

City of Altheimer, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ALTHEIMER, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Altheimer, 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 Altheimer, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated March 19, 2025. These procedures were not performed for the Water and Sewer Department. 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:

Mayor: Zola Hudson
Recorder/Treasurer: Doris Hudson-Gaddy
District Court Clerk: Jeanetta Foster

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 City 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 dark ink, appearing to read "Kevin White", written over a light blue horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 19, 2025
LOM200223

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 167,896	\$ 182,724
Receipts:		
State aid	10,582	73,321
Property taxes	32,859	9,861
Franchise fees	30,720	
Sales taxes	176,004	
Fines, forfeitures, and costs	325	
Interest	48	552
Local permits and fees	1,694	
Contributions from Jefferson County		20,022
Other	57,891	8,856
Transfers in		21,360
Total Receipts	<u>310,123</u>	<u>133,972</u>
Disbursements:		
General government	205,670	24
Law enforcement	1,844	
Highways and streets		100,318
Public safety	5,314	45,816
Recreation and culture		919
Water and sewer		56,975
Transfers out	21,360	
Contributions to water and sewer department	93,547	6,713
Unclassified	100	
Total Disbursements	<u>327,835</u>	<u>210,765</u>
Cash Balance, December 31, 2023	<u>\$ 150,184</u>	<u>\$ 105,931</u>

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

Schedule 2

	Street	Fire Department	Fire Department Grant	Grants	Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 4,686	\$ 40,037	\$ 2,804	\$ 1,975	\$ 1,389	\$ 131,833	\$ 182,724
Receipts:							
State aid	58,712	14,609					73,321
Property taxes	9,861						9,861
Interest						552	552
Contributions from Jefferson County		20,022					20,022
Other	7,825	130			901		8,856
Transfers in	21,360						21,360
Total Receipts	<u>97,758</u>	<u>34,761</u>			<u>901</u>	<u>552</u>	<u>133,972</u>
Disbursements:							
General government						24	24
Highways and streets	100,318						100,318
Public safety		45,816					45,816
Recreation and culture					919		919
Water and sewer						56,975	56,975
Contribution to water and sewer department						6,713	6,713
Total Disbursements	<u>100,318</u>	<u>45,816</u>			<u>919</u>	<u>63,712</u>	<u>210,765</u>
Cash Balance, December 31, 2023	<u>\$ 2,126</u>	<u>\$ 28,982</u>	<u>\$ 2,804</u>	<u>\$ 1,975</u>	<u>\$ 1,371</u>	<u>\$ 68,673</u>	<u>\$ 105,931</u>

CITY OF ALTHEIMER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund, General Grant, Money Market General, Escrow, and Virtual Direct Deposit
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
District Court	\$ 101
Administration of Justice	5

These balances represent minimum bank balances maintained by the City.

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

	December 31, 2023
Buildings	\$ 325,679
Equipment	509,002
Total	<u>\$ 834,681</u>

The municipality's capital assets records did not contain cost amounts for land.

5. The City's Water and Sewer Department received a letter from the Arkansas Department of Health dated May 28, 2020, which contained deficiencies noted in a Sanitary Survey completed February 5, 2020. The Sanitary Survey concluded, among other issues, the utility needs an elevated storage tank replacement because the tank's condition is too poor to restore. As of report date, the City has been unable to obtain funding due to an inadequate rate/fee structure and revenue to expense ratios, as noted in a Water Rate Study performed by the Rural Community Assistance Program dated February 2019. The City's General Fund has transferred funds to or directly paid expenses for the Department in the amounts of \$93,547, \$33,990, \$135,397, \$49,161, \$29,397, and \$61,017 for the years 2023, 2022, 2021, 2020, 2019, and 2018, respectively. The 2022 City of Altheimer Water and Sewer Department Audit Report, dated November 14, 2023, reflects an amount "Due to General Fund" at December 31, 2022, of \$410,657. The Audit is available on Arkansas Legislative Audit's website at www.arklegaudit.gov.