

Town of St. Charles, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF ST. CHARLES, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 20221 AND 2020

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Arkansas

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Sen. John Payton
Senate Vice Chair



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House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of St. Charles, 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 St. Charles, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated June 16, 2023. These procedures were not performed for the Water and Sewer Fund. 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 2021 and 2020:

Mayor: Robert Patrick
Recorder/Treasurer: Naomi Mitchell
District Court Clerk Melba Denny
Police Chief: Jamie Forbes (resigned August 11, 2020)
Jamie Irons (appointed August 12, 2020)

We evaluated the Town'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 Mayor.

Mayor

General Fund expenditures exceeded appropriations in 2021 by \$56,363 (42%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203.

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
June 16, 2023
LOM315221

TOWN OF ST. CHARLES, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 134,742	\$ 72,364
Receipts:		
State aid	3,675	30,204
Federal aid	5,896	21,961
Property taxes	9,854	2,956
Franchise fees	8,572	
Sales taxes	33,099	
Fines, forfeitures, and costs	43,890	751
Interest	236	52
Local permits and fees	50	
Other	47,109	3,614
Transfers in	4,618	6,000
Total Receipts	<u>156,999</u>	<u>65,538</u>
Disbursements:		
General government	86,957	10
Law enforcement	101,870	
Highways and streets		14,710
Public safety	2,613	20,358
Recreation and culture	523	
Transfers out	2,000	8,619
Total Disbursements	<u>193,963</u>	<u>43,697</u>
Cash Balance, December 31, 2022	<u>\$ 97,778</u>	<u>\$ 94,205</u>

TOWN OF ST. CHARLES, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Fire Department Act 833	Administration of Justice	Judicial Fine Enhancement	Driveway Fund	Police Car Fund	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 36,586	\$ 16,214	\$ 1,213	\$ 9,732	\$ 4,000	\$ 4,619		\$ 72,364
Receipts:								
State aid	18,497	11,707						30,204
Federal aid							\$ 21,961	21,961
Property taxes	2,956							2,956
Fines, forfeitures, and costs			86	665				751
Interest	42			10				52
Other	3,600	4	5		5			3,614
Transfers in		6,000						6,000
Total Receipts	<u>25,095</u>	<u>17,711</u>	<u>91</u>	<u>675</u>	<u>5</u>		<u>21,961</u>	<u>65,538</u>
Disbursements:								
General government			5		5			10
Highways and streets	14,710							14,710
Public safety		20,358						20,358
Transfers out					4,000	4,619		8,619
Total Disbursements	<u>14,710</u>	<u>20,358</u>	<u>5</u>		<u>4,005</u>	<u>4,619</u>		<u>43,697</u>
Cash Balance, December 31, 2021	<u>\$ 46,971</u>	<u>\$ 13,567</u>	<u>\$ 1,299</u>	<u>\$ 10,407</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,961</u>	<u>\$ 94,205</u>

TOWN OF ST. CHARLES, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 132,488	\$ 59,735
Receipts:		
State aid	3,413	28,479
Federal aid	4,817	
Property taxes	10,076	3,430
Franchise fees	8,056	
Sales taxes	33,832	
Fines, forfeitures, and costs	86,181	1,594
Interest	254	43
Local permits and fees	960	
Donations		250
Other	25,751	2,400
Transfers in	1,350	
Contributions from water	1,908	
Total Receipts	<u>176,598</u>	<u>36,196</u>
Disbursements:		
General government	105,145	
Law enforcement	54,493	100
Highways and streets		16,645
Public safety	1,973	5,472
Recreation and culture	920	
Debt service	11,813	
Transfers out		1,350
Total Disbursements	<u>174,344</u>	<u>23,567</u>
Cash Balance, December 31, 2020	<u>\$ 134,742</u>	<u>\$ 72,364</u>

TOWN OF ST. CHARLES, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	Street	Fire Department ACT 833	Administration of Justice	Judicial Fine Enhancement	Driveway Fund	Police Car Fund	Canine Officer Project	Total
Cash Balance, January 1, 2020	\$ 30,004	\$ 10,570	\$ 1,127	\$ 8,215	\$ 4,000	\$ 4,619	\$ 1,200	\$ 59,735
Receipts:								
State aid	17,363	11,116						28,479
Property taxes	3,430							3,430
Fines, forfeitures, and costs			86	1,508				1,594
Interest	34			9				43
Donations							250	250
Other	2,400							2,400
Total Receipts	<u>23,227</u>	<u>11,116</u>	<u>86</u>	<u>1,517</u>			<u>250</u>	<u>36,196</u>
Disbursements:								
Law enforcement							100	100
Highways and streets	16,645							16,645
Public safety		5,472						5,472
Transfers out							1,350	1,350
Total Disbursements	<u>16,645</u>	<u>5,472</u>					<u>1,450</u>	<u>23,567</u>
Cash Balance, December 31, 2020	<u>\$ 36,586</u>	<u>\$ 16,214</u>	<u>\$ 1,213</u>	<u>\$ 9,732</u>	<u>\$ 4,000</u>	<u>\$ 4,619</u>	<u>\$ 0</u>	<u>\$ 72,364</u>

TOWN OF ST. CHARLES, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(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 and General Reserve
3. Cash balances at year-end in the custodial funds are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Police Bond and Fine	\$ 14,084	\$ 22,535

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

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	\$ 6,005	\$ 6,005
Buildings	77,328	77,328
Equipment	<u>205,971</u>	<u>176,271</u>
Totals	<u><u>\$ 289,304</u></u>	<u><u>\$ 259,604</u></u>

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

	<u>December 31, 2021</u>
Notes payable	<u><u>\$ 25,250</u></u>

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

	<u>December 31, 2021</u>
American Rescue Plan Act (ARPA)	<u><u>\$ 21,961</u></u>