

City of Horatio, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HORATIO, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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

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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 year ended December 31, 2025, and have issued our report thereon dated April 7, 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 commentary contained in this section relates to the following officials who held office during 2025:

Mayor: Coy Arnold
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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 7, 2026
LOM208625

CITY OF HORATIO, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2025	\$ 540,966	\$ 160,413
Receipts:		
State aid	36,144	167,813
Property taxes	36,471	10,942
Franchise fees	41,777	
Sales taxes	251,116	26,562
Interest	9,950	5,045
Local permits and fees	10,804	
Contributions from water and sewer	2,144	
Membership dues		8,383
Donations	12,700	
Other	8,415	
Transfers in		20,500
Total Receipts	<u>409,521</u>	<u>239,245</u>
Disbursements:		
General government	333,967	
Law enforcement	15,225	
Highways and streets		159,325
Public safety	15,732	23,435
Recreation and culture	31,371	
Contributions to water and sewer	12,577	
Debt service	13,350	
Transfers out	20,500	
Total Disbursements	<u>442,722</u>	<u>182,760</u>
Cash Balance, December 31, 2025	<u>\$ 507,765</u>	<u>\$ 216,898</u>

CITY OF HORATIO, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>LOPFI</u>	<u>Total</u>
Cash Balance, January 1, 2025	\$ 155,630	\$ 4,654	\$ 129	\$ 160,413
Receipts:				
State aid	162,811	5,002		167,813
Property taxes	10,942			10,942
Sales taxes	26,562			26,562
Interest	5,011	26	8	5,045
Membership dues		8,383		8,383
Transfers in	12,000	6,500	2,000	20,500
Total Receipts	<u>217,326</u>	<u>19,911</u>	<u>2,008</u>	<u>239,245</u>
Disbursements:				
Highways and streets	159,325			159,325
Public safety		21,809	1,626	23,435
Total Disbursements	<u>159,325</u>	<u>21,809</u>	<u>1,626</u>	<u>182,760</u>
Cash Balance, December 31, 2025	<u>\$ 213,631</u>	<u>\$ 2,756</u>	<u>\$ 511</u>	<u>\$ 216,898</u>

CITY OF HORATIO, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 3

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, 2025
Land	\$ 63,238
Buildings	484,288
Equipment	981,420
Improvements	89,860
Total	\$ 1,618,806

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

	December 31, 2025
Financed purchase	\$ 2,149