

Town of Hector, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HECTOR, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
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

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, 2023 and 2022, and have issued our report thereon dated April 5, 2024. 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 2023 and 2022:

Mayor: John Riley
Recorder/Treasurer: Sandra Barton
Police Chief: Phillip Hubbard

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 5, 2024
LOM307823

TOWN OF HECTOR, 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	\$ 131,719	\$ 120,392
Receipts:		
State aid	6,249	34,671
Property taxes		4,502
Franchise fees	25,078	
Sales taxes	197,332	
Gas and oil company reimbursements	206	
School resource officer reimbursement	39,145	
Rural community grant		15,000
Other	1,780	20
Total Receipts	<u>269,790</u>	<u>54,193</u>
Disbursements:		
General government	132,023	4,228
Law enforcement	103,036	2,688
Highways and streets		110,989
Public safety	9,042	
Recreation and culture	2,935	10,840
Debt service	18,397	
Total Disbursements	<u>265,433</u>	<u>128,745</u>
Cash Balance, December 31, 2023	<u>\$ 136,076</u>	<u>\$ 45,840</u>

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

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 55,237	\$ 65,155	\$ 120,392
Receipts:			
State aid	34,671		34,671
Property taxes	4,502		4,502
Rural community grant	15,000		15,000
Other	20		20
Total Receipts	<u>54,193</u>		<u>54,193</u>
Disbursements:			
General government		4,228	4,228
Law enforcement		2,688	2,688
Highways and streets	76,992	33,997	110,989
Recreation and culture		10,840	10,840
Total Disbursements	<u>76,992</u>	<u>51,753</u>	<u>128,745</u>
Cash Balance, December 31, 2023	<u>\$ 32,438</u>	<u>\$ 13,402</u>	<u>\$ 45,840</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 104,975	\$ 115,151
Receipts:		
State aid	11,514	35,484
Federal aid		48,273
Property taxes		4,353
Franchise fees	22,491	
Sales taxes	188,975	
Gas and oil company reimbursements	347	
School resource officer reimbursement	38,000	
Other	1,972	
Total Receipts	<u>263,299</u>	<u>88,110</u>
Disbursements:		
General government	93,288	22,578
Law enforcement	116,111	5,807
Highways and streets		54,484
Public safety	6,534	
Recreation and culture	2,837	
Debt service	17,785	
Total Disbursements	<u>236,555</u>	<u>82,869</u>
Cash Balance, December 31, 2022	<u>\$ 131,719</u>	<u>\$ 120,392</u>

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

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 67,118	\$ 48,033	\$ 115,151
Receipts:			
State aid	35,484		35,484
Federal aid		48,273	48,273
Property taxes	4,353		4,353
Total Receipts	<u>39,837</u>	<u>48,273</u>	<u>88,110</u>
Disbursements:			
General government		22,578	22,578
Law enforcement		5,807	5,807
Highways and streets	51,718	2,766	54,484
Total Disbursements	<u>51,718</u>	<u>31,151</u>	<u>82,869</u>
Cash Balance, December 31, 2022	<u>\$ 55,237</u>	<u>\$ 65,155</u>	<u>\$ 120,392</u>

TOWN OF HECTOR, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 Fund and Local Police and Fire Retirement (LOPFI) Fund

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

	December 31, 2023	December 31, 2022
Land	\$ 11,121	\$ 11,121
Buildings	102,031	82,241
Equipment	170,619	157,739
Totals	<u>\$ 283,771</u>	<u>\$ 251,101</u>

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

	December 31, 2023	December 31, 2022
Financed purchases	-	<u>\$ 18,030</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 48,273</u>