

**City of Humnoke, Arkansas**

**Financial and Compliance Report**

**December 31, 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF HUMNOKE, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2020

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# Arkansas



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Senate Vice Chair

**Rep. Richard Womack**  
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**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

City of Humnoke, 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 Humnoke, Arkansas, as of and for the year ended December 31, 2020, and have issued our report thereon dated February 23, 2021. 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 finding contained in this section relates to the following officials who held office during 2020:

Mayor: Richard Terry  
Recorder/Treasurer: Mary Nell King

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 office of **Mayor**.

#### **Mayor**

The governing body did not review the prior report and accompanying comments and recommendations at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas  
February 23, 2021  
LOM208920

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2020	\$ 48,402	\$ 73,930
Receipts:		
State aid	4,214	40,253
Property taxes	8,261	1,570
Franchise fees	7,745	
Sales taxes	40,399	
Interest	13	6
Local permits and fees	11,960	1,070
Rental income	4,900	
Other	3,449	
Total Receipts	<u>80,941</u>	<u>42,899</u>
Disbursements:		
General government	79,460	
Highways and streets		26,032
Public safety	12,369	40,279
Recreation and culture		485
Total Disbursements	<u>91,829</u>	<u>66,796</u>
Cash Balance, December 31, 2020	<u>\$ 37,514</u>	<u>\$ 50,033</u>

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

Schedule 2

	Street	Parks and Recreation	Community Relief	Fire Equipment and Training Act 833	Library	Total
Cash Balance, January 1, 2020	\$ 9,856	\$ 2,762	\$ 1,793	\$ 34,113	\$ 25,406	\$ 73,930
Receipts:						
State aid	21,439			18,814		40,253
Property taxes	1,570					1,570
Interest	5	1				6
Local permits and fees				1,070		1,070
Total Receipts	<u>23,014</u>	<u>1</u>		<u>19,884</u>		<u>42,899</u>
Disbursements:						
Highways and streets	26,032					26,032
Public safety				40,279		40,279
Recreation and culture		485				485
Total Disbursements	<u>26,032</u>	<u>485</u>		<u>40,279</u>		<u>66,796</u>
Cash Balance, December 31, 2020	<u>\$ 6,838</u>	<u>\$ 2,278</u>	<u>\$ 1,793</u>	<u>\$ 13,718</u>	<u>\$ 25,406</u>	<u>\$ 50,033</u>

CITY OF HUMNOKE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)

Schedule 3

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 and Humnoke Fire Department
3. The Municipality's capital assets records are summarized below:

	December 31, 2020
Land	\$ 60,235
Buildings	517,233
Equipment	<u>292,660</u>
Total	<u>\$ 870,128</u>