

Town of Hunter, Arkansas

Financial and Compliance Report

December 31, 2017 and 2016

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF HUNTER, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2017

Financial and Compliance Report

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Arkansas

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Sen. Lance Eads
Senate Vice Chair



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House Chair
Rep. Mary Bentley
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 Hunter, 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 Hunter, Arkansas, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated August 3, 2018. 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 2017 and 2016:

Mayor: Dwain Melvin
Recorder/Treasurer: Christy McFerrin

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

Mayor

The Town Council minutes did not document the review of the findings and recommendations of the prior report and the action taken by the Town Council, as required by Ark. Code Ann. § 10-4-418.

Recorder/Treasurer

Salaries for the Mayor, Treasurer, Aldermen, and Volunteer Firemen were not reported on Internal Revenue Service Forms W-2, and applicable federal and state payroll taxes were not withheld and remitted, in conflict with Internal Revenue Service and State guidelines.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
August 3, 2018
LOM308617

TOWN OF HUNTER, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2017	\$ 82,289	\$ 98,907
Receipts:		
State aid	1,665	11,897
Property taxes	7,800	858
Franchise fees	4,000	
Sales taxes	10,481	
Interest		11
Local permits and fees		3,240
Grant funds		12,000
Donations		15,146
Other	362	298
Transfers in		700
Total Receipts	<u>24,308</u>	<u>44,150</u>
Disbursements:		
General government	24,070	
Highways and streets		3,034
Public safety		21,323
Health		175
Transfers out	700	
Total Disbursements	<u>24,770</u>	<u>24,532</u>
Cash Balance, December 31, 2017	<u>\$ 81,827</u>	<u>\$ 118,525</u>

TOWN OF HUNTER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>Volunteer Fire Department</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 69,576	\$ 19,676	\$ 9,655	\$ 98,907
Receipts:				
State aid	7,223	4,674		11,897
Property taxes	858			858
Interest		6	5	11
Local permits and fees			3,240	3,240
Grant funds			12,000	12,000
Donations			15,146	15,146
Other			298	298
Transfers in			700	700
Total Receipts	<u>8,081</u>	<u>4,680</u>	<u>31,389</u>	<u>44,150</u>
Disbursements:				
Highways and streets	3,034			3,034
Public safety			21,323	21,323
Health	175			175
Total Disbursements	<u>3,209</u>		<u>21,323</u>	<u>24,532</u>
Cash Balance, December 31, 2017	<u>\$ 74,448</u>	<u>\$ 24,356</u>	<u>\$ 19,721</u>	<u>\$ 118,525</u>

TOWN OF HUNTER, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2016	\$ 74,462	\$ 83,923
Receipts:		
State aid	1,677	31,765
Property taxes	8,213	771
Franchise fees	3,272	1,073
Sales taxes	11,174	
Interest		8
Local permits and fees		4,756
Donations		14,344
Other	100	430
Total Receipts	<u>24,436</u>	<u>53,147</u>
Disbursements:		
General government	16,609	
Highways and streets		4,622
Public safety		16,430
Health		17,111
Total Disbursements	<u>16,609</u>	<u>38,163</u>
Cash Balance, December 31, 2016	<u>\$ 82,289</u>	<u>\$ 98,907</u>

TOWN OF HUNTER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 4

	<u>Street</u>	<u>Fire Equipment and Training</u>	<u>Volunteer Fire Department</u>	<u>Total</u>
Cash Balance, January 1, 2016	\$ 66,529	\$ 10,842	\$ 6,552	\$ 83,923
Receipts:				
State aid	22,936	8,829		31,765
Property taxes	771			771
Franchise fees	1,073			1,073
Interest		4	4	8
Local permits and fees			4,756	4,756
Donations			14,344	14,344
Other		1	429	430
Total Receipts	<u>24,780</u>	<u>8,834</u>	<u>19,533</u>	<u>53,147</u>
Disbursements:				
Highways and streets	4,622			4,622
Public safety			16,430	16,430
Health	17,111			17,111
Total Disbursements	<u>21,733</u>		<u>16,430</u>	<u>38,163</u>
Cash Balance, December 31, 2016	<u>\$ 69,576</u>	<u>\$ 19,676</u>	<u>\$ 9,655</u>	<u>\$ 98,907</u>

TOWN OF HUNTER, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(UNAUDITED)

Schedule 5

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

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

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Land	\$ 10,200	\$ 10,200
Buildings	100,000	100,000
Equipment	<u>161,783</u>	<u>161,783</u>
Totals	<u>\$ 271,983</u>	<u>\$ 271,983</u>