

City of Charleston, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CHARLESTON, ARKANSAS
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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 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 years ended December 31, 2023 and 2022, and have issued our report thereon dated August 27, 2024. 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 commentary contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Mike Baumgartner (2023)
Tabitha Hester (2022)
Recorder/Treasurer: Peggy Neal
District Court Clerk: Scout Ingram
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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 27, 2024
LOM110723

CITY OF CHARLESTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Firemen's Pension Trust Fund
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2023	415,917	1,287,241	44,570
Receipts:			
State aid	39,349	245,518	
Federal aid	4,000		
Property taxes	142,500	50,517	2,532
Franchise fees	110,709		
Sales taxes	990,591		
Fines, forfeitures, and costs	40,560	1,013	
Interest	932	1,003	5
Local permits and fees	19,025		
Sanitation fees	197,975		
Other	31,055	11,606	
Transfers in	150,000		
Total Receipts	<u>1,726,696</u>	<u>309,657</u>	<u>2,537</u>
Disbursements:			
General government	497,733	205,440	
Law enforcement	463,580	122	
Highways and streets		417,752	
Public safety	200	31,690	1,822
Sanitation	134,971		
Recreation and culture	25,222	11,271	
Sales tax remitted to the water department	371,424		
Transfers out		150,000	
Total Disbursements	<u>1,493,130</u>	<u>816,275</u>	<u>1,822</u>
Cash Balance, December 31, 2023	<u>\$ 649,483</u>	<u>\$ 780,623</u>	<u>\$ 45,285</u>

CITY OF CHARLESTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street	Court Automation	Fire Equipment and Training (Act 833)	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2023	\$ 687,737	\$ 7,481	\$ 84,003	\$ 508,020	\$ 1,287,241
Receipts:					
State aid	218,315		27,203		245,518
Property taxes	43,388		7,129		50,517
Fines, forfeitures, and costs		1,013			1,013
Interest	823	1	8	171	1,003
Other	7,031		4,575		11,606
Total Receipts	<u>269,557</u>	<u>1,014</u>	<u>38,915</u>	<u>171</u>	<u>309,657</u>
Disbursements:					
General government				205,440	205,440
Law enforcement		122			122
Highways and streets	417,752				417,752
Public safety			31,690		31,690
Recreation and culture				11,271	11,271
Transfers out				150,000	150,000
Total Disbursements	<u>417,752</u>	<u>122</u>	<u>31,690</u>	<u>366,711</u>	<u>816,275</u>
Cash Balance, December 31, 2023	<u>\$ 539,542</u>	<u>\$ 8,373</u>	<u>\$ 91,228</u>	<u>\$ 141,480</u>	<u>\$ 780,623</u>

CITY OF CHARLESTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Firemen's Pension Trust Fund
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 295,381	\$ 969,738	\$ 28,462
Receipts:			
State aid	66,239	248,172	
Federal aid	3,000	255,556	
Property taxes	133,920	46,886	16,105
Franchise fees	93,150		
Sales taxes	945,981		
Fines, forfeitures, and costs	49,814	1,508	
Interest	437	588	3
Local permits and fees	20,301		
Sanitation fees	199,753		
Other	35,332	49,368	
Total Receipts	<u>1,547,927</u>	<u>602,078</u>	<u>16,108</u>
Disbursements:			
General government	395,225	3,238	
Law enforcement	422,865	2,981	
Highways and streets		231,849	
Public safety		46,507	
Sanitation	123,050		
Recreation and culture	23,220		
Sales tax remitted to the water department	357,710		
Debt service	105,321		
Total Disbursements	<u>1,427,391</u>	<u>284,575</u>	
Cash Balance, December 31, 2022	<u>\$ 415,917</u>	<u>\$ 1,287,241</u>	<u>\$ 44,570</u>

CITY OF CHARLESTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 4

	Street	Court Automation	Fire Equipment and Training (Act 833)	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 648,371	\$ 8,954	\$ 56,893	\$ 255,520	\$ 969,738
Receipts:					
State aid	223,439		24,733		248,172
Federal aid				255,556	255,556
Property taxes	40,515		6,371		46,886
Fines, forfeitures, and costs		1,508			1,508
Interest	398		8	182	588
Other	6,863		42,505		49,368
Total Receipts	<u>271,215</u>	<u>1,508</u>	<u>73,617</u>	<u>255,738</u>	<u>602,078</u>
Disbursements:					
General government				3,238	3,238
Law enforcement		2,981			2,981
Highways and streets	231,849				231,849
Public safety			46,507		46,507
Total Disbursements	<u>231,849</u>	<u>2,981</u>	<u>46,507</u>	<u>3,238</u>	<u>284,575</u>
Cash Balance, December 31, 2022	<u>\$ 687,737</u>	<u>\$ 7,481</u>	<u>\$ 84,003</u>	<u>\$ 508,020</u>	<u>\$ 1,287,241</u>

CITY OF CHARLESTON, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

Schedule 5

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, 2023	December 31, 2022
District Court	\$ 23,679	\$ 20,308
Administration of Justice Fund	6,108	6,653

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, 2023	December 31, 2022
Land	\$ 237,408	\$ 237,408
Buildings and improvements	1,838,966	1,819,140
Equipment	1,328,970	1,074,494
Totals	\$ 3,405,344	\$ 3,131,042

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 255,556