

Town of Hector, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HECTOR, ARKANSAS
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Arkansas



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Sen. Gary Stubblefield
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Hector, 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 Town of Hector, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated April 7, 2022. Management of the Town 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 2021 and 2020:

Mayor: Carey McGee (resigned July 1, 2020)
John Riley (appointed July 1, 2020)
Recorder/Treasurer: Sandra Barton
Police Chief: Scott Dixon (resigned January 31, 2020)
Phillip Hubbard (appointed January 31, 2020)

We evaluated the Town'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 Town 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 7, 2022
LOM307821

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 105,643	\$ 66,632
Receipts:		
State aid	7,207	36,309
Federal aid	126	48,147
Property taxes		4,188
Franchise fees	19,573	
Sales taxes	176,089	
Gas and oil company reimbursements	72	
School resource officer reimbursement	26,250	
Rural community grant	8,230	
Other	1,551	
Total Receipts	<u>239,098</u>	<u>88,644</u>
Disbursements:		
General government	118,216	114
Law enforcement	88,819	
Highways and streets		40,011
Public safety	28,227	
Recreation and culture	3,386	
Debt service	1,118	
Total Disbursements	<u>239,766</u>	<u>40,125</u>
Cash Balance, December 31, 2021	<u>\$ 104,975</u>	<u>\$ 115,151</u>

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

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2021	\$ 66,632		\$ 66,632
Receipts:			
State aid	36,309		36,309
Federal aid		\$ 48,147	48,147
Property taxes	4,188		4,188
Total Receipts	<u>40,497</u>	<u>48,147</u>	<u>88,644</u>
Disbursements:			
General government		114	114
Highways and streets	40,011		40,011
Total Disbursements	<u>40,011</u>	<u>114</u>	<u>40,125</u>
Cash Balance, December 31, 2021	<u>\$ 67,118</u>	<u>\$ 48,033</u>	<u>\$ 115,151</u>

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

Schedule 3

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2020	\$ 51,573	\$ 48,276
Receipts:		
State aid	6,677	33,971
Federal aid	17,801	
Property taxes		4,329
Franchise fees	20,544	
Sales taxes	157,363	
Gas and oil company reimbursements	31	
School resource officer reimbursement	35,000	
Other	1,606	
Total Receipts	<u>239,022</u>	<u>38,300</u>
Disbursements:		
General government	89,727	
Law enforcement	83,246	
Highways and streets		19,944
Public safety	9,756	
Recreation and culture	2,223	
Total Disbursements	<u>184,952</u>	<u>19,944</u>
Cash Balance, December 31, 2020	<u>\$ 105,643</u>	<u>\$ 66,632</u>

TOWN OF HECTOR, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)

Schedule 4

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 Fund and Local Police and Fire Retirement (LOPFI) Fund
3. The Municipality's capital assets records are summarized below:

	December 31, 2021	December 31, 2020
Land	\$ 11,121	\$ 11,121
Buildings	70,735	61,985
Equipment	167,198	108,205
Total	<u>\$ 249,054</u>	<u>\$ 181,311</u>

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

	December 31, 2021
Notes payable	<u>\$ 24,757</u>

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

	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)		\$ 17,801
American Rescue Plan Act (ARPA)	<u>\$ 48,273</u>	
Total	<u>\$ 48,273</u>	<u>\$ 17,801</u>