

Town of Felsenthal, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF FELSENTHAL, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial and Compliance Report

		<u>Schedule</u>
	2024	
Schedule of Financial Information (Unaudited)		1
	2023	
Schedule of Financial Information (Unaudited)		2
	2024 and 2023	
Other Information (Unaudited)		3

Arkansas

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Senate Vice Chair



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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Felsenthal, 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 Felsenthal, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated November 4, 2025. These procedures were not performed for the Water and Sewer Department. 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 and 2023:

Mayor: Theresa Howard
Recorder/Treasurer: Shirley Gilmore

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 **Recorder/Treasurer**.

Recorder/Treasurer

In 2024, the Recorder/Treasurer paid herself \$1,778 in excess of appropriated salary without supporting documentation, in noncompliance with Ark. Code Ann. § 14-42-120. No budget was provided for 2023; therefore, we were unable to determine the authorized salary for the Recorder/Treasurer.

Mayor and Recorder/Treasurer

Adequate supporting documentation was not maintained for all disbursements, as required by Ark. Code Ann. § 14-59-105.

Mayor

General Fund expenditures exceeded budgeted appropriations by \$69,895 (62%) in 2024, in noncompliance with Ark. Code Ann. § 14-58-203. No budget was provided for 2023; therefore, we were unable to determine if expenditures exceeded appropriations.

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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 4, 2025
LOM305724

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

Schedule 1

	General Fund	Special Revenue Fund - Street
	<u> </u>	<u> </u>
Cash Balance, January 1, 2024	\$ 58,572	\$ 61,819
Receipts:		
State aid	1,264	6,990
Property taxes	10,924	3,346
Franchise fees	9,966	
Sales taxes	40,112	
Interest	4	6
Festival fees	25,432	
Donations	1,500	
Contribution from water department	58,624	
Other	1,898	
Total Receipts	<u>149,724</u>	<u>10,342</u>
Disbursements:		
General government	132,997	
Highways and streets		13,533
Sanitation	20,080	
Recreation and culture	26,139	
Total Disbursements	<u>179,216</u>	<u>13,533</u>
Cash Balance, December 31, 2024	<u>\$ 29,080</u>	<u>\$ 58,628</u>

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

Schedule 2

	General Fund	Special Revenue Fund - Street
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 81,503	\$ 62,368
Receipts:		
State aid	1,292	7,170
Property taxes	15,643	3,293
Franchise fees	4,544	
Sales taxes	42,111	
Interest	9	6
Festival fees	44,472	
Donations	28,757	
Other	1,793	150
Total Receipts	<u>138,621</u>	<u>10,619</u>
Disbursements:		
General government	104,582	
Highways and streets		11,168
Sanitation	8,365	
Recreation and culture	47,470	
Wastewater	195	
Unclassified	940	
Total Disbursements	<u>161,552</u>	<u>11,168</u>
Cash Balance, December 31, 2023	<u>\$ 58,572</u>	<u>\$ 61,819</u>

TOWN OF FELSENTHAL, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
 (UNAUDITED)

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 Money Market, and Festival Fund

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

	December 31, 2024	December 31, 2023
Land	\$ 3,500	\$ 3,500
Buildings	139,148	139,148
Equipment	151,268	150,622
Totals	\$ 293,916	\$ 293,270