

**Town of St. Joe, Arkansas**

**Financial and Compliance Report**

**December 31, 2021 and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF ST. JOE, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Financial and Compliance Report

	<u>Schedule</u>
2021	
Schedule of Financial Information (Unaudited)	1
2020	
Schedule of Financial Information (Unaudited)	2
2021 and 2020	
Other Information (Unaudited)	3

# Arkansas

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Senate Vice Chair



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House Chair  
**Rep. Nelda Speaks**  
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. Joe, 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. Joe, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated September 6, 2022. 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: Ben Taylor  
Treasurer: Vacant (January 1, 2020 – February 25, 2021)  
Mary Woods (appointed February 25, 2021)

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 offices of **Mayor** and **Treasurer**.

#### Mayor and Treasurer

1. Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 – 14-59-119. The Town was not in compliance with these codes as indicated below:
  - Monthly bank reconciliations were not performed.
  - Prenumbered receipts were not issued for all funds received.
  - Cash receipts and disbursements journals were not established.
  - Annual financial statements were not prepared and posted.
  - Invoices were not retained for all expenditures.
  - Electronic disbursements were made from General Fund without proper approval of the council (by ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal accounting controls and documentation for audit and accounting purposes.

A similar finding was noted in the previous report.

2. Internal Revenue Service (IRS) Forms W-2, W-3, or 1099 were not filed, as required by IRS regulations. A similar finding was issued in the four previous reports dating back to 2011.

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, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas  
September 6, 2022  
LOM320221

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

Schedule 1

	General Fund	Special Revenue Funds (Street)
Cash Balance, January 1, 2021	\$ 9,271	\$ 65,216
Receipts:		
State aid	2,138	10,820
Property taxes	2,296	
Sales taxes	14,665	
Interest	9	39
Other	1,534	1,764
Total Receipts	<u>20,642</u>	<u>12,623</u>
Disbursements:		
General government	3,296	
Highways and streets	1,989	
Total Disbursements	<u>5,285</u>	
Cash Balance, December 31, 2021	<u>\$ 24,628</u>	<u>\$ 77,839</u>

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

Schedule 2

	General Fund	Special Revenue Funds (Street)
Cash Balance, January 1, 2020	\$ 10,308	\$ 55,205
Receipts:		
State aid	1,958	9,965
Sales taxes	12,605	
Interest	8	46
Total Receipts	<u>14,571</u>	<u>10,011</u>
Disbursements:		
General government	3,911	
Sanitation	11,697	
Total Disbursements	<u>15,608</u>	
Cash Balance, December 31, 2020	<u>\$ 9,271</u>	<u>\$ 65,216</u>

TOWN OF ST. JOE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The Municipality's capital assets records are summarized below:

	December 31, 2021	December 31, 2020
	<u>          </u>	<u>          </u>
Land	\$ 16,000	\$ 16,000
Buildings	237,775	237,775
Improvements	20,000	20,000
Equipment	<u>8,440</u>	<u>8,440</u>
Totals	<u><u>\$ 282,215</u></u>	<u><u>\$ 282,215</u></u>