

**City of Hickory Ridge, Arkansas**

**Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF HICKORY RIDGE, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2022

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# Arkansas

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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 Hickory Ridge, 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 Hickory Ridge, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated January 26, 2024. These procedures were not performed for the Water and Sewer Fund. 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 2022:

Mayor: Billy Joe Proctor  
Recorder/Treasurer: Michele Butler

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

According to Council meeting minutes dated August 18, 2022, it was disclosed that the Mayor sold scrap fire hydrants and did not remit proceeds to the City. According to the current Mayor, the previous Mayor disclosed that this scrap metal was sold for approximately \$1,000; however, as of report date, the City had not validated this assertion. On September 29, 2023, the previous Mayor remitted \$800 to the City.

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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas  
January 26, 2024  
LOM208422

CITY OF HICKORY RIDGE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(UNAUDITED)

Schedule 1

|                                     | General<br>Fund   | Special<br>Revenue<br>Funds | Pension<br>Trust Fund<br>(Firemen's Pension) |
|-------------------------------------|-------------------|-----------------------------|--|
| Cash Balance, January 1, 2022       | \$ 137,429        | \$ 117,628                  |  |
| Receipts:                           |                   |                             |  |
| State aid                           | 3,401             | 53,955                      |  |
| Federal aid                         |                   | 24,966                      |  |
| Property taxes                      | 9,002             | 4,794                       | \$ 2,344                                     |
| Franchise fees                      | 9,898             |                             |  |
| Sales taxes                         | 40,299            |                             |  |
| Fines, forfeitures, and costs       | 247               |                             |  |
| Interest                            | 451               | 375                         |  |
| Sanitation fees                     | 31,652            |                             |  |
| Contributions from water department | 6,933             |                             |  |
| Arkansas Community Foundation grant |                   | 5,610                       |  |
| Other                               | 1,896             | 1,400                       |  |
| Transfers in                        |                   | 2,500                       |  |
| Total Receipts                      | <u>103,779</u>    | <u>93,600</u>               | <u>2,344</u>                                 |
| Disbursements:                      |                   |                             |  |
| General government                  | 48,006            |                             |  |
| Highways and streets                |                   | 9,087                       |  |
| Public safety                       | 120               | 39,399                      | 1,214  |
| Sanitation                          | 31,828            |                             |  |
| Recreation and culture              | 4,249             |                             |  |
| Contributions to water department   |                   | 39,359                      |  |
| Transfers out                       | 2,500             |                             |  |
| Total Disbursements                 | <u>86,703</u>     | <u>87,845</u>               | <u>1,214</u>                                 |
| Cash Balance, December 31, 2022     | <u>\$ 154,505</u> | <u>\$ 123,383</u>           | <u>\$ 1,130</u>                              |

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

Schedule 2

|                                     | Street            | Local Police<br>and Fire<br>Retirement<br>Cost | Volunteer<br>Fire<br>Department | American<br>Rescue Plan<br>Act | Total             |
|-------------------------------------|-------------------|--|---------------------------------|--------------------------------|-------------------|
| Cash Balance, January 1, 2022       | \$ 93,283         | \$ 6,027                                       | \$ 3,925                        | \$ 14,393                      | \$ 117,628        |
| Receipts:                           |                   |  |                                 |                                |                   |
| State aid                           | 19,685            |  | 34,270                          |                                | 53,955            |
| Federal aid                         |                   |  |                                 | 24,966                         | 24,966            |
| Property taxes                      | 4,794             |  |                                 |                                | 4,794             |
| Interest                            | 363               | 12   |                                 |                                | 375               |
| Arkansas Community Foundation grant |                   |  | 5,610                           |                                | 5,610             |
| Other                               |                   |  | 1,400                           |                                | 1,400             |
| Transfers in                        |                   |  | 2,500                           |                                | 2,500             |
| Total Receipts                      | <u>24,842</u>     | <u>12</u>                                      | <u>43,780</u>                   | <u>24,966</u>                  | <u>93,600</u>     |
| Disbursements:                      |                   |  |                                 |                                |                   |
| Highways and streets                | 9,087             |  |                                 |                                | 9,087             |
| Public safety                       |                   | 4,446  | 34,953                          |                                | 39,399            |
| Contributions to water department   |                   |  |                                 | 39,359                         | 39,359            |
| Total Disbursements                 | <u>9,087</u>      | <u>4,446</u>                                   | <u>34,953</u>                   | <u>39,359</u>                  | <u>87,845</u>     |
| Cash Balance, December 31, 2022     | <u>\$ 109,038</u> | <u>\$ 1,593</u>                                | <u>\$ 12,752</u>                | <u>\$ 0</u>                    | <u>\$ 123,383</u> |

CITY OF HICKORY RIDGE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, General Special, and Parks and Recreation
3. The Municipality's capital assets records are summarized below:

|           | December 31,<br>2022   |
|-----------|------------------------|
|           | <hr/>                  |
| Land      | \$ 39,100              |
| Buildings | 333,406                |
| Equipment | <hr/> 184,939          |
| Total     | <hr/> <hr/> \$ 557,445 |

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

|                                 | December 31,<br>2022  |
|---------------------------------|-----------------------|
|                                 | <hr/>                 |
| American Rescue Plan Act (ARPA) | <hr/> <hr/> \$ 24,966 |