

City of Charleston, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHARLESTON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Charleston, 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 Charleston, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated August 16, 2022. These procedures were not performed for the Water and Sewer Funds. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings/commentary contained in this section relates to the following officials who held office during 2021:

Mayor: Tabitha Hester
Recorder/Treasurer: Peggy Neal
District Court Clerk: Heather Parker (January 25, 2021 through June 4, 2021)
June Kiene (June 5, 2021 through September 13, 2021)
Scout Ingram (appointed September 14, 2021)
Police Chief: Billy Atchley

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 **Mayor**.

Mayor

The minutes of the governing body did not document the review of the prior report and accompanying comments or action taken by the governing body, as required by Ark. Code Ann. § 10-4-418.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local 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
August 16, 2022
LOM110721

CITY OF CHARLESTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Firemen's Pension Trust Fund
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 294,894	\$ 690,591	\$ 13,402
Receipts:			
State aid	41,215	231,906	
Federal aid	2,550	255,559	
Property taxes	123,805	44,894	15,055
Franchise fees	79,881		
Sales taxes	759,848		
Fines, forfeitures, and costs	63,486	1,150	
Interest	802	895	5
Local permits and fees	16,282		
Sanitation fees	179,132		
Other	10,287	13,344	
Total Receipts	<u>1,277,288</u>	<u>547,748</u>	<u>15,060</u>
Disbursements:			
General government	364,823	67	
Law enforcement	386,582	5,240	
Highways and streets	2,536	198,917	
Public safety		64,377	
Sanitation	84,429		
Recreation and culture	25,379		
Sales tax remitted to the water department	382,863		
Debt service	30,189		
Total Disbursements	<u>1,276,801</u>	<u>268,601</u>	
Cash Balance, December 31, 2021	<u>\$ 295,381</u>	<u>\$ 969,738</u>	<u>\$ 28,462</u>

CITY OF CHARLESTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Court Automation	Fire Equipment and Training (Act 833)	American Rescue Plan (ARPA)	Total
Cash Balance, January 1, 2021	\$ 590,594	\$ 13,041	\$ 86,956		\$ 690,591
Receipts:					
State aid	209,211		22,695		231,906
Federal aid				\$ 255,559	255,559
Property taxes	37,874		7,020		44,894
Fines, forfeitures, and costs		1,150			1,150
Interest	839	3	25	28	895
Other	8,770		4,574		13,344
Total Receipts	<u>256,694</u>	<u>1,153</u>	<u>34,314</u>	<u>255,587</u>	<u>547,748</u>
Disbursements:					
General government				67	67
Law enforcement		5,240			5,240
Highways and streets	198,917				198,917
Public safety			64,377		64,377
Total Disbursements	<u>198,917</u>	<u>5,240</u>	<u>64,377</u>	<u>67</u>	<u>268,601</u>
Cash Balance, December 31, 2021	<u>\$ 648,371</u>	<u>\$ 8,954</u>	<u>\$ 56,893</u>	<u>\$ 255,520</u>	<u>\$ 969,738</u>

CITY OF CHARLESTON, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

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

	December 31, 2021
District Court - City	\$ 50,084
District Court - Small Claims	325
Administration of Justice Fund	6,775

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

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

	December 31, 2021
Land	\$ 237,408
Buildings and improvements	1,819,140
Equipment	1,039,873
Total	<u>\$ 3,096,421</u>

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

	December 31, 2021
Notes payable	<u>\$ 98,594</u>

5. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 255,559</u>