

City of Earle, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF EARLE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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Arkansas

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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, 2025, and have issued our report thereon dated August 27, 2026. 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 2025:

Mayor: Jaylen Smith
Recorder/Treasurer: Cynthia Conner
District Court Clerk: Victoria Mathis
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 office of **District Court Clerk**.

District Court Clerk

1. Prenumbered receipts were not issued for all items of income, as required by Ark. Code Ann. § 16-10-209.
2. Balances remaining in the District Court bank account were not identified with cases not yet adjudicated, in noncompliance with Ark. Code Ann. § 16-10-209. Ending cash balance exceeded the receipts identified by \$3,526 (21%). A similar finding was noted in the prior three reports.

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 dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 27, 2026
LOM102925

CITY OF EARLE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Pension Trust Fund (Firemen's Pension)
Cash and Investment Balance, January 1, 2025	\$ 722,863	\$ 289,154	\$ 218,440
Receipts:			
State aid	27,205	179,766	2,783
Property taxes	26,877	2,986	
Franchise fees	72,070		
Sales taxes	620,557		
Fines, forfeitures, and costs	76,916	520	
Interest	22,655	582	5,066
Local permits and fees	15,802		
Sanitation fees	116,200		
Grants in aid	5,000	27,500	
Insurance proceeds	7,350		
Donations	528	1,908	
Realized gain on sale of investments			13,139
Other	7,482		
Transfers in	875		
Contribution from water department	1,554		
Total Receipts	<u>1,001,071</u>	<u>213,262</u>	<u>20,988</u>
Disbursements:			
General government	440,295		
Law enforcement	295,428	2,253	
Highways and streets		168,238	
Public safety	23,862	9,966	27,039
Sanitation	173,098		
Health	15,198		
Recreation and culture	6,741		
Debt service	38,419	10,589	
Transfers out		875	
Total Disbursements	<u>993,041</u>	<u>191,921</u>	<u>27,039</u>
Cash and Investment Balance, December 31, 2025	<u>\$ 730,893</u>	<u>\$ 310,495</u>	<u>\$ 212,389</u>

CITY OF EARLE, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training	Court Automation	Local Police and Fire Retirement Cost	Parks and Recreation Grant	Donations	American Association of Retired Persons	Nutrition Access Grant	Total
Cash Balance, January 1, 2025	\$ 206,230	\$ 66,906	\$ 50	\$ 14,493	\$ 875	\$ 600			\$ 289,154
Receipts:									
State aid	154,720	25,046							179,766
Property taxes	2,986								2,986
Fines, forfeitures, and costs			520						520
Interest				582					582
Grants in aid							\$ 15,000	\$ 12,500	27,500
Donations						1,908			1,908
Total Receipts	157,706	25,046	520	582		1,908	15,000	12,500	213,262
Disbursements:									
Law enforcement				2,253					2,253
Highways and streets	168,238								168,238
Public safety		9,838		128					9,966
Debt service	10,589								10,589
Transfers out					875				875
Total Disbursements	178,827	9,838		2,381	875				191,921
Cash Balance, December 31, 2025	\$ 185,109	\$ 82,114	\$ 570	\$ 12,694	\$ 0	\$ 2,508	\$ 15,000	\$ 12,500	\$ 310,495

CITY OF EARLE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(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 and Drainage, Sanitation, Police Fundraiser, and Balloon Note

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

	December 31, 2025
District Court	\$ 16,569
Payroll	13,797

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, 2025
Land	\$ 107,521
Buildings	1,010,578
Equipment	1,540,794
Total	<u>\$ 2,658,893</u>

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

	December 31, 2025
Financed purchases	<u>\$ 248,475</u>