

City of Harrisburg, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HARRISBURG, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Harrisburg, 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 Harrisburg, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated September 7, 2022. These procedures were not performed for the Water, Sewer, and Gas 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 2021:

Mayor: Justin Kimble
Bookkeeper: Johnetta Privett
Clerk: June Long
Treasurer: Curtis Sanders
District Court Clerk: Holly Henderson
Police Chief: Roderick Moore (Active Duty in Military on April 11, 2021)
Chris Crews (Hired as Interim Police Chief on April 12, 2021)
Roderick Moore (Returned from Active Duty on October 10, 2021)

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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
September 7, 2022
LOM104121

CITY OF HARRISBURG, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 310,553	\$ 1,046,831
Receipts:		
State aid	37,185	211,243
Federal aid	2,550	239,192
Property taxes	116,726	33,032
Franchise fees	105,176	
Sales taxes	306,047	942,786
Fines, forfeitures, and costs	101,091	7,470
Interest	716	3,781
Local permits and fees	41,121	99,928
Sanitation fees	171,873	
Sale of property		52,876
Contributions from water department	26,508	
Other	52,404	43,187
Transfers in		104,000
Total Receipts	<u>961,397</u>	<u>1,737,495</u>
Disbursements:		
General government	339,422	
Law enforcement	206,196	368,302
Highways and streets	28,091	417,511
Public safety	8,852	41,638
Sanitation	237,035	
Health	26,198	
Recreation and culture	19,732	236,264
Economic development		110,325
Debt service	38,372	25,767
Transfers out	104,000	
Total Disbursements	<u>1,007,898</u>	<u>1,199,807</u>
Cash Balance, December 31, 2021	<u>\$ 264,052</u>	<u>\$ 1,584,519</u>

CITY OF HARRISBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	District Court Automation	Fire Equipment and Training	Economic Development	Parks and Recreation	Volunteer Fire Department	Street and Drainage
Cash Balance, January 1, 2021	\$ 6,026	\$ 10,632	\$ 28,496	\$ 550,080	\$ 42,313	\$ 59,993	\$ 106,161
Receipts:							
State aid	187,944		23,299				
Federal aid							
Property taxes	23,716						
Sales taxes				157,131	157,131		157,131
Fines, forfeitures, and costs		7,470					
Interest	768			2,181		355	362
Local permits and fees					40,356	59,572	
Sale of property				52,876			
Other					13,837		
Transfers in	104,000						
Total Receipts	<u>316,428</u>	<u>7,470</u>	<u>23,299</u>	<u>212,188</u>	<u>211,324</u>	<u>59,927</u>	<u>157,493</u>
Disbursements:							
Law enforcement		6,431					
Highways and streets	317,121						100,390
Public safety			11,866				
Recreation and culture					236,264		
Economic development				110,325			
Debt service				25,767			
Total Disbursements	<u>317,121</u>	<u>6,431</u>	<u>11,866</u>	<u>136,092</u>	<u>236,264</u>		<u>100,390</u>
Cash Balance, December 31, 2021	<u>\$ 5,333</u>	<u>\$ 11,671</u>	<u>\$ 39,929</u>	<u>\$ 626,176</u>	<u>\$ 17,373</u>	<u>\$ 119,920</u>	<u>\$ 163,264</u>

CITY OF HARRISBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Local Police and Fire Retirement Cost	Police	Harrisburg Fire Department	American Rescue Plan	Total
Cash Balance, January 1, 2021	\$ 29,252	\$ 113,010	\$ 100,868		\$ 1,046,831
Receipts:					
State aid					211,243
Federal aid				\$ 239,192	239,192
Property taxes	9,316				33,032
Sales taxes		353,545	117,848		942,786
Fines, forfeitures, and costs					7,470
Interest	115				3,781
Local permits and fees					99,928
Sale of property					52,876
Other		27,250	2,100		43,187
Transfers in					104,000
Total Receipts	9,431	380,795	119,948	239,192	\$ 1,737,495
Disbursements:					
Law enforcement	7,886	353,985			368,302
Highways and streets					417,511
Public safety	1,563		28,209		41,638
Recreation and culture					236,264
Economic development					110,325
Debt service					25,767
Total Disbursements	9,449	353,985	28,209		\$ 1,199,807
Cash Balance, December 31, 2021	\$ 29,234	\$ 139,820	\$ 192,607	\$ 239,192	\$ 1,584,519

CITY OF HARRISBURG, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

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

	December 31, 2021
Police Bond and Fine	\$ 31,714
District Court	618
Payroll	4,116

These balances represent fines, forfeitures, and costs and payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2021
Land	\$ 292,574
Buildings	2,073,606
Improvements	163,259
Equipment	2,150,837
Total	\$ 4,680,276

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

	December 31, 2021
Notes payable	\$ 78,925

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

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 239,192