

City of Altheimer, Arkansas

Financial and Compliance Report

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF ALTHEIMER, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Financial and Compliance Report

Schedule

Schedule of Financial Information (Unaudited)

1

Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)

2

Other Information (Unaudited)

3

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
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, 2020, and have issued our report thereon dated September 22, 2021. 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 findings contained in this section relate to the following officials who held office during 2020:

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

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

Street Fund expenditures exceeded budgeted appropriations by \$160,438 (182%), in noncompliance with Ark. Code Ann. § 14-58-203.

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 cursive script, reading "Roger A. Norman".

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

Little Rock, Arkansas
September 22, 2021
LOM200220

CITY OF ALTHEIMER, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 227,405	\$ 45,838
Receipts:		
State aid	14,600	87,627
Federal aid	1,935	158,836
Property taxes	29,756	8,931
Franchise fees	26,842	
Sales taxes	184,546	
Interest	105	
Local permits and fees	2,125	
Contributions from Jefferson County		9,000
Donations	1,243	
Other	2,469	897
Transfers in		2,410
Total Receipts	<u>263,621</u>	<u>267,701</u>
Disbursements:		
General government	134,811	
Law enforcement	17,407	
Highways and streets	13,095	245,962
Public safety	4,554	35,479
Recreation and culture	2,860	
Debt service	8,924	4,943
Transfers out	2,410	
Contribution to water and sewer department	49,161	
Total Disbursements	<u>233,222</u>	<u>286,384</u>
Cash Balance, December 31, 2020	<u>\$ 257,804</u>	<u>\$ 27,156</u>

CITY OF ALTHEIMER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 2

	Street	Fire Department	Fire Department Grant	Grants	Park Grant	Total
Cash Balance, January 1, 2020	\$ 6,349	\$ 34,066	\$ 2,804	\$ 1,975	\$ 644	\$ 45,838
Receipts:						
State aid	74,282	13,345				87,627
Federal aid	158,836					158,836
Property taxes	8,931					8,931
Contributions from Jefferson County		9,000				9,000
Other	100	797				897
Transfers in	2,410					2,410
Total Receipts	244,559	23,142				267,701
Disbursements:						
Highways and streets	245,962					245,962
Public safety		35,479				35,479
Debt service	2,688	2,255				4,943
Total Disbursements	248,650	37,734				286,384
Cash Balance, December 31, 2020	\$ 2,258	\$ 19,475	\$ 2,804	\$ 1,975	\$ 644	\$ 27,156

CITY OF ALTHEIMER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(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 and Escrow

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

	December 31, 2020
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, 2020
Buildings	\$ 275,379
Equipment	406,545
Total	\$ 681,924

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, 2020
Leases payable	\$ 22,524

CITY OF ALTHEIMER, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

6. Water and Sewer Department Issues

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 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 \$49,161, \$29,397, and \$61,017 for the years 2020, 2019, and 2018, respectively. The 2020 City of Altheimer Water and Sewer Department Audit Report, dated June 14, 2021, reflects an amount "Due to General Fund" at December 31, 2020 of \$252,257. The Audit is available on Arkansas Legislative Audit's website at www.arklegaudit.gov.