

Town of Mount Vernon, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MOUNT VERNON, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial and Compliance Report		<u>Schedule</u>
	2023	
Schedule of Financial Information (Unaudited)		1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)		2
	2022	
Schedule of Financial Information (Unaudited)		3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)		4
	2023 and 2022	
Other Information (Unaudited)		5

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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, 2023 and 2022, and have issued our report thereon dated July 10, 2024. 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 2023 and 2022:

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 document the review of 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

Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 – 14-59-119. The City was in noncompliance with these codes as noted below:

- The Recorder/Treasurer did not submit to the council a monthly financial report. A similar finding was noted in the previous report.
- The bank reconciliations were not approved by someone other than the preparer.
- Adequate supporting documentation was not maintained for tested disbursements of \$2,264 (24%) and \$5,332 (53%) in 2023 and 2022, respectively.

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

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 10, 2024
LOM311323

TOWN OF MOUNT VERNON, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 43,224	\$ 87,670
Receipts:		
State aid	2,189	12,147
Property taxes	3,701	2,389
Franchise fees	2,265	
Sales taxes	16,548	
Fines, forfeitures, and costs	106	
Interest		109
Other	80	
Total Receipts	<u>24,889</u>	<u>14,645</u>
Disbursements:		
General government	10,661	
Highways and streets		1,693
Recreation and culture	15,767	
Total Disbursements	<u>26,428</u>	<u>1,693</u>
Cash Balance, December 31, 2023	<u>\$ 41,685</u>	<u>\$ 100,622</u>

TOWN OF MOUNT VERNON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street Fund	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 65,777	\$ 21,893	\$ 87,670
Receipts:			
State aid	12,147		12,147
Property taxes	2,389		2,389
Interest	109		109
Total Receipts	14,645		14,645
Disbursements:			
Highways and streets	1,693		1,693
Cash Balance, December 31, 2023	\$ 78,729	\$ 21,893	\$ 100,622

TOWN OF MOUNT VERNON, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 33,745	\$ 58,935
Receipts:		
State aid	2,148	12,432
Federal aid		15,435
Property taxes	4,150	2,400
Franchise fees	11,313	
Sales taxes	15,795	
Interest	44	45
Total Receipts	<u>33,450</u>	<u>30,312</u>
Disbursements:		
General government	10,312	
Highways and streets		1,577
Recreation and culture	13,659	
Total Disbursements	<u>23,971</u>	<u>1,577</u>
Cash Balance, December 31, 2022	<u>\$ 43,224</u>	<u>\$ 87,670</u>

TOWN OF MOUNT VERNON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 4

	Street Fund	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 52,477	\$ 6,458	\$ 58,935
Receipts:			
State aid	12,432		12,432
Federal aid		15,435	15,435
Property taxes	2,400		2,400
Interest	45		45
Total Receipts	14,877	15,435	30,312
Disbursements:			
Highways and streets	1,577		1,577
Cash Balance, December 31, 2022	\$ 65,777	\$ 21,893	\$ 87,670

TOWN OF MOUNT VERNON, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

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

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

	December 31, 2023	December 31, 2022
Land	\$ 6,945	\$ 6,945
Buildings	25,885	25,885
Equipment	21,118	21,118
Totals	\$ 53,948	\$ 53,948

- 3. The Town received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 15,435