

Town of St. Joe, Arkansas

Financial and Compliance Report

December 31, 2024, 2023, and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF ST. JOE, ARKANSAS
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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
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, 2024, 2023, and 2022, and have issued our report thereon dated May 12, 2026. 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 2024, 2023, and 2022:

Mayor: Ben Taylor
Treasurer: Vacant (July 9, 2024 – December 31, 2024)
Mary Woods (Resigned July 9, 2024)

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

- Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 – 14-59-119. The Town was in noncompliance with these codes as noted below:
 - Monthly bank reconciliations were not prepared.
 - Prenumbered receipts were not issued for all funds received and deposits were not made timely.
 - Cash receipts and disbursements journals were not established.
 - Annual financial statements were not prepared and posted.
 - Invoices and supporting documentation were not provided for tested disbursements totaling \$1,451 (92%), \$368 (92%), and \$823 (100%) in 2024, 2023, and 2022, respectively; however, disbursements were to vendors that appear to be for a legitimate business purpose.
 - Electronic disbursements were made from the 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.
 - Monthly financial reports were not provided to the Town Council.
 - Town Council minutes for all council meetings were not maintained for inspection.

A similar finding was noted in the previous two reports dating back to 2017.

- Restricted street funds totaling \$10,608, \$8,991, and \$956 in 2024, 2023, and 2022, respectively, were deposited into the General Fund in noncompliance with Ark. Code Ann. § 27-70-207. As of report date, the Town has not passed an ordinance or resolution to repay the Street Fund 10% of the general revenue until the Street Fund is repaid and has not obtained authorization from the Legislative Joint Auditing Committee for repayment of less than 10% of general revenues annually in noncompliance with Ark. Code Ann. § 27-70-207.
- General Fund expenditures exceeded budgeted appropriations by \$48,767 (263%) in 2024 and a budget was not adopted for 2022, in noncompliance with Ark. Code Ann. §§ 14-58-202, -203.
- The governing body did not review the prior year report and accompanying comments at the first regularly scheduled meeting following receipt of the report, in noncompliance with Ark. Code Ann. § 10-4-418.

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 12, 2026
LOM320224

TOWN OF ST. JOE, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2024	\$ 56,378	\$ 91,878
Receipts:		
State aid	19,727	
Property taxes	2,324	1,742
Sales taxes	16,668	
Interest	15	94
Other	1,475	
Total Receipts	40,209	1,836
Disbursements:		
Highways and streets		10
Unclassified	67,342	
Total Disbursements	67,342	10
Cash Balance, December 31, 2024	\$ 29,245	\$ 93,704

TOWN OF ST. JOE, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2023	\$ 40,386	\$ 87,138
Receipts:		
State aid	1,085	3,802
Property taxes	1,163	847
Sales taxes	16,255	
Interest	24	91
Other	1,800	
Total Receipts	20,327	4,740
Disbursements:		
Unclassified	4,335	
Cash Balance, December 31, 2023	\$ 56,378	\$ 91,878

TOWN OF ST. JOE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Fund (Street)</u>
Cash Balance, January 1, 2022	\$ 24,628	\$ 77,839
Receipts:		
State aid	1,323	8,270
Property taxes	1,246	964
Sales taxes	15,981	
Interest	16	66
Other	1,350	
Total Receipts	<u>19,916</u>	<u>9,300</u>
Disbursements:		
Highways and streets		1
Unclassified	4,158	
Total Disbursements	<u>4,158</u>	<u>1</u>
Cash Balance, December 31, 2022	<u>\$ 40,386</u>	<u>\$ 87,138</u>

TOWN OF ST. JOE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(UNAUDITED)

Schedule 4

1. Cash balances on the Financial Schedules include demand accounts.

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

	December 31, 2024	December 31, 2023	December 31, 2022
Land	\$ 25,000	\$ 16,000	\$ 16,000
Buildings	240,000	237,775	237,775
Improvements	20,000	20,000	20,000
Equipment	20,750	8,440	8,440
Totals	\$ 305,750	\$ 282,215	\$ 282,215

3. Ark. Code Ann. § 14-60-103 requires municipalities to provide workers' compensation coverage and failure to do so shall result in loss of the municipality's general revenues turnback funds for the period for which coverage is not provided. In 2022, the State Treasury was instructed to withhold the Town's general turnback funds for nonpayment of workers' compensation coverage. As of the report date, the City's general turnback funds continue to be withheld for this purpose.