

City of Horatio, Arkansas

Financial and Compliance Report

December 31, 2024 and 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HORATIO, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Horatio, 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 Horatio, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated June 26, 2025. 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 commentary contained in this section relates to the following officials who held office during 2024 and 2023:

Mayor: Coy Arnold (Appointed November 19, 2024)
Deborah Neel (Interim October 25, 2024 through November 18, 2024)
Borden Neel (Resigned October 24, 2024)
Recorder/Treasurer: Deborah Neel

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 26, 2025
LOM208624

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	\$ 640,435	\$ 231,880
Receipts:		
State aid	38,077	75,652
Property taxes	37,265	11,181
Franchise fees	41,031	
Sales taxes	188,137	77,876
Interest	11,494	5,754
Local permits and fees	10,835	
Membership dues		11,233
Donations	3,290	25
Other	13,969	1,500
Transfers in	687	5,000
Total Receipts	<u>344,785</u>	<u>188,221</u>
Disbursements:		
General government	352,764	
Law enforcement	7,289	32,942
Highways and streets		210,131
Public safety	30,943	15,928
Health	55	
Recreation and culture	30,849	
Debt service	17,354	
Transfers out	5,000	687
Total Disbursements	<u>444,254</u>	<u>259,688</u>
Cash Balance, December 31, 2024	<u>\$ 540,966</u>	<u>\$ 160,413</u>

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

Schedule 2

	Street	Fire Department	LOPFI	Fun Park	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	\$ 193,948	\$ 2,306	\$ 2,087	\$ 687	\$ 32,852	\$ 231,880
Receipts:						
State aid	75,652					75,652
Property taxes	11,181					11,181
Sales taxes	77,876					77,876
Interest	5,604	51	9		90	5,754
Membership dues		11,233				11,233
Donations		25				25
Other	1,500					1,500
Transfers in		5,000				5,000
Total Receipts	171,813	16,309	9		90	188,221
Disbursements:						
Law enforcement					32,942	32,942
Highways and streets	210,131					210,131
Public safety		13,961	1,967			15,928
Transfers out				687		687
Total Disbursements	210,131	13,961	1,967	687	32,942	259,688
Cash Balance, December 31, 2024	\$ 155,630	\$ 4,654	\$ 129	\$ 0	\$ 0	\$ 160,413

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 465,788	\$ 371,578
Receipts:		
State aid	71,834	77,608
Property taxes	31,450	9,435
Franchise fees	46,507	
Sales taxes	200,220	79,159
Interest	9,569	6,292
Local permits and fees	11,539	
Membership dues		11,234
Donations	10,742	
Other	18,691	1,077
Transfers in		6,275
Total Receipts	<u>400,552</u>	<u>191,080</u>
Disbursements:		
General government	173,282	54,392
Law enforcement	5,026	63,197
Highways and streets		191,745
Public safety	8,135	17,944
Health	2,619	
Recreation and culture	22,137	
Debt service	11,931	
Transfers out	2,775	3,500
Total Disbursements	<u>225,905</u>	<u>330,778</u>
Cash Balance, December 31, 2023	<u>\$ 640,435</u>	<u>\$ 231,880</u>

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

Schedule 4

	Street	Fire Department	LOPFI	Fun Park	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 173,112	\$ 6,067	\$ 2,185	\$ 687	\$ 189,527	\$ 371,578
Receipts:						
State aid	77,608					77,608
Property taxes	9,435					9,435
Sales taxes	79,159					79,159
Interest	4,141	48	28		2,075	6,292
Membership dues		11,234				11,234
Other	1,077					1,077
Transfers in		2,775	3,500			6,275
Total Receipts	<u>171,420</u>	<u>14,057</u>	<u>3,528</u>		<u>2,075</u>	<u>191,080</u>
Disbursements:						
General government					54,392	54,392
Law enforcement					63,197	63,197
Highways and streets	150,584				41,161	191,745
Public safety		14,318	3,626			17,944
Transfers out		3,500				3,500
Total Disbursements	<u>150,584</u>	<u>17,818</u>	<u>3,626</u>		<u>158,750</u>	<u>330,778</u>
Cash Balance, December 31, 2023	<u>\$ 193,948</u>	<u>\$ 2,306</u>	<u>\$ 2,087</u>	<u>\$ 687</u>	<u>\$ 32,852</u>	<u>\$ 231,880</u>

CITY OF HORATIO, 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 and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General and City Sales Tax

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

	December 31, 2024	December 31, 2023
Land	\$ 63,238	\$ 23,238
Buildings	484,288	476,888
Equipment	939,762	804,317
Improvements	89,860	89,860
Totals	<u>\$ 1,577,148</u>	<u>\$ 1,394,303</u>

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

	December 31, 2024	December 31, 2023
Financed purchases	<u>\$ 15,152</u>	<u>\$ 31,376</u>