

City of Hazen, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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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 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, 2023, and have issued our report thereon dated April 25, 2024. 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 2023:

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
April 25, 2024
LOM208323

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 916,497	\$ 1,445,068
Receipts:		
State aid	134,333	166,101
Federal aid	20,868	
Property taxes	86,206	43,759
Franchise fees	73,393	
Sales taxes	1,501,343	
Fines, forfeitures, and costs	358,966	214,960
Interest	23,320	15,571
Local permits and fees	5,348	
Advertising and promotion taxes		18,580
Rent	89,960	
Airport fuel sales	10,309	
Other	181,341	12,634
Transfers in	497,899	1,341,869
Total Receipts	<u>2,983,286</u>	<u>1,813,474</u>
Disbursements:		
General government	341,417	8,609
Law enforcement	993,640	80,431
Highways and streets		257,761
Public safety	63,213	16,392
Sanitation		132,304
Health		103,119
Recreation and culture	122,621	86,615
Airport	49,967	
Contribution to water, sewer, and gas		137,505
Wastewater		119,373
Transfers out	1,273,027	566,741
Total Disbursements	<u>2,843,885</u>	<u>1,508,850</u>
Cash Balance, December 31, 2023	<u>\$ 1,055,898</u>	<u>\$ 1,749,692</u>

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

Schedule 2

	Street	Fire Protection	Municipal Court Cost	Local Police and Fire Retirement LOPFI	Sales Tax	American Rescue Plan Act	County Fire Millage	Federal Assets and Forfeitures	Total
Cash Balance, January 1, 2023	\$ 76,610	\$ 54,955	\$ 2,101	\$ 8,115	\$ 1,023,246	\$ 267,096	\$ 12,945		\$ 1,445,068
Receipts:									
State aid	124,932	26,319			14,850				166,101
Property taxes	28,397						15,362		43,759
Fines, forfeitures, and costs			3,694					\$ 211,266	214,960
Interest	92	77	4	19	14,724	443	28	184	15,571
Advertising and promotion taxes					18,580				18,580
Other	5,120				7,514				12,634
Transfers in	68,842				1,273,027				1,341,869
Total Receipts	227,383	26,396	3,698	19	1,328,695	443	15,390	211,450	1,813,474
Disbursements:									
General government					8,609				8,609
Law enforcement			2,794		65,879			11,758	80,431
Highways and streets	257,761								257,761
Public safety		13,296		1,296			1,800		16,392
Sanitation					132,304				132,304
Health					103,119				103,119
Recreation and culture					86,615				86,615
Contribution to water, sewer, and gas					137,505				137,505
Wastewater						119,373			119,373
Transfers out					566,741				566,741
Total Disbursements	257,761	13,296	2,794	1,296	1,100,772	119,373	1,800	11,758	1,508,850
Cash Balance, December 31, 2023	\$ 46,232	\$ 68,055	\$ 3,005	\$ 6,838	\$ 1,251,169	\$ 148,166	\$ 26,535	\$ 199,692	\$ 1,749,692

CITY OF HAZEN, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 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, 2023
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Police Bond and Fine	\$ 899
District Court	24,717
Payroll	10,617
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, 2023
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Land	\$ 887,414
Buildings	1,298,920
Equipment	<hr/> 3,293,865
Total	<hr/> <hr/> \$ 5,480,199