

Town of Montrose, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MONTROSE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

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Arkansas

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House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
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, 2021, and have issued our report thereon dated September 14, 2023. 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 relates to the following officials who held office during 2021:

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.

Noncompliance with state law and accepted accounting practices was noted in the office of the **Mayor**.

Mayor

Street Fund disbursements exceeded budgeted appropriations by \$23,232 (220%), in noncompliance with Ark. Code Ann. § 14-58-203.

The minutes of the governing body did not document the review of the prior report by the governing body, as required by Ark. Code Ann. § 10-4-418.

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
September 14, 2023
LOM320721

TOWN OF MONTROSE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 22,480	\$ 27,413
Receipts:		
State aid	5,437	35,306
Federal aid		77,409
Property taxes	8,830	
Franchise fees	10,905	
Sales taxes	46,389	
Fines, forfeitures, and costs	610	2,155
Interest	1	
Local permits and fees	50	125
Donations	1,400	3,640
Mosquito fees	5,093	
Sanitation revenue	1,669	
Grant income	8,500	
Contributions from water and sewer	15,290	594
Other	5,349	521
Transfers in	700	10,000
Total Receipts	<u>110,223</u>	<u>129,750</u>
Disbursements:		
General government	75,440	6,291
Law enforcement		2,000
Highways and streets		63,200
Public safety	338	29,475
Sanitation	14,260	
Health	3,084	
Recreation and culture	10,864	264
Wastewater	2,263	11,779
Debt service	7,887	
Transfers out		10,700
Unclassified	9,700	
Total Disbursements	<u>123,836</u>	<u>123,709</u>
Cash Balance, December 31, 2021	<u>\$ 8,867</u>	<u>\$ 33,454</u>

TOWN OF MONTROSE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Act 833	Criminal Justice	Fire Department	Community Center	Fire Wise	Siren	American Rescue Plan Act	Tractor	Total
Cash Balance, January 1, 2021	\$ 9,353	\$ 8,700	\$ 113	\$ 1,049	\$ 221	\$ 477	\$ 7,500			\$ 27,413
Receipts:										
State aid	26,951	8,355								35,306
Federal aid							19,000	\$ 31,409	\$ 27,000	77,409
Fines, forfeitures, and costs			2,155							2,155
Local permits and fees					125					125
Donations				1,800					1,840	3,640
Contributions from water and sewer									594	594
Other	325	196								521
Transfers in									10,000	10,000
Total Receipts	<u>27,276</u>	<u>8,551</u>	<u>2,155</u>	<u>1,800</u>	<u>125</u>		<u>19,000</u>	<u>31,409</u>	<u>39,434</u>	<u>129,750</u>
Disbursements:										
General government								6,291		6,291
Law enforcement			2,000							2,000
Highways and streets	23,766								39,434	63,200
Public safety		1,956		1,875		35	25,609			29,475
Recreation and culture					264					264
Wastewater								11,779		11,779
Transfers out	10,000						700			10,700
Total Disbursements	<u>33,766</u>	<u>1,956</u>	<u>2,000</u>	<u>1,875</u>	<u>264</u>	<u>35</u>	<u>26,309</u>	<u>18,070</u>	<u>39,434</u>	<u>123,709</u>
Cash Balance, December 31, 2021	<u>\$ 2,863</u>	<u>\$ 15,295</u>	<u>\$ 268</u>	<u>\$ 974</u>	<u>\$ 82</u>	<u>\$ 442</u>	<u>\$ 191</u>	<u>\$ 13,339</u>	<u>\$ 0</u>	<u>\$ 33,454</u>

TOWN OF MONTROSE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (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, Special, and Designate
3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2021
Check Free Pay	\$ (35)

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

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

	December 31, 2021
Land	\$ 94,500
Buildings	294,000
Equipment	474,750
Total	\$ 863,250

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2021
Notes payable	\$ 5,443

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

	December 31, 2021
American Rescue Plan Act (ARPA)	\$ 31,409