

Town of Mount Vernon, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MOUNT VERNON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
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 year ended December 31, 2024, and have issued our report thereon dated February 25, 2026. 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 2024:

Mayor: Jonathon Hawkins
Recorder/Treasurer: Sherry Beeson

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 offices of **Mayor** and **Recorder/Treasurer**.

Recorder/Treasurer

The Recorder/Treasurer reimbursed herself \$1,320 and did not maintain adequate supporting documentation for the reimbursement, in noncompliance with Ark. Code Ann. § 14-59-105, or provide a business purpose; therefore, the validity of this disbursement could not be determined. A similar finding was noted in the previous report.

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:

- Cash receipts journals were not properly maintained to include all funds received 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.
- Bank reconciliations were not always performed. When bank reconciliations were performed, they were not prepared timely or accurately. Additionally, they were not approved by someone other than the preparer. A similar finding was noted in the previous report.
- Prenumbered receipts were not issued for all funds received.
- Receipt books were not properly maintained.
- Annual financial statements were not prepared and posted.
- The Recorder/Treasurer did not submit to the council a monthly financial report. A similar finding was noted in the previous two reports.
- Checks did not always contain signatures of two authorized disbursing officers.
- A fixed asset listing was established, but was not properly maintained to include major categories, control totals, additions, and deletions.

The following issues were noted when reviewing payroll records:

- Internal Revenue Service (IRS) Quarterly 941 reports were not filed, and federal payroll taxes were not remitted.
- IRS Forms W-2 were not prepared, and employee wages were not reported to the IRS.
- Arkansas Department of Finance and Administration form AR3 was not provided.

Mayor

The governing body reviewed the prior year report. However, the review was not at the first regularly scheduled meeting following receipt of the report; and the minutes did not document the review of the findings and recommendations and the action taken by the governing body, as required by Ark. Code Ann. § 10-4-418. 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

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
February 25, 2026
LOM311324

TOWN OF MOUNT VERNON, 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	\$ 41,685	\$ 100,622
Receipts:		
State aid	2,141	11,841
Property taxes	3,502	2,138
Franchise fees	9,172	2,471
Sales taxes	17,509	
Interest	104	130
Other	855	
Total Receipts	<u>33,283</u>	<u>16,580</u>
Disbursements:		
General government	34,681	21,893
Law enforcement	4,446	
Highways and streets		4,946
Total Disbursements	<u>39,127</u>	<u>26,839</u>
Cash Balance, December 31, 2024	<u>\$ 35,841</u>	<u>\$ 90,363</u>

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

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act Fund</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 78,729	\$ 21,893	\$ 100,622
Receipts:			
State aid	11,841		11,841
Property taxes	2,138		2,138
Franchise fees	2,471		2,471
Interest	130		130
Total Receipts	<u>16,580</u>		<u>16,580</u>
Disbursements:			
General government		21,893	21,893
Highways and streets	4,946		4,946
Total Disbursements	<u>4,946</u>	<u>21,893</u>	<u>26,839</u>
Cash Balance, December 31, 2024	<u>\$ 90,363</u>	<u>\$ 0</u>	<u>\$ 90,363</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.
2. The Municipality's capital assets records are summarized below:

	<u>December 31,</u> <u>2024</u>
Land	\$ 6,945
Buildings	25,885
Equipment	<u>40,279</u>
Total	<u>\$ 73,109</u>