

**City of Hickory Ridge, Arkansas**

**Financial and Compliance Report**

**December 31, 2017**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF HICKORY RIDGE, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

# Arkansas

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House Chair  
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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, 2017, and have issued our report thereon dated August 28, 2018. 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 findings/commentary contained in this section relate to the following officials who held office during 2017:

Mayor: Billy Joe Proctor  
Recorder/Treasurer: Lynnette Imboden  
Police Chief: Adam Davis

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.

Our procedures indicated that the offices of **Recorder/Treasurer and Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

#### **Mayor**

The City Council did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, in noncompliance with 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

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

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

Little Rock, Arkansas  
August 28, 2018  
LOM208417

CITY OF HICKORY RIDGE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Pension Trust Fund (Firemen's Pension)</u>
Cash and Investment Balances, January 1, 2017	<u>\$ 60,412</u>	<u>\$ 98,700</u>	<u>\$ 323,507</u>
Receipts:			
State aid	4,314	45,840	2,464
Property taxes	7,412	3,519	1,738
Franchise fees	9,114		
Sales taxes	33,440		
Fines, forfeitures, and costs	3,142		
Interest	117	263	1,916
Contribution from water department	6,163		
Sanitation fees	19,403		
Net realized gain on investment			40,546
Other	2,421	2,766	
Transfers in		4,640	1,000
Total Receipts	<u>85,526</u>	<u>57,028</u>	<u>47,664</u>
Disbursements:			
General government	49,491		
Law enforcement	2,002		
Highways and streets		15,682	
Public safety		1,817	37,664
Sanitation	25,985		
Recreation and culture	1,384		
Debt service		4,144	
Transfers out	5,640		
Total Disbursements	<u>84,502</u>	<u>21,643</u>	<u>37,664</u>
Cash and Investment Balances, December 31, 2017	<u>\$ 61,436</u>	<u>\$ 134,085</u>	<u>\$ 333,507</u>

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

Schedule 2

	<u>Street</u>	<u>Mosquito</u>	<u>Local Police and Fire Retirement Cost</u>	<u>Volunteer Fire Department</u>	<u>Fun Park Grant</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 85,281	\$ 897	\$ 11,673	\$ 730	\$ 119	\$ 98,700
Receipts:						
State aid	18,711			27,129		45,840
Property taxes	3,519					3,519
Interest	229		34			263
Other	2,000			766		2,766
Transfers in				4,640		4,640
Total Receipts	<u>24,459</u>		<u>34</u>	<u>32,535</u>		<u>57,028</u>
Disbursements:						
Highways and streets	15,682					15,682
Public safety			760	1,057		1,817
Debt service				4,144		4,144
Total Disbursements	<u>15,682</u>		<u>760</u>	<u>5,201</u>		<u>21,643</u>
Cash Balance, December 31, 2017	<u>\$ 94,058</u>	<u>\$ 897</u>	<u>\$ 10,947</u>	<u>\$ 28,064</u>	<u>\$ 119</u>	<u>\$ 134,085</u>

CITY OF HICKORY RIDGE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

Schedule 3

1. Cash and investment balances on the Financial Schedules include demand accounts and mutual funds. Investments are recorded at fair market value.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Special, and Parks and Recreation.
3. The Municipality's capital assets records are summarized below:

	<u>December 31, 2017</u>
Land	\$ 39,100
Buildings	338,657
Equipment	<u>207,116</u>
Total	<u>\$ 584,873</u>