

City of Higginson, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF HIGGINSON, ARKANSAS
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Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Higginson, 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 Higginson, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated October 24, 2018. These procedures were not performed for the Sewer Department. Management of the City 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:

Mayor: Randell Homsley
Recorder/Treasurer: Patty Homsley
Police Chief: Eric Patterson

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 above offices were in substantial compliance with Arkansas fiscal and financial laws.

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
October 24, 2018
LOM223117

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 27,183	\$ 10,527
Receipts:		
State aid	9,849	51,926
Federal aid		18,203
Property taxes	15,686	2,883
Franchise fees	22,240	
Sales taxes	95,265	8,736
Fines, forfeitures, and costs	35,895	194
Contribution from county		49,012
Other	33,579	5,843
Transfers in	5,500	
Total Receipts	<u>218,014</u>	<u>136,797</u>
Disbursements:		
General government	136,788	1,568
Law enforcement	61,398	
Highways and streets		40,510
Public safety	2,964	39,028
Sanitation		16,655
Recreation and culture	8,642	
Debt service	8,688	12,858
Transfers out		5,500
Total Disbursements	<u>218,480</u>	<u>116,119</u>
Cash Balance, December 31, 2017	<u>\$ 26,717</u>	<u>\$ 31,205</u>

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

Schedule 2

	<u>Street</u>	<u>Fire</u>	<u>Drug Control</u>	<u>Delta Regional Authority Grant</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 3,184	\$ 7,298	\$ 45		\$ 10,527
Receipts:					
State aid	42,719	9,207			51,926
Federal aid				\$ 18,203	18,203
Property taxes	2,883				2,883
Sales taxes	8,736				8,736
Fines, forfeitures, and costs			194		194
Contribution from county		49,012			49,012
Other	103	5,640		100	5,843
Total Receipts	<u>54,441</u>	<u>63,859</u>	<u>194</u>	<u>18,303</u>	<u>136,797</u>
Disbursements:					
General government				1,568	1,568
Highways and streets	40,510				40,510
Public safety		39,028			39,028
Sanitation				16,655	16,655
Debt service	12,858				12,858
Transfers out		5,500			5,500
Total Disbursements	<u>53,368</u>	<u>44,528</u>		<u>18,223</u>	<u>116,119</u>
Cash Balance, December 31, 2017	<u>\$ 4,257</u>	<u>\$ 26,629</u>	<u>\$ 239</u>	<u>\$ 80</u>	<u>\$ 31,205</u>

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

Schedule 3

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>
Land	\$ 60,000
Buildings	376,103
Equipment	<u>851,304</u>
Total	<u>\$ 1,287,407</u>

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

	<u>December 31, 2017</u>
Leases payable	\$ 230,489
Notes payable	<u>28,475</u>
Total	<u>\$ 258,964</u>