disbursements	1,018,972	405,987	27,064
Cash and Investment Balance, December 31, 2024	$ 722,863	$ 289,154	$ 218,440

CITY OF EARLE, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	Court Automation	Local Police and Fire Retirement Cost	American Rescue Plan Act	Parks and Recreation Grant	Donations	Total
Cash Balance, January 1, 2024	$ 190,187	$ 45,404	$ 50	$ 13,928	$ 268,009	$ 875		$ 518,453
Receipts:								
State aid	150,565	21,502						172,067
Property taxes	3,210							3,210
Interest				565				565
Donations							$ 600	600
Other	246							246
Total Receipts	154,021	21,502		565			600	176,688
Disbursements:								
General government					12,740			12,740
Law enforcement					165,278			165,278
Highways and streets	119,827				71,358			191,185
Sanitation					18,633			18,633
Debt service	18,151							18,151
Total Disbursements	137,978				268,009			405,987
Cash Balance, December 31, 2024	$ 206,230	$ 66,906	$ 50	$ 14,493	$ 0	$ 875	$ 600	$ 289,154

Schedule 3

CITY OF EARLE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

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 and Drainage, Sanitation, Police Fundraiser, and Balloon Note

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

	December 31, 2024
District Court	$ 27,015
Payroll	18,290

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, 2024
Land	$ 107,521
Buildings	1,010,578
Equipment	1,498,141
Total	$ 2,616,240

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

	December 31, 2024
Financed purchases	$ 283,239