

City of Hardy, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HARDY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Arkansas

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Senate Vice Chair



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House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
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 year ended December 31, 2022, and have issued our report thereon dated November 1, 2023. 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 2022:

Mayor: Ernest Rose
Recorder/Treasurer: Darlene Wilson
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.

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 cursive script, reading "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
November 1, 2023
LOM207822

CITY OF HARDY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 479,433	\$ 306,898
Receipts:		
State aid	31,911	64,148
Federal aid		139,246
Property taxes	49,185	15,392
Franchise fees	66,199	
Sales taxes	538,915	
Fines, forfeitures, and costs	11,619	
Interest	395	163
Advertising and promotion taxes	23,950	114,442
Insurance proceeds	211,727	
Proceeds from sale of fixed assets	75,000	
Donations	11,422	1,300
Rental income	46,453	11,020
Loan proceeds	50,000	
Other	63,459	502
Unclassified	13,441	
Total Receipts	<u>1,193,676</u>	<u>346,213</u>
Disbursements:		
General government	276,016	
Law enforcement	386,486	19,339
Highways and streets		156,045
Public safety	139,306	
Recreation and culture	307,773	
Community development		52,746
Wastewater	159	
Debt service	10,360	68,250
Total Disbursements	<u>1,120,100</u>	<u>296,380</u>
Cash Balance, December 31, 2022	<u>\$ 553,009</u>	<u>\$ 356,731</u>

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

Schedule 2

	Street	Advertising & Promotion	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 162,225	\$ 65,426	\$ 79,247	\$ 306,898
Receipts:				
State aid	64,148			64,148
Federal aid			139,246	139,246
Property taxes	15,392			15,392
Interest	80	71	12	163
Advertising and promotion taxes		114,442		114,442
Donations		1,300		1,300
Rental income		11,020		11,020
Other	502			502
Total Receipts	<u>80,122</u>	<u>126,833</u>	<u>139,258</u>	<u>346,213</u>
Disbursements:				
Law enforcement			19,339	19,339
Highways and streets	156,045			156,045
Advertising and promotion		52,746		52,746
Debt service	18,250	50,000		68,250
Total Disbursements	<u>174,295</u>	<u>102,746</u>	<u>19,339</u>	<u>296,380</u>
Cash Balance, December 31, 2022	<u>\$ 68,052</u>	<u>\$ 89,513</u>	<u>\$ 199,166</u>	<u>\$ 356,731</u>

CITY OF HARDY, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

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, 2022
Payroll	\$ 21,180
Credit Card	9,414

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, 2022
Land	\$ 897,684
Buildings	1,749,637
Equipment	670,546
Total	<u><u>\$ 3,317,867</u></u>

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

	December 31, 2022
Financed purchases	<u><u>\$ 75,250</u></u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 79,246
American Rescue Plan Act (passes though from Sharp County)	60,000
Total	<u><u>\$ 139,246</u></u>