

**City of Highland, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

*Including Financial Information  
For  
December 31, 2022*

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HIGHLAND, ARKANSAS  
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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# Arkansas



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**Sen. John Payton**  
Senate Vice Chair

**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Highland, 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 Highland, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the year ended December 31, 2022, and have issued our report thereon dated November 25, 2024. These procedures were not performed for the Sewer Department. 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 2023 and 2022:

Mayor: Kyle Crawford (January 1, 2023 – December 31, 2023)  
Russell Truitt (January 1, 2022 – December 31, 2022)  
Recorder/Treasurer: Mary Wiles  
Police Chief: Steven Dravenstott (January 1, 2023 – December 31, 2023)  
Shane Russell (January 1, 2022 – December 31, 2022)

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 dark ink, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
November 25, 2024  
LOM221623

CITY OF HIGHLAND, 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	\$ 672,857	\$ 176,466
Receipts:		
State aid	66,764	82,838
Property taxes	60,561	13,512
Franchise fees	69,896	
Sales taxes	659,660	
Fines, forfeitures, and costs	31,812	
Interest	7,991	39
Local permits and fees	19,304	
Sale of equipment	30,000	
Loan proceeds	38,955	
Other	35,800	11,385
Transfers in		170,000
Total Receipts	<u>1,020,743</u>	<u>277,774</u>
Disbursements:		
General government	224,142	
Law enforcement	352,464	
Highways and streets	2,533	269,361
Public safety	169,304	49,859
Sanitation	3,489	
Airport	5,000	
Wastewater		58,417
Debt service	33,098	32,323
Transfers out	170,000	
Total Disbursements	<u>960,030</u>	<u>409,960</u>
Cash Balance, December 31, 2023	<u>\$ 733,570</u>	<u>\$ 44,280</u>

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

Schedule 2

	Street	American Rescue Plan Act	Grant	Fire Department- American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 61,774	\$ 64,637	\$ 1	\$ 50,054	\$ 176,466
Receipts:					
State aid	82,838				82,838
Property taxes	13,512				13,512
Interest	28	11			39
Other	11,385				11,385
Transfers in	170,000				170,000
Total Receipts	<u>277,763</u>	<u>11</u>			<u>277,774</u>
Disbursements:					
Highways and streets	269,361				269,361
Public safety				49,859	49,859
Wastewater		58,417			58,417
Debt service	32,323				32,323
Total Disbursements	<u>301,684</u>	<u>58,417</u>		<u>49,859</u>	<u>409,960</u>
Cash Balance, December 31, 2023	<u>\$ 37,853</u>	<u>\$ 6,231</u>	<u>\$ 1</u>	<u>\$ 195</u>	<u>\$ 44,280</u>

CITY OF HIGHLAND, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2022	\$ 537,669	\$ 146,050
Receipts:		
State aid	52,516	84,783
Federal aid	32,270	174,674
Property taxes	57,900	12,933
Franchise fees	66,800	
Sales taxes	642,438	
Fines, forfeitures, and costs	25,656	
Interest	849	120
Local permits and fees	18,920	
Loan proceeds		46,992
Other	25,800	16,304
Transfers in		118,651
Total Receipts	<u>923,149</u>	<u>454,457</u>
Disbursements:		
General government	170,723	
Law enforcement	319,441	
Highways and streets	2,223	238,698
Public safety	139,784	9,946
Sanitation	9,569	
Airport	5,000	
Wastewater	1,626	155,298
Debt service	20,944	20,099
Transfers out	118,651	
Total Disbursements	<u>787,961</u>	<u>424,041</u>
Cash Balance, December 31, 2022	<u>\$ 672,857</u>	<u>\$ 176,466</u>

CITY OF HIGHLAND, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 4

	Street	American Rescue Plan Act	Grant	Fire Department- American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 40,855	\$ 105,194	\$ 1		\$ 146,050
Receipts:					
State aid	84,783				84,783
Federal aid		114,674		\$ 60,000	174,674
Property taxes	12,933				12,933
Interest	53	67			120
Loan proceeds	46,992				46,992
Other	16,304				16,304
Transfers in	118,651				118,651
Total Receipts	<u>279,716</u>	<u>114,741</u>		<u>60,000</u>	<u>454,457</u>
Disbursements:					
Highways and streets	238,698				238,698
Public safety				9,946	9,946
Wastewater		155,298			155,298
Debt service	20,099				20,099
Total Disbursements	<u>258,797</u>	<u>155,298</u>		<u>9,946</u>	<u>424,041</u>
Cash Balance, December 31, 2022	<u>\$ 61,774</u>	<u>\$ 64,637</u>	<u>\$ 1</u>	<u>\$ 50,054</u>	<u>\$ 176,466</u>

CITY OF HIGHLAND, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(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 Fund Reserve, Street/Fire/Police Sales Tax, Act 833, and USDA Grant
3. Cash balances at year-end in the custodial fund are as follows:

	December 31, 2023	December 31, 2022
Payroll	\$ 3,549	\$ 7,467

These balances represent payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2023	December 31, 2022
Land	\$ 351,976	\$ 294,146
Buildings	651,026	651,026
Equipment	1,557,334	1,361,681
Totals	\$ 2,560,336	\$ 2,306,853

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2023	December 31, 2022
Leases payable	\$ 106,714	\$ 61,555
Financed purchases	118,921	115,321
Totals	\$ 225,635	\$ 176,876

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 114,674
American Rescue Plan Act (Passed through Sharp County)	60,000
Total	\$ 174,674