

City of Hazen, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HAZEN, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Senate Vice Chair



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Hazen, 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 Hazen, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated May 30, 2023. These procedures were not performed for the Water, Sewer, and Gas 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 2022:

Mayor: David Hardke
Recorder/Treasurer: David Hoover
District Court Clerk: Annette Felts
Police Chief: Bradley Taylor

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
May 30, 2023
LOM208322

CITY OF HAZEN, 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	\$ 861,907	\$ 1,039,099
Receipts:		
State aid	263,599	151,794
Federal aid	17,299	139,225
Property taxes	79,725	41,396
Franchise fees	69,589	
Sales taxes	1,365,978	
Fines, forfeitures, and costs	362,791	3,695
Interest	2,838	1,576
Local permits and fees	4,657	
Advertising and promotion taxes		16,355
Rent	76,536	
Airport fuel sales	8,426	
Other	135,722	11,250
Transfers in	498,592	1,146,746
Total Receipts	<u>2,885,752</u>	<u>1,512,037</u>
Disbursements:		
General government	336,202	9,842
Law enforcement	967,975	52,826
Highways and streets	10,236	167,795
Public safety	49,936	9,950
Sanitation		127,418
Health		101,128
Recreation and culture	24,354	66,410
Airport	295,713	
Contributions to water, sewer and gas		65,800
Wastewater		6,307
Transfers out	1,146,746	498,592
Total Disbursements	<u>2,831,162</u>	<u>1,106,068</u>
Cash Balance, December 31, 2022	<u>\$ 916,497</u>	<u>\$ 1,445,068</u>

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

Schedule 2

	Street	Fire Protection	Municipal Court Cost	Local Police and Fire Retirement LOPFI	Sales Tax	American Rescue Plan Act	County Fire Millage	Total
Cash Balance, January 1, 2022	\$ 83,810	\$ 38,248	\$ 1,605	\$ 9,354	\$ 771,999	\$ 134,083		\$ 1,039,099
Receipts:								
State aid	127,865	23,929						151,794
Federal aid						139,225		139,225
Property taxes	27,004						\$ 14,392	41,396
Fines, forfeitures, and costs			3,695					3,695
Interest	56	31	2	6	1,381	95	5	1,576
Advertising and promotion taxes					16,355			16,355
Other	5,670				5,580			11,250
Transfers in					1,146,746			1,146,746
Total Receipts	160,595	23,960	3,697	6	1,170,062	139,320	14,397	1,512,037
Disbursements:								
General government					9,842			9,842
Law enforcement			3,201		49,625			52,826
Highways and streets	167,795							167,795
Public safety		7,253		1,245			1,452	9,950
Sanitation					127,418			127,418
Health					101,128			101,128
Recreation and culture					66,410			66,410
Contribution to water, sewer and gas					65,800			65,800
Wastewater						6,307		6,307
Transfers out					498,592			498,592
Total Disbursements	167,795	7,253	3,201	1,245	918,815	6,307	1,452	1,106,068
Cash Balance, December 31, 2022	\$ 76,610	\$ 54,955	\$ 2,101	\$ 8,115	\$ 1,023,246	\$ 267,096	\$ 12,945	\$ 1,445,068

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, City Contingency, and Police Department Assets and Forfeitures
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022
Police Bond and Fine	\$ 487
District Court	19,376
Payroll	12,627
Small Claims	201
Administration of Justice	1

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

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

	December 31, 2022
Land	\$ 843,055
Buildings & Improvements	1,280,894
Equipment	3,251,846
Total	<u>\$ 5,375,795</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 139,225</u>