

City of Mount Ida, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MOUNT IDA, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Mount Ida, 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 Mount Ida, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated August 20, 2025. These procedures were not performed for the Water and 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 2024:

Mayor: Vann Morgan
Recorder/Treasurer: Amber Weston
District Court Clerk: Treva Lambert

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.

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

Mayor and Recorder/Treasurer

The Mayor and Recorder/Treasurer received more salary payments and health insurance reimbursements than they were entitled to during the period January 1, 2024 through May 31, 2025, resulting in overpayments totaling \$108,684 as follows:

Mayor (\$94,491)

- 26 extra payroll checks totaling \$74,211.
- 36 extra health insurance reimbursement checks totaling \$20,280.

As of May 31, 2025, the Mayor had been paid \$31,121 of the authorized 2025 yearly salary of \$34,799.

In addition, the Mayor received \$985 for mileage without proper documentation of business purpose and \$958 for a cell phone stipend without an authorizing policy or Council approval.

Recorder/Treasurer (\$14,193)

- 3 extra payroll checks totaling \$3,895. A similar finding was issued in the previous report.
- 18 extra health insurance reimbursement checks totaling \$10,298.

In addition, the Recorder/Treasurer received a \$750 cell phone stipend without an authorizing policy or Council approval.

The following issues were noted while reviewing the payroll records:

- The sum of the quarterly 941 tax liabilities does not agree to federal taxes remitted on form W-3. A similar finding was issued in the previous report.
- Reported W-2 income for 2024 for the Mayor and Recorder/Treasurer was understated by \$28,644 and \$18,945, respectively.
- The Mayor, payroll preparer, and other employees and officials were paid a benefit for not participating in the City provided insurance program in 2024. This benefit was not reported to the IRS. A similar finding was issued in the previous two reports.

Mayor

Total disbursements for the Street Fund in 2024 exceeded appropriations by \$129,913 (121%) in noncompliance with Ark. Code Ann. § 14-58-203. Additionally, the 2024 budget was not adopted by an ordinance or resolution in noncompliance with Ark Code Ann. §. 14-58-202. A similar finding was issued in the previous report.

Recorder/Treasurer

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The City was in noncompliance with these codes and other proper accounting procedures as noted below:

- Bank accounts were not reconciled properly.
- The bank reconciliations were not approved by someone other than the preparer.
- Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank.
- Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank.
- Annual financial statements were not posted. A similar finding was issued in the previous report.
- Fixed asset records were not properly updated. A similar finding was issued in the previous report

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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 20, 2025
LOM213324

CITY OF MOUNT IDA, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2024	\$ 149,981	\$ 584,138
Receipts:		
State aid	14,812	97,432
Federal aid		102,375
Property taxes	35,959	10,370
Sales taxes	369,341	90,285
Fines, forfeitures, and costs	11,058	8,352
Interest	2,990	21,138
Franchise fees	70,568	
Sanitation fees		82,550
Other	14,606	3,419
Transfers in	20,153	5,400
Unclassified	3,509	
Total Receipts	<u>542,996</u>	<u>421,321</u>
Disbursements:		
General government	243,594	
Law enforcement	40,508	6,637
Highways and streets		237,413
Public safety	15,473	43,144
Sanitation		176,722
Recreation and culture		16,195
Airport		114,159
Contributions to water and sewer	149,356	
Transfers out	1,000	24,553
Total Disbursements	<u>449,931</u>	<u>618,823</u>
Cash Balance, December 31, 2024	<u>\$ 243,046</u>	<u>\$ 386,636</u>

CITY OF MOUNT IDA, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	Street	Solid Waste	District Court Cost	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Protection	City Park
Cash Balance, January 1, 2024	\$ 203,216	\$ 175,394	\$ 7,821	\$ 2,902	\$ 657	\$ 10,752	\$ 46,733
Receipts:							
State aid	81,903					15,529	
Federal aid							
Property taxes	10,370						
Sales taxes		90,285					
Fines, forfeitures, and costs			776	6,257	113		
Interest	1,841	4,840	167	55	7	1,071	12,179
Sanitation fees		82,550					
Other		1,014					
Transfers in	4,400				1,000		
Total Receipts	<u>98,514</u>	<u>178,689</u>	<u>943</u>	<u>6,312</u>	<u>1,120</u>	<u>16,600</u>	<u>12,179</u>
Disbursements:							
Law enforcement			420	6,217			
Highways and streets	237,413						
Public safety					1,126	21,614	
Sanitation		176,722					
Recreation and culture							16,195
Airport							
Transfers out		4,400					
Total Disbursements	<u>237,413</u>	<u>181,122</u>	<u>420</u>	<u>6,217</u>	<u>1,126</u>	<u>21,614</u>	<u>16,195</u>
Cash Balance, December 31, 2024	<u>\$ 64,317</u>	<u>\$ 172,961</u>	<u>\$ 8,344</u>	<u>\$ 2,997</u>	<u>\$ 651</u>	<u>\$ 5,738</u>	<u>\$ 42,717</u>

CITY OF MOUNT IDA, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	Airports	District Court Judge's and Clerk's Retirement	American Rescue Plan Act	Volunteer Fire	Total
Cash Balance, January 1, 2024	\$ 27,276	\$ 83,989	\$ 151	\$ 25,247	\$ 584,138
Receipts:					
State aid					97,432
Federal aid	102,375				102,375
Property taxes					10,370
Sales taxes					90,285
Fines, forfeitures, and costs		1,206			8,352
Interest	477	344	2	155	21,138
Sanitation fees					82,550
Other	2,400			5	3,419
Transfers in					5,400
Total Receipts	<u>105,252</u>	<u>1,550</u>	<u>2</u>	<u>160</u>	<u>421,321</u>
Disbursements:					
Law enforcement					6,637
Highways and streets					237,413
Public safety				20,404	43,144
Sanitation					176,722
Recreation and culture					16,195
Airport	114,159				114,159
Transfers out		20,000	153		24,553
Total Disbursements	<u>114,159</u>	<u>20,000</u>	<u>153</u>	<u>20,404</u>	<u>618,823</u>
Cash Balance, December 31, 2024	<u>\$ 18,369</u>	<u>\$ 65,539</u>	<u>\$ 0</u>	<u>\$ 5,003</u>	<u>\$ 386,636</u>

CITY OF MOUNT IDA, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. Cash balances at year-end in the custodial funds are as follows:

	<u>December 31,</u> <u>2024</u>
District Court Fund	\$ 43,193
District Court Claims Fund	278
Administration of Justice	10,509

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	<u>December 31,</u> <u>2024</u>
Land	\$ 390,075
Buildings	2,336,752
Equipment	<u>588,609</u>
Total	<u>\$ 3,315,436</u>