

City of Harrisburg, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Arkansas

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Sen. Jim Dotson
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

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, 2023, and have issued our report thereon dated April 22, 2025. 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Justin Kimble
Bookkeeper: Johnetta Privett
Clerk: June Long
Treasurer: Curtis Sanders
District Court Clerk: Holly Henderson
Police Chief: Eric Moore

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 offices of **Mayor** and **Bookkeeper**.

Mayor and Bookkeeper

The City disbursed funds totaling \$3,036 for two holiday meals for employees and their families, without a documented business purpose, in apparent conflict with the "public purpose" doctrine and Ark. Const. art 12, § 5.

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 black ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 22, 2025
LOM104123

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 332,093	\$ 1,914,273
Receipts:		
State aid	33,632	216,553
Property taxes	132,432	36,818
Franchise fees	116,022	
Sales taxes	351,405	1,209,270
Fines, forfeitures, and costs	110,037	8,752
Interest	3,676	3,777
Local permits and fees	42,634	103,006
Sanitation fees	172,470	
Park concessions		18,396
Contributions from water department	29,974	
Sale of assets	5,952	
Line of credit proceeds		1,237,435
Other	27,056	57,397
Transfers in		112,178
Total Receipts	<u>1,025,290</u>	<u>3,003,582</u>
Disbursements:		
General government	487,978	
Law enforcement	155,248	554,315
Highways and streets	29,310	535,479
Public safety	8,856	1,840,762
Sanitation	276,820	
Health	21,145	
Recreation and culture		256,485
Economic development		398,597
Contributions to water department		135,829
Debt service	34,077	26,371
Transfers out	112,178	
Total Disbursements	<u>1,125,612</u>	<u>3,747,838</u>
Cash Balance, December 31, 2023	<u>\$ 231,771</u>	<u>\$ 1,170,017</u>

CITY OF HARRISBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (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, 2023	\$ 19,528	\$ 13,676	\$ 57,787	\$ 589,345	\$ 32,849	\$ 164,096	\$ 236,332
Receipts:							
State aid	186,597		29,956				
Property taxes	26,305						
Sales taxes				201,545	201,545		201,545
Fines, forfeitures, and costs		8,088					
Interest				1,978		568	957
Local permits and fees					43,599	59,407	
Park concessions					18,396		
Line of credit proceeds						1,237,435	
Other	270				6,970	200	
Transfers in	112,178						
Total Receipts	<u>325,350</u>	<u>8,088</u>	<u>29,956</u>	<u>203,523</u>	<u>270,510</u>	<u>1,297,610</u>	<u>202,502</u>
Disbursements:							
Law enforcement		7,466					
Highways and streets	342,115						193,364
Public safety			42,184			1,428,035	
Recreation and culture					256,485		
Economic development				398,597			
Contributions to water department							
Debt service							21,565
Total Disbursements	<u>342,115</u>	<u>7,466</u>	<u>42,184</u>	<u>398,597</u>	<u>256,485</u>	<u>1,428,035</u>	<u>214,929</u>
Cash Balance, December 31, 2023	<u>\$ 2,763</u>	<u>\$ 14,298</u>	<u>\$ 45,559</u>	<u>\$ 394,271</u>	<u>\$ 46,874</u>	<u>\$ 33,671</u>	<u>\$ 223,905</u>

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

Schedule 2

	Local Police and Fire Retirement Cost	Police	Harrisburg Fire Department	DOJ Equitable Sharing	American Rescue Plan Act	Drug Forfeiture	Total
Cash Balance, January 1, 2023	\$ 29,346	\$ 90,616	\$ 238,267	\$ 9,095	\$ 433,336		\$ 1,914,273
Receipts:							
State aid							216,553
Property taxes	10,513						36,818
Sales taxes		453,476	151,159				1,209,270
Fines, forfeitures, and costs						\$ 664	8,752
Interest	274						3,777
Local permits and fees							103,006
Park concessions							18,396
Line of credit proceeds							1,237,435
Other		49,757	200				57,397
Transfers in							112,178
Total Receipts	<u>10,787</u>	<u>503,233</u>	<u>151,359</u>			<u>664</u>	<u>3,003,582</u>
Disbursements:							
Law enforcement	11,086	535,763					554,315
Highways and streets							535,479
Public safety	1,470		369,073				1,840,762
Recreation and culture							256,485
Economic development							398,597
Contributions to water department					135,829		135,829
Debt service		4,806					26,371
Total Disbursements	<u>12,556</u>	<u>540,569</u>	<u>369,073</u>		<u>135,829</u>		<u>3,747,838</u>
Cash Balance, December 31, 2023	<u>\$ 27,577</u>	<u>\$ 53,280</u>	<u>\$ 20,553</u>	<u>\$ 9,095</u>	<u>\$ 297,507</u>	<u>\$ 664</u>	<u>\$ 1,170,017</u>

CITY OF HARRISBURG, 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. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
Police Bond and Fine	\$ 32,511
District Court	384
Payroll	4,385

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, 2023
Land	\$ 298,574
Buildings	3,469,686
Improvements	170,009
Equipment	2,292,544
Total	<u>\$ 6,230,813</u>

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

	December 31, 2023
Financed purchases	<u>\$ 150,773</u>