

City of Washington, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022



CITY OF WASHINGTON, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Washington, 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 Washington, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated June 26, 2024. These procedures were not performed for the Water 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 2023 and 2022:

Mayor: Paul Henley
Recorder/Treasurer: Catherine Rowe

We evaluated the City'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 office of **Mayor**.

Mayor

In 2022, Street Fund disbursements exceeded budgeted appropriations by \$8,732 (87%), in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the prior 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

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 26, 2024
LOM219123

CITY OF WASHINGTON, 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	\$ 13,310	\$ 90,746
Receipts:		
State aid	3,004	33,411
Property taxes	7,408	879
Franchise fees	3,121	
Sales taxes	17,922	45,571
Interest	39	99
Fire dues		3,890
Rent	6,000	
Other		253
Transfers in		1,500
Total Receipts	<u>37,494</u>	<u>85,603</u>
Disbursements:		
General government	15,710	9,406
Law enforcement	4,350	
Highways and streets		19,903
Public safety		27,265
Sanitation	17,922	
Recreation and culture		9,869
Water		2,708
Debt service		3,491
Transfers out		1,500
Contributions to water department		4,500
Total Disbursements	<u>37,982</u>	<u>78,642</u>
Cash Balance, December 31, 2023	<u>\$ 12,822</u>	<u>\$ 97,707</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Protection Act 833</u>	<u>Volunteer Fire Department</u>	<u>Capital Improvement</u>	<u>Tourist Promotion</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 13,481	\$ 12,224	\$ 1,501	\$ 17,569	\$ 19,783	\$ 26,188	\$ 90,746
Receipts:							
State aid	7,930	22,916	2,565				33,411
Property taxes	879						879
Sales taxes				35,930	9,641		45,571
Interest	44	12	5	38			99
Fire dues			3,890				3,890
Other		56	31		166		253
Transfers in			1,500				1,500
Total Receipts	<u>8,853</u>	<u>22,984</u>	<u>7,991</u>	<u>35,968</u>	<u>9,807</u>		<u>85,603</u>
Disbursements:							
General government				9,406			9,406
Highways and streets	8,017			11,886			19,903
Public safety		16,543	8,322	2,400			27,265
Recreation and culture					9,869		9,869
Water						2,708	2,708
Debt service		3,491					3,491
Transfers out				1,500			1,500
Contributions to water department				4,500			4,500
Total Disbursements	<u>8,017</u>	<u>20,034</u>	<u>8,322</u>	<u>29,692</u>	<u>9,869</u>	<u>2,708</u>	<u>78,642</u>
Cash Balance, December 31, 2023	<u>\$ 14,317</u>	<u>\$ 15,174</u>	<u>\$ 1,170</u>	<u>\$ 23,845</u>	<u>\$ 19,721</u>	<u>\$ 23,480</u>	<u>\$ 97,707</u>

CITY OF WASHINGTON, 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	\$ 15,261	\$ 88,697
Receipts:		
State aid	2,977	30,400
Federal aid		17,403
Property taxes	7,530	903
Franchise fees	2,946	
Sales taxes	17,774	40,278
Interest	19	46
Fire dues		3,765
Rent	6,000	
Other		1,298
Total Receipts	<u>37,246</u>	<u>94,093</u>
Disbursements:		
General government	18,648	7,927
Law enforcement	2,775	
Highways and streets		20,792
Public safety		34,019
Sanitation	17,774	
Recreation and culture		7,162
Water		12,497
Debt service		4,647
Contributions to water department		5,000
Total Disbursements	<u>39,197</u>	<u>92,044</u>
Cash Balance, December 31, 2022	<u>\$ 13,310</u>	<u>\$ 90,746</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Protection Act 833</u>	<u>Volunteer Fire Department</u>	<u>Capital Improvement</u>	<u>Tourist Promotion</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 23,168	\$ 24,106	\$ 1,108	\$ 6,272	\$ 16,640	\$ 17,403	\$ 88,697
Receipts:							
State aid	8,116	19,719	2,565				30,400
Federal aid						17,403	17,403
Property taxes	903						903
Sales taxes				30,157	10,121		40,278
Interest	23	13	1	9			46
Fire dues			3,765				3,765
Other		36	1,078		184		1,298
Total Receipts	<u>9,042</u>	<u>19,768</u>	<u>7,409</u>	<u>30,166</u>	<u>10,305</u>	<u>17,403</u>	<u>94,093</u>
Disbursements:							
General government				7,927			7,927
Highways and streets	18,729			2,063			20,792
Public safety		27,003	7,016				34,019
Recreation and culture					7,162		7,162
Water				3,879		8,618	12,497
Debt service		4,647					4,647
Contributions to water department				5,000			5,000
Total Disbursements	<u>18,729</u>	<u>31,650</u>	<u>7,016</u>	<u>18,869</u>	<u>7,162</u>	<u>8,618</u>	<u>92,044</u>
Cash Balance, December 31, 2022	<u>\$ 13,481</u>	<u>\$ 12,224</u>	<u>\$ 1,501</u>	<u>\$ 17,569</u>	<u>\$ 19,783</u>	<u>\$ 26,188</u>	<u>\$ 90,746</u>

CITY OF WASHINGTON, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

Schedule 5

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

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

	December 31, 2023	December 31, 2022
Land	\$ 38,000	\$ 38,000
Buildings	458,516	458,516
Equipment	313,611	291,719
Totals	\$ 810,127	\$ 788,235

3. The outstanding balances at year-end for long-term liabilities is as follows:

	December 31, 2022
Financed purchase	\$ 3,491

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 17,403