

City of Hardy, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HARDY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial and Compliance Report

	<u>Schedule</u>
2024	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2023	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2024 and 2023	
Other Information (Unaudited)	5

Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Hardy, 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 Hardy, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated February 12, 2026. 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 2024 and 2023:

Mayor: Ethan Barnes
Recorder/Treasurer: Willow Sharp (May 13, 2024 – December 31, 2024)
Mitchell Sparks (September 1, 2023 – March 31, 2024)
Darlene Wilson (January 1, 2023 – August 31, 2023)
Police Chief: Scott Rose

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 **Recorder/Treasurer**.

Recorder/Treasurer

In 2024, bank accounts were not properly reconciled, as required by Ark. Code Ann. § 14-59-108.

In 2024, the General, Street, and Advertising and Promotion Funds cash receipts and disbursements journals were not properly posted, as required by Ark. Code Ann. §§ 14-59-110, -111.

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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
February 12, 2026
LOM207824

CITY OF HARDY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2024	\$ 567,888	\$ 323,771
Receipts:		
State aid	42,903	61,097
Federal aid	7,400	
Property taxes	54,348	15,069
Franchise fees	87,689	
Sales taxes	542,962	
Fines, forfeitures, and costs	9,263	
Interest	16,456	10,436
Local permits and fees	7,813	
Advertising and promotion taxes	25,256	67,823
Donations	15,516	
Rental income	51,011	14,003
Other	44,551	60
Unclassified		132,808
Total Receipts	<u>905,168</u>	<u>301,296</u>
Disbursements:		
General government	178,774	32,546
Law enforcement	395,520	
Highways and streets		78,306
Public safety	163,625	
Recreation and culture	195,708	
Advertising and promotion		98,492
Debt service	11,372	463
Unclassified	27,591	
Total Disbursements	<u>972,590</u>	<u>209,807</u>
Cash Balance, December 31, 2024	<u>\$ 500,466</u>	<u>\$ 415,260</u>

CITY OF HARDY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Advertising & Promotion</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 120,754	\$ 170,471	\$ 32,546	\$ 323,771
Receipts:				
State aid	61,097			61,097
Property taxes	15,069			15,069
Interest	3,965	6,471		10,436
Advertising and promotion taxes		67,823		67,823
Rental income		14,003		14,003
Other		60		60
Unclassified		132,808		132,808
Total Receipts	<u>80,131</u>	<u>221,165</u>		<u>301,296</u>
Disbursements:				
General government			32,546	32,546
Highways and streets	78,306			78,306
Advertising and promotion		98,492		98,492
Debt service	463			463
Total Disbursements	<u>78,769</u>	<u>98,492</u>	<u>32,546</u>	<u>209,807</u>
Cash Balance, December 31, 2024	<u>\$ 122,116</u>	<u>\$ 293,144</u>	<u>\$ 0</u>	<u>\$ 415,260</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 553,009	\$ 356,731
Receipts:		
State aid	31,735	62,677
Property taxes	49,831	14,699
Franchise fees	72,806	
Sales taxes	554,450	
Fines, forfeitures, and costs	8,154	
Interest	10,500	4,521
Advertising and promotion taxes		142,430
Donations	22,381	
Rental income	14,181	51,573
Other	94,362	452
Transfers in		68,860
Total Receipts	<u>858,400</u>	<u>345,212</u>
Disbursements:		
General government	111,883	106,609
Law enforcement	332,397	
Highways and streets		95,639
Public safety	159,986	60,023
Recreation and culture	158,744	
Advertising and promotion		90,901
Wastewater	279	
Debt service	11,372	25,000
Transfers out	68,860	
Total Disbursements	<u>843,521</u>	<u>378,172</u>
Cash Balance, December 31, 2023	<u>\$ 567,888</u>	<u>\$ 323,771</u>

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

Schedule 4

	<u>Street</u>	<u>Advertising & Promotion</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 68,052	\$ 89,513	\$ 199,166	\$ 356,731
Receipts:				
State aid	62,677			62,677
Property taxes	14,699			14,699
Interest	2,105	2,404	12	4,521
Advertising and promotion taxes		142,430		142,430
Rental income		51,573		51,573
Other		452		452
Transfers in	68,860			68,860
Total Receipts	<u>148,341</u>	<u>196,859</u>	<u>12</u>	<u>345,212</u>
Disbursements:				
General government			106,609	106,609
Highways and streets	95,639			95,639
Public safety			60,023	60,023
Advertising and promotion		90,901		90,901
Debt service		25,000		25,000
Total Disbursements	<u>95,639</u>	<u>115,901</u>	<u>166,632</u>	<u>378,172</u>
Cash Balance, December 31, 2023	<u>\$ 120,754</u>	<u>\$ 170,471</u>	<u>\$ 32,546</u>	<u>\$ 323,771</u>

CITY OF HARDY, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Fire Equipment and Training, Capital Reserve, Grant, Police Seizure and Gym HVAC Grant
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2024	December 31, 2023
Payroll	\$ 10,869	\$ 34,541
Credit Card	4,922	4,814

These balances represent payroll taxes and credit card receipts that have not been transferred to the appropriate entities.

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

	December 31, 2024	December 31, 2023
Land	\$ 897,684	\$ 897,684
Buildings	1,749,637	1,749,637
Equipment	942,688	781,305
Totals	\$ 3,590,009	\$ 3,428,626

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

	December 31, 2024	December 31, 2023
Financed Purchases	\$ 137,932	\$ 40,600