

Town of Montrose, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



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

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Montrose, 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 Montrose, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated August 29, 2018. These procedures were not performed for the Water and Sewer Department. 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: Joseph Carlton
Recorder/Treasurer: Vicki Mixon

We evaluated the Town'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 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

While sighting fixed assets, we determined that a carport costing \$1,745 was located at the residence of the Volunteer Fire Chief, who resigned on April 16, 2018.

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
August 29, 2018
LOM320717

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

Schedule 1

	General Fund	Special Revenue Funds	Capital Projects Fund Sanitation Dump Truck
	<u>\$</u>	<u>\$</u>	
Cash Balance, January 1, 2017	13,682	18,559	
Receipts:			
State aid	5,614	38,024	
Federal aid		1,500	\$ 17,000
Property taxes	10,469		
Franchise fees	11,627		
Sales taxes	40,902		
Fines, forfeitures, and costs	849	2,351	
Interest	1		
Mosquito fees	5,863		
Sanitation fees	17,533		
Contributions from water	3,460		
Donations	1,190		
Note proceeds			5,500
Other	8,040	783	
Transfers in	780		
Total Receipts	<u>106,328</u>	<u>42,658</u>	<u>22,500</u>
Disbursements:			
General government	75,876		
Highways and streets		25,706	
Public safety	5,227	12,101	
Sanitation	17,051		22,500
Recreation and culture	7,482	5	
Social services		571	
Health	350		
Water and sewer	3,765		
Debt service	6,243		
Transfers out		780	
Total Disbursements	<u>115,994</u>	<u>39,163</u>	<u>22,500</u>
Cash Balance, December 31, 2017	<u>\$ 4,016</u>	<u>\$ 22,054</u>	<u>\$ 0</u>

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

Schedule 2

	Street	Fire Protection (Act 833)	Criminal Justice	Fire Department	Senior Citizen Project	City Parks	Total
Cash Balance, January 1, 2017	\$ 2,238	\$ 1,528	\$ 7,882	\$ 6,760	\$ 111	\$ 40	\$ 18,559
Receipts:							
State aid	24,352	13,672					38,024
Federal aid				1,500			1,500
Fines, forfeitures, and costs			2,351				2,351
Other				200	540	43	783
Total Receipts	<u>24,352</u>	<u>13,672</u>	<u>2,351</u>	<u>1,700</u>	<u>540</u>	<u>43</u>	<u>42,658</u>
Disbursements:							
Highways and streets	25,706						25,706
Public safety		8,432		3,669			12,101
Recreation and culture						5	5
Social services					571		571
Transfers out				780			780
Total Disbursements	<u>25,706</u>	<u>8,432</u>		<u>4,449</u>	<u>571</u>	<u>5</u>	<u>39,163</u>
Cash Balance, December 31, 2017	<u>\$ 884</u>	<u>\$ 6,768</u>	<u>\$ 10,233</u>	<u>\$ 4,011</u>	<u>\$ 80</u>	<u>\$ 78</u>	<u>\$ 22,054</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Sales Tax, Heritage Festival, Mosquito Abatement, Sanitation, and Special
3. The cash balance at year-end in the agency fund is as follows:

	December 31, 2017
Check Free Pay	\$ 3,014

This balance represents bill payments that have not yet been withdrawn by the appropriate retailer.

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

	December 31, 2017
Land	\$ 93,000
Buildings	471,830
Equipment	460,290
Total	\$ 1,025,120

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2017
Notes payable	\$ 13,497