

City of Hampton, Arkansas

Financial and Compliance Report

December 31, 2022

***Including Financial Information
For
December 31, 2021 and 2020***

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HAMPTON, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

Financial and Compliance Report

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Arkansas

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Sen. John Payton
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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 Hampton, 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 Hampton, Arkansas, as of and for the year ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated February 14, 2024. 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 findings contained in this section relate to the following officials who held office during 2022, 2021, and 2020:

Mayor:	Rick Shirron
Recorder/Treasurer:	Felicia Akers (resigned July 7, 2020) Brooke Parker (appointed August 10, 2020, resigned March 18, 2022) Brandy Belin (appointed March 18, 2022)
District Court Clerk - City:	Laura Beth Evans
District Court Clerk - County:	Joellen Hannegan (resigned March 18, 2022) Scilar McCaughan (hired May 1, 2022)
Police Chief:	Bob Dunn

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 offices of **Mayor**, **Recorder/Treasurer**, and **District Court Clerk – County Division**.

Mayor

The governing body did not review the prior report at the first regularly scheduled meeting following the receipt of the report, as required by Ark. Code Ann. § 10-4-418. A similar finding was issued in the prior report.

Recorder/Treasurer

General Fund receipts and disbursements journals were not properly posted, classified, and reconciled with bank deposits and withdrawals, as required by Ark. Code Ann. §§ 14-59-108, -110, -111. A similar finding was issued in the prior report.

District Court Clerk – County Division

Bank reconciliations were not prepared for the District Court County and Small Claims/Civil accounts, as required by Ark. Code Ann. § 16-10-209.

The ending balance in the District Court County account was not identified with receipts issued for cases not yet adjudicated, in the amount of \$29,254, as required by Ark. Code Ann. § 16-10-209. A similar finding was issued in the prior 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, reading "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" and last name "Norman" clearly distinguishable.

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

Little Rock, Arkansas
February 14, 2024
LOM207722

CITY OF HAMPTON, 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	\$ 280,579	\$ 424,174
Receipts:		
State aid	32,618	116,931
Federal aid	3,000	140,215
Property taxes	58,794	22,326
Franchise fees	102,640	
Sales taxes	567,584	
Fines, forfeitures, and costs	97,607	2,347
Interest	45	60
Local permits and fees	1,068	
Other	26,941	23,914
Transfers in		341
Total Receipts	<u>890,297</u>	<u>306,134</u>
Disbursements:		
General government	184,195	
Law enforcement	311,799	7,410
Highways and streets		81,503
Public safety	8,263	10,676
Sanitation	279,877	
Recreation and culture	39,738	13,575
Water and sewer	28,473	87,079
Transfers out	341	
Total Disbursements	<u>852,686</u>	<u>200,243</u>
Cash Balance, December 31, 2022	<u>\$ 318,190</u>	<u>\$ 530,065</u>

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

Schedule 2

	Street	Local Police and Fire Retirement	Fire Department (ACT 833)	Motor Vehicle Liability Insurance	Court Clerk Automation	Police Department Special Asset Forfeiture	Hampton Cemetery	American Rescue Plan Act	Hampton Ball Park	Hampton Wastewater Improvement	Total
Cash Balance, January 1, 2022	\$ 186,692	\$ 24,904	\$ 62,546	\$ 954	\$ 13,975	\$ 2,436	\$ 2,690	\$ 129,977			\$ 424,174
Receipts:											
State aid	101,964		14,967								116,931
Federal aid								130,316		\$ 9,899	140,215
Property taxes	17,626		4,700								22,326
Fines, forfeitures, and costs				235	2,112						2,347
Interest		54			6						60
Other	655		5,259						\$ 18,000		23,914
Transfers in								341			341
Total Receipts	<u>120,245</u>	<u>54</u>	<u>24,926</u>	<u>235</u>	<u>2,118</u>			<u>130,657</u>	<u>18,000</u>	<u>9,899</u>	<u>306,134</u>
Disbursements:											
General government											
Law enforcement					7,410						7,410
Highways and streets	81,503										81,503
Public safety			10,676								10,676
Recreation and culture									13,575		13,575
Water and sewer								77,180		9,899	87,079
Total Disbursements	<u>81,503</u>		<u>10,676</u>		<u>7,410</u>			<u>77,180</u>	<u>13,575</u>	<u>9,899</u>	<u>200,243</u>
Cash Balance, December 31, 2022	<u>\$ 225,434</u>	<u>\$ 24,958</u>	<u>\$ 76,796</u>	<u>\$ 1,189</u>	<u>\$ 8,683</u>	<u>\$ 2,436</u>	<u>\$ 2,690</u>	<u>\$ 183,454</u>	<u>\$ 4,425</u>	<u>\$ 0</u>	<u>\$ 530,065</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 154,523	\$ 265,259
Receipts:		
State aid	21,123	120,884
Federal aid	8,550	199,717
Property taxes	51,721	19,654
Franchise fees	101,722	
Sales taxes	510,878	
Fines, forfeitures, and costs	85,808	4,138
Interest	96	102
Local permits and fees	2,486	
Contribution from water and sewer	129,723	
Other	12,085	8,159
Total Receipts	<u>924,192</u>	<u>352,654</u>
Disbursements:		
General government	209,934	
Law enforcement	326,276	4,674
Highways and streets		86,709
Public safety	6,406	98,393
Sanitation	212,092	
Recreation and culture	20,173	
Water and sewer	23,255	
Debt service		3,963
Total Disbursements	<u>798,136</u>	<u>193,739</u>
Cash Balance, December 31, 2021	<u>\$ 280,579</u>	<u>424,174</u>

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

Schedule 4

	Street	Local Police and Fire Retirement	Fire Department (ACT 833)	Motor Vehicle Liability	Court Clerk Automation	Police Department Special Asset Forfeiture	Hampton Cemetery	American Rescue Plan ACT	Fire Department Grant	Total
Cash Balance, January 1, 2021	\$ 148,875	\$ 24,810	\$ 67,028	\$ 2,717	\$ 16,703	\$ 2,436	\$ 2,690			\$ 265,259
Receipts:										
State aid	106,265		14,619							120,884
Federal aid								\$ 129,977	\$ 69,740	199,717
Property taxes	15,516		4,138							19,654
Fines, forfeitures, and costs				2,200	1,938					4,138
Interest		94			8					102
Other	2,745		5,414							8,159
Total Receipts	124,526	94	24,171	2,200	1,946			129,977	69,740	352,654
Disbursements:										
General government										
Law enforcement					4,674					4,674
Highways and streets	86,709									86,709
Public safety			28,653						69,740	98,393
Debt service				3,963						3,963
Total Disbursements	86,709		28,653	3,963	4,674				69,740	193,739
Cash Balance, December 31, 2021	\$ 186,692	\$ 24,904	\$ 62,546	\$ 954	\$ 13,975	\$ 2,436	\$ 2,690	\$ 129,977	\$ 0	\$ 424,174

CITY OF HAMPTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 236,114	\$ 196,951
Receipts:		
State aid	19,644	114,721
Federal aid	52,454	15,735
Property taxes	71,511	27,165
Franchise fees	99,890	
Sales taxes	466,532	
Fines, forfeitures, and costs	94,201	7,035
Interest	171	140
Local permits and fees	1,025	
Contribution from water and sewer	75,804	
Other	33,083	6,708
Transfers in	980	
Total Receipts	<u>915,295</u>	<u>171,504</u>
Disbursements:		
General government	294,854	
Law enforcement	349,425	1,991
Highways and streets	2,256	72,868
Public safety	17,585	25,107
Sanitation	259,875	
Recreation and culture	46,241	
Water and sewer	23,500	
Debt service	3,150	2,250
Transfers out		980
Total Disbursements	<u>996,886</u>	<u>103,196</u>
Cash Balance, December 31, 2020	<u>\$ 154,523</u>	<u>\$ 265,259</u>

CITY OF HAMPTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 6

	Street	Local Police and Fire Retirement	Fire Department (ACT 833)	Motor Vehicle Liability	Court Clerk Automation	Police Department Special Asset Forfeiture	Hampton Cemetery	Fire Department Grant	Total
Cash Balance, January 1, 2020	\$ 89,422	\$ 24,672	\$ 60,127	\$ 3,127	\$ 14,477	\$ 2,436	\$ 2,690		\$ 196,951
Receipts:									
State aid	106,117		8,604						114,721
Federal aid								\$ 15,735	15,735
Property taxes	21,446		5,719						27,165
Fines, forfeitures, and costs				2,240	4,795				7,035
Interest		138			2				140
Other	4,758		1,950						6,708
Total Receipts	132,321	138	16,273	2,240	4,797			15,735	171,504
Disbursements:									
General government									
Law enforcement					1,991				1,991
Highways and streets	72,868								72,868
Public safety			9,372					15,735	25,107
Debt service				2,250					2,250
Transfers out				400	580				980
Total Disbursements	72,868		9,372	2,650	2,571			15,735	103,196
Cash Balance, December 31, 2020	\$ 148,875	\$ 24,810	\$ 67,028	\$ 2,717	\$ 16,703	\$ 2,436	\$ 2,690	\$ 0	\$ 265,259

CITY OF HAMPTON, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Service Fee, and Sales Tax
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Police Bond and Fine	\$ 100	\$ 100	\$ 100
District Court	49,848	24,295	63,809
Administration of Justice	100	20,537	15,535

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

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

	December 31, 2022	December 31, 2021	December 31, 2020
Land	\$ 265,590	\$ 265,590	\$ 265,590
Buildings	91,668	91,668	91,668
Improvements	142,538	132,466	132,466
Equipment	571,559	562,910	562,910
Totals	<u>\$ 1,071,355</u>	<u>\$ 1,052,634</u>	<u>\$ 1,052,634</u>

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

	December 31, 2020
Financed purchase	<u>\$ 3,920</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)			\$ 52,454
American Rescue Plan Act (ARPA)	\$ 130,316	\$ 129,977	
Totals	<u>\$ 130,316</u>	<u>\$ 129,977</u>	<u>\$ 52,454</u>