

Town of Mount Vernon, Arkansas

Financial and Compliance Report

December 31, 2017 and 2016

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MOUNT VERNON, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2017 & 2016

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Mount Vernon, 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 Mount Vernon, Arkansas, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated March 27, 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: Jonathon Hawkins
Recorder/Treasurer: Sherry Beeson

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 and accepted accounting practices was noted in the offices of **Mayor** and **Recorder/Treasurer**.

Mayor

The governing body did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann § 10-4-418.

Recorder/Treasurer

County road property taxes of \$953 were not transferred from the General Fund to the Street Fund, as required by Ark. Code Ann. §§ 14-59-104, 26-79-104. A similar finding was noted in the previous 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 script.

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

Little Rock, Arkansas
March 27, 2018
LOM311317

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

Schedule 1

	General Fund	Street Fund
	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 14,852	\$ 41,313
Receipts:		
State aid	2,299	9,975
Property taxes	3,511	479
Franchise fees	8,037	
Sales taxes	11,474	
Interest	19	46
Other	1,999	
Transfers in		68
Total Receipts	<u>27,339</u>	<u>10,568</u>
Disbursements:		
General government	14,312	
Highways and streets		3,233
Recreation and culture	9,152	
Transfers out	68	
Total Disbursements	<u>23,532</u>	<u>3,233</u>
Cash Balance, December 31, 2017	<u>\$ 18,659</u>	<u>\$ 48,648</u>

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

Schedule 2

	<u>General Fund</u>	<u>Street Fund</u>
Cash Balance, January 1, 2016	\$ 24,129	\$ 61,379
Receipts:		
State aid	2,316	9,578
Property taxes	2,369	1,330
Franchise fees	7,942	
Sales taxes	10,917	
Interest	22	57
Other	1,373	
Transfers in		11,222
Total Receipts	<u>24,939</u>	<u>22,187</u>
Disbursements:		
General government	8,228	
Highways and streets		42,253
Recreation and culture	14,766	
Transfers out	11,222	
Total Disbursements	<u>34,216</u>	<u>42,253</u>
Cash Balance, December 31, 2016	<u>\$ 14,852</u>	<u>\$ 41,313</u>

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

Schedule 3

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

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

	December 31, 2017	December 31, 2016
Land	\$ 10,464	\$ 10,464
Buildings	25,885	25,885
Equipment	34,801	34,801
Totals	\$ 71,150	\$ 71,150

3. The 2016 beginning balance for the General Fund was increased \$5,318 for the correction of prior year errors. In addition, the 2016 Street Fund beginning balance was decreased \$4,729 for the correction of prior year errors.