

**City of Hartford, Arkansas**

**Financial and Compliance Report**

**December 31, 2022 and 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF HARTFORD, ARKANSAS  
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# Arkansas

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**Sen. John Payton**  
Senate Vice Chair



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**Rep. Richard Womack**  
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 Hartford, 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 Hartford, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated March 19, 2024. These procedures were not performed for the Water 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 2022 and 2021:

Mayor: Richard Hartsfield  
Recorder/Treasurer: Raye Morgan  
Police Chief: Josiah Bolin

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 **Mayor**.

#### **Mayor**

In 2022, the governing body did not adopt the budgets by ordinance or resolution, in noncompliance with Ark. Code Ann. § 14-58-202. A similar finding was noted in the prior report.

General Fund disbursements exceeded budgeted appropriations by \$59,535 (21%) and \$153,912 (54%) in 2022 and 2021, respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the prior report for the Street Fund.

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas  
March 19, 2024  
LOM207922

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2022	\$ 195,459	\$ 110,143
Receipts:		
State aid	26,891	43,082
Federal aid		65,158
Property taxes	18,914	11,349
Franchise fees	27,897	
Sales taxes	222,396	
Fines, forfeitures, and costs	8,996	
Interest	466	179
Local permits and fees	5,820	
Contributions from water department	15,000	
Sale of assets	13,000	
Other	17,245	36,937
Total Receipts	<u>356,625</u>	<u>156,705</u>
Disbursements:		
General government	127,316	
Law enforcement	76,202	785
Highways and streets		85,291
Public safety	76,573	
Recreation and culture	15,888	
Social services	3,600	
Debt service	24,349	
Contributions to water department		35,305
Sales tax remitted to water department	21,079	
Total Disbursements	<u>345,007</u>	<u>121,381</u>
Cash Balance, December 31, 2022	<u>\$ 207,077</u>	<u>\$ 145,467</u>

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

Schedule 2

	Street	Police Housing	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 42,519	\$ 2,440	\$ 65,184	\$ 110,143
Receipts:				
State aid	43,082			43,082
Federal aid			65,158	65,158
Property taxes	11,349			11,349
Interest	136		43	179
Other	36,937			36,937
Total Receipts	<u>91,504</u>		<u>65,201</u>	<u>156,705</u>
Disbursements:				
Law enforcement		785		785
Highways and streets	85,291			85,291
Contributions to water department			35,305	35,305
Total Disbursements	<u>85,291</u>	<u>785</u>	<u>35,305</u>	<u>121,381</u>
Cash Balance, December 31, 2022	<u>\$ 48,732</u>	<u>\$ 1,655</u>	<u>\$ 95,080</u>	<u>\$ 145,467</u>

CITY OF HARTFORD, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2021	\$ 154,500	\$ 65,526
Receipts:		
State aid	21,647	50,048
Federal aid		65,159
Property taxes	17,357	10,414
Franchise fees	32,483	
Sales taxes	220,407	
Fines, forfeitures, and costs	8,351	
Interest	70	57
Local permits and fees	4,950	
Sale of assets	60,870	
Loan proceeds	105,000	
Other	8,202	3,478
Total Receipts	<u>479,337</u>	<u>129,156</u>
Disbursements:		
General government	106,021	
Law enforcement	76,156	225
Highways and streets		84,314
Public safety	165,925	
Recreation and culture	19,856	
Social services	3,000	
Debt service	32,302	
Contributions to water department	15,000	
Sales tax remitted to water department	20,118	
Total Disbursements	<u>438,378</u>	<u>84,539</u>
Cash Balance, December 31, 2021	<u>\$ 195,459</u>	<u>\$ 110,143</u>

CITY OF HARTFORD, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 4

	<u>Street</u>	<u>Police Housing</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2021	\$ 62,861	\$ 2,665		\$ 65,526
Receipts:				
State aid	50,048			50,048
Federal aid			\$ 65,159	65,159
Property taxes	10,414			10,414
Interest	32		25	57
Other	3,478			3,478
Total Receipts	<u>63,972</u>		<u>65,184</u>	<u>129,156</u>
Disbursements:				
Law enforcement		225		225
Highways and streets	84,314			84,314
Total Disbursements	<u>84,314</u>	<u>225</u>		<u>84,539</u>
Cash Balance, December 31, 2021	<u>\$ 42,519</u>	<u>\$ 2,440</u>	<u>\$ 65,184</u>	<u>\$ 110,143</u>

CITY OF HARTFORD, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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  
     W.J. Hamilton Memorial Museum  
     Alexander Park  
     Police Department  
     Rural Volunteer Fire Department

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

	December 31, 2022	December 31, 2021
Land	\$ 92,790	\$ 92,790
Buildings	616,000	616,000
Improvements	76,436	64,325
Equipment	455,353	455,353
Totals	\$ 1,240,579	\$ 1,228,468

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

	December 31, 2022	December 31, 2021
Financed purchase	\$ 73,559	\$ 94,698

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

	December 31, 2022	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 65,158	\$ 65,159