

City of Hamburg, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HAMBURG, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Arkansas

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Sen. John Payton
Senate Vice Chair



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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Hamburg, 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 Hamburg, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated September 11, 2024. These procedures were not performed for the Water and Sewer Funds. 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:

Mayor: David Streeter
Recorder/Treasurer: Melissa Carpenter
District Court Clerk: Heather Smith
Police Chief: Johnny Oliver

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", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 11, 2024
LOM104023

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund Capital Improvements
Cash Balance, January 1, 2023	\$ 377,504	\$ 754,767	\$ 504,771	\$ 1,695,187
Receipts:				
State aid	44,322	266,385		
Federal aid	11,774	50,000		
Property taxes	111,382	20,106		
Franchise fees	138,042			
Sales taxes	419,061	463,670	463,670	463,670
Fines, forfeitures, and costs	56,559	32,284		
Interest	2,866	2,487	16,951	1,922
Local permits and fees	6,274			
Mosquito	27,899			
Sanitation fees	264,882			
Other	71,310	19,935		111,796
Transfers in		36,200		
Total Receipts	<u>1,154,371</u>	<u>891,067</u>	<u>480,621</u>	<u>577,388</u>
Disbursements:				
General government	279,190			50,815
Law enforcement	759,263	69,964		102,968
Highways and streets	404	313,815		128,439
Public safety	60,653	344,046	3,400	1,471
Sanitation	192,999			
Health	19,294			
Recreation and culture	77,496			72,087
Wastewater				251,338
Debt service			415,369	19,356
Transfers out	11,750			24,450
Total Disbursements	<u>1,401,049</u>	<u>727,825</u>	<u>418,769</u>	<u>650,924</u>
Cash Balance, December 31, 2023	<u>\$ 130,826</u>	<u>\$ 918,009</u>	<u>\$ 566,623</u>	<u>\$ 1,621,651</u>

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

Schedule 2

	<u>Street</u>	<u>District Court Cost</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>Ambulance Service</u>	<u>American Relief Act Fund</u>	<u>Police Vehicles - USDA Grant</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 232,777	\$ 41,501	\$ 82,424	\$ 393,851	\$ 4,214		\$ 754,767
Receipts:							
State aid	213,928		52,457				266,385
Federal aid						\$ 50,000	50,000
Property taxes	20,106						20,106
Sales taxes				463,670			463,670
Fines, forfeitures, and costs		32,284					32,284
Interest	2,184		61	240		2	2,487
Other	8,406	11,529					19,935
Transfers in	11,750					24,450	36,200
Total Receipts	<u>256,374</u>	<u>43,813</u>	<u>52,518</u>	<u>463,910</u>		<u>74,452</u>	<u>891,067</u>
Disbursements:							
Law enforcement		24,542				45,422	69,964
Highways and streets	313,815						313,815
Public safety			52,876	291,170			344,046
Total Disbursements	<u>313,815</u>	<u>24,542</u>	<u>52,876</u>	<u>291,170</u>		<u>45,422</u>	<u>727,825</u>
Cash Balance, December 31, 2023	<u>\$ 175,336</u>	<u>\$ 60,772</u>	<u>\$ 82,066</u>	<u>\$ 566,591</u>	<u>\$ 4,214</u>	<u>\$ 29,030</u>	<u>\$ 918,009</u>

CITY OF HAMBURG, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

	Sales & Use Tax Bonds - Series 2017A Fire Station Facilities	Sales & Use Tax Bonds - Series 2017B Recreational Facilities	Total
Cash Balance, January 1, 2023	\$ 259,657	\$ 245,114	\$ 504,771
Receipts:			
Sales taxes	231,835	231,835	463,670
Interest	8,634	8,317	16,951
Total Receipts	<u>240,469</u>	<u>240,152</u>	<u>480,621</u>
Disbursements:			
Public safety	1,700	1,700	3,400
Debt service	207,856	207,513	415,369
Total Disbursements	<u>209,556</u>	<u>209,213</u>	<u>418,769</u>
Cash Balance, December 31, 2023	<u>\$ 290,570</u>	<u>\$ 276,053</u>	<u>\$ 566,623</u>

CITY OF HAMBURG, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 4

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

2. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
Police Bond and Fine	\$ 1,680
District Court	57,314

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2023
Land	\$ 172,923
Buildings and improvements	6,411,356
Equipment	2,309,172
Total	\$ 8,893,451

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

	December 31, 2023
Financed purchase	\$ 79,307
Bonds payable	2,285,000
Total	\$ 2,364,307

CITY OF HAMBURG, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 4

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

	December 31, 2023
Sales and Use Tax Capital Improvement Bond-Series A to finance capital improvements for constructing a new fire station, ambulance depot and related facilities and equipment; dated October 23, 2017, in the amount of \$1,500,000; due in annual installments of \$75,000 to \$130,000 plus interest, through February 1, 2032; interest rate at 1.75 - 3%. Payments are to be made from the Sales and Use Tax Bond - Series 2017A Fund.	\$ 745,000
Sales and Use Tax Capital Improvement Bond- Series B to finance capital improvements for the City's park's and recreational facilities, dated October 23, 2017; in the amount of \$2,150,000; due in annual installments of \$55,000 to \$135,000 plus interest, through February 1, 2040; interest rate at 1.75 - 3.75%. Payments are to be made from the Sales and Use Tax Bond - Series 2017B Fund.	1,540,000
Financed purchase agreement with BancorpSouth Equipment Finance dated January 14, 2021, in the amount of \$128,600, with an interest rate of 2.34% for the purchase of 2021 Freightliner M2 106 Truck and Refuse Body. Monthly installments due of \$1,613 for 36 months and a balloon payment of \$78,000 due at maturity on March 14, 2024. Payments are to be made from the Capital Improvement Fund.	79,307
Total	\$ 2,364,307

6. The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Financed Purchase	Bonds	Total
2024	\$ 79,613	\$ 271,375	\$ 350,988
2025		272,213	272,213
2026		272,937	272,937
2027		272,088	272,088
2028		271,087	271,087
2029 through 2033		918,075	918,075
2034 through 2038		698,500	698,500
2039 through 2040		27,950	27,950
Total Obligations	79,613	3,004,225	3,083,838
Less Interest	306	719,225	719,531
Total Principal	\$ 79,307	\$ 2,285,000	\$ 2,364,307