

City of Altheimer, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ALTHEIMER, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

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 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, 2024, and have issued our report thereon dated August 26, 2026. 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 finding contained in this section relates to the following officials who held office during 2024:

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.

Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

An annual audit or agreed-upon procedures report and compilation has not been obtained and submitted to Arkansas Legislative Audit for the Water and Sewer Departments for the year ended December 31, 2024, as required by Ark. Code Ann. § 14-234-119.

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 horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 26, 2026
LOM200224

CITY OF ALTHEIMER, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	\$ 150,184	\$ 106,255
Receipts:		
State aid	10,350	72,954
Property taxes	34,088	10,232
Sales taxes	180,330	
Fines, forfeitures, and costs	874	
Interest	3	172
Local permits and fees	32,761	
Contributions from Jefferson County		21,650
Loan proceeds		32,000
Other	71,348	2,218
Transfers in		23,000
Total Receipts	<u>329,754</u>	<u>162,226</u>
Disbursements:		
General government	249,435	13,131
Highways and streets		109,841
Public safety		47,152
Wastewater		33,556
Debt service		7,916
Transfers out	23,000	
Contribution to water and sewer department	19,255	
Total Disbursements	<u>291,690</u>	<u>211,596</u>
Cash Balance, December 31, 2024	<u>\$ 188,248</u>	<u>\$ 56,885</u>

CITY OF ALTHEIMER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	Street	Fire Department	Fire Department Grant	Grants	Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	\$ 2,292	\$ 29,140	\$ 2,804	\$ 1,975	\$ 1,371	\$ 68,673	\$ 106,255
Receipts:							
State aid	57,233	15,721					72,954
Property taxes	10,232						10,232
Interest						172	172
Contributions from Jefferson County		21,650					21,650
Loan proceeds		32,000					32,000
Other	684	534			1,000		2,218
Transfers in	23,000						23,000
Total Receipts	91,149	69,905			1,000	172	162,226
Disbursements:							
General government						13,131	13,131
Highways and streets	88,832					21,009	109,841
Public safety		47,152					47,152
Wastewater						33,556	33,556
Debt service		7,916					7,916
Total Disbursements	88,832	55,068				67,696	211,596
Cash Balance, December 31, 2024	\$ 4,609	\$ 43,977	\$ 2,804	\$ 1,975	\$ 2,371	\$ 1,149	\$ 56,885

CITY OF ALTHEIMER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(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, 2024
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, 2024
Buildings	\$ 738,179
Equipment	561,154
Total	<u>\$ 1,299,333</u>

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

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

	December 31, 2024
Financed purchases	<u>\$ 25,240</u>

CITY OF ALTHEIMER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

6. 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 \$19,255, \$93,547, \$33,990, \$135,397, \$49,161, \$29,397, and \$61,017 for the years 2024, 2023, 2022, 2021, 2020, 2019, and 2018, respectively. The 2023 City of Altheimer Water and Sewer Department Audit Report, dated May 15, 2025, reflects an amount "Due to General Fund" at December 31, 2022, of \$535,537. The Audit is available on Arkansas Legislative Audit's website at www.arklegaudit.gov.