

Town of Emerson, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF EMERSON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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Arkansas



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Emerson, 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 Emerson, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated July 25, 2018. These procedures were not performed for the Water and Sewer Fund. 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:

Mayor: Don Moore
Recorder/Treasurer: Linda Mullins

We evaluated the Town's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Our procedures indicated that the office of **Recorder/Treasurer** was 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

General Fund expenditures exceeded appropriations by \$16,568 (48%) in 2017, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the prior report.

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
July 25, 2018
LOM305317

TOWN OF EMERSON, 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	\$ 78,974	\$ 149,167
Receipts:		
State aid	5,836	44,752
Federal aid		4,000
Property taxes	9,802	2,907
Franchise fees	102	12,807
Sales taxes	8,042	
Interest	74	811
Contributions from Columbia County		7,377
Donations		9,300
Other	155	
Transfers in		2,184
Unclassified	25	
Total Receipts	<u>24,036</u>	<u>84,138</u>
Disbursements:		
General government	45,420	
Highways and streets		15,895
Public safety		22,076
Transfers out	2,184	
Social services		6
Unclassified	3,476	
Total Disbursements	<u>51,080</u>	<u>37,977</u>
Cash Balance, December 31, 2017	<u>\$ 51,930</u>	<u>\$ 195,328</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>Cemetery</u>	<u>Total</u>
Cash Balance, January 1, 2017	\$ 144,475	\$ 3,554	\$ 1,138	\$ 149,167
Receipts:				
State aid	25,315	19,437		44,752
Federal aid		4,000		4,000
Property taxes	2,907			2,907
Franchise fees	12,807			12,807
Interest	782	29		811
Contributions from Columbia County		7,377		7,377
Donations		9,300		9,300
Transfers in		2,184		2,184
Total Receipts	<u>41,811</u>	<u>42,327</u>		<u>84,138</u>
Disbursements:				
Highways and streets	15,895			15,895
Public safety		22,076		22,076
Social services			6	6
Total Disbursements	<u>15,895</u>	<u>22,076</u>	<u>6</u>	<u>37,977</u>
Cash Balance, December 31, 2017	<u>\$ 170,391</u>	<u>\$ 23,805</u>	<u>\$ 1,132</u>	<u>\$ 195,328</u>

TOWN OF EMERSON, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The Municipality's capital assets records are summarized below:

	<u>December 31, 2017</u>
Land	\$ 12,125
Buildings	165,000
Improvements	71,137
Equipment	<u>167,183</u>
Total	<u>\$ 415,445</u>