

Town of Sunset, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF SUNSET, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

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Arkansas

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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

Town of Sunset, 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 Sunset, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated January 19, 2023. These procedures were not performed for the Water and Sewer Funds. Management of the Town 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 2021:

Mayor: Lensey Hayes
Recorder/Treasurer: Vacant

We evaluated the Town's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the office of the **Mayor**.

Mayor

Restricted funds from previous years of \$17,060 were not transferred to the Street Fund from the General Fund, as required by Ark. Code Ann. § 14-59-104. The Town made payments in 2021 to reduce the balance owed to the Street Fund. A similar finding was noted in the previous nine reports dating back to 2007.

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
January 19, 2023
LOM315821

TOWN OF SUNSET, 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	\$ 43,185	\$ 30,358
Receipts:		
State aid	3,180	16,040
Federal aid		28,682
Property taxes	9,306	1,034
Franchise fees	9,808	
Sales taxes	199,587	
Sanitation fees	34,019	
Contributions from the City of Marion	36,732	
Rental income	500	
Other	2,896	
Transfers in		10,789
Total Receipts	<u>296,028</u>	<u>56,545</u>
Disbursements:		
General government	190,588	8,359
Law enforcement		14,313
Highways and streets		8,587
Sanitation	37,398	1,657
Debt service	8,226	
Transfers out	10,789	
Total Disbursements	<u>247,001</u>	<u>32,916</u>
Cash Balance, December 31, 2021	<u>\$ 92,212</u>	<u>\$ 53,987</u>

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

Schedule 2

	Street	Skycop Camera	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 30,358			\$ 30,358
Receipts:				
State aid	16,040			16,040
Federal aid		\$ 9,000	\$ 19,682	28,682
Property taxes	1,034			1,034
Transfers in	5,400	5,313	76	10,789
Total Receipts	<u>22,474</u>	<u>14,313</u>	<u>19,758</u>	<u>56,545</u>
Disbursements:				
General government			8,359	8,359
Law enforcement		14,313		14,313
Highways and streets	8,587			8,587
Sanitation			1,657	1,657
Total Disbursements	<u>8,587</u>	<u>14,313</u>	<u>10,016</u>	<u>32,916</u>
Cash Balance, December 31, 2021	<u>\$ 44,245</u>	<u>\$ 0</u>	<u>\$ 9,742</u>	<u>\$ 53,987</u>

TOWN OF SUNSET, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.

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

	December 31, 2021
Land	\$ 18,360
Buildings	224,949
Equipment	161,285
Total	<u>\$ 404,594</u>

3. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2021
Notes payable	<u>\$ 45,485</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 19,682</u>