

Town of Harrell, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HARRELL, ARKANSAS
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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

Town of Harrell, 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 Harrell, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated September 17, 2024. These procedures were not performed for the Waterworks Department. Management of the Town 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 and 2022:

Mayor: Terry Anders, Jr.
Recorder/Treasurer: Elizabeth Turner (appointed September 25, 2022)
Jeannie Johnston (resigned August 30, 2022)

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 office of the **Mayor**.

Mayor

The Town obtained a compilation report for the Water and Sewer for 2022; however, an agreed upon procedures report was not prepared in noncompliance with Ark. Code Ann. § 14-234-119.

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
September 17, 2024
LOM307523

TOWN OF HARRELL, 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	\$ 105,377	\$ 126,095
Receipts:		
State aid	3,193	31,994
Property taxes	9,100	2,730
Sales taxes	75,784	
Interest	237	364
Other	2,478	
Transfers in		732
Total Receipts	<u>90,792</u>	<u>35,820</u>
Disbursements:		
General government	50,142	38,486
Highways and streets		16,702
Public safety	1,276	9,381
Sanitation	37,892	
Recreation and culture	1,308	3,420
Water and sewer		969
Transfers out	732	
Total Disbursements	<u>91,350</u>	<u>68,958</u>
Cash Balance, December 31, 2023	<u>\$ 104,819</u>	<u>\$ 92,957</u>

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

Schedule 2

	<u>Street</u>	<u>Act 833</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 57,331	\$ 25,889	\$ 42,875	\$ 126,095
Receipts:				
State aid	17,715	14,279		31,994
Property taxes	2,730			2,730
Interest	326	38		364
Transfers in	732			732
Total Receipts	<u>21,503</u>	<u>14,317</u>		<u>35,820</u>
Disbursements:				
General government			38,486	38,486
Highways and streets	16,702			16,702
Public safety		9,381		9,381
Recreation and culture			3,420	3,420
Water and sewer			969	969
Total Disbursements	<u>16,702</u>	<u>9,381</u>	<u>42,875</u>	<u>68,958</u>
Cash Balance, December 31, 2023	<u>\$ 62,132</u>	<u>\$ 30,825</u>	<u>\$ 0</u>	<u>\$ 92,957</u>

TOWN OF HARRELL, 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	\$ 100,061	\$ 196,186
Receipts:		
State aid	3,133	33,098
Federal aid		25,690
Property taxes	9,344	2,706
Sales taxes	85,873	
Interest	76	89
Other	1,000	20
Total Receipts	<u>99,426</u>	<u>61,603</u>
Disbursements:		
General government	48,454	3,500
Highways and streets		43,569
Public safety	1,594	8,305
Sanitation	42,936	
Recreation and culture	1,126	76,320
Total Disbursements	<u>94,110</u>	<u>131,694</u>
Cash Balance, December 31, 2022	<u>\$ 105,377</u>	<u>\$ 126,095</u>

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

Schedule 4

	Street	Act 833	Fun Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 80,005	\$ 19,196	\$ 71,298	\$ 25,687	\$ 196,186
Receipts:					
State aid	18,131	14,967			33,098
Federal aid				25,690	25,690
Property taxes	2,706				2,706
Interest	58	31			89
Other				20	20
Total Receipts	<u>20,895</u>	<u>14,998</u>		<u>25,710</u>	<u>61,603</u>
Disbursements:					
General government				3,500	3,500
Highways and streets	43,569				43,569
Public safety		8,305			8,305
Recreation and culture			71,298	5,022	76,320
Total Disbursements	<u>43,569</u>	<u>8,305</u>	<u>71,298</u>	<u>8,522</u>	<u>131,694</u>
Cash Balance, December 31, 2022	<u>\$ 57,331</u>	<u>\$ 25,889</u>	<u>\$ 0</u>	<u>\$ 42,875</u>	<u>\$ 126,095</u>

TOWN OF HARRELL, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

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

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

	December 31, 2023	December 31, 2022
Land & improvements	\$ 112,051	\$ 21,504
Buildings	115,076	115,076
Equipment	367,089	327,517
Totals	\$ 594,217	\$ 464,097

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 25,690