

**City of Watson, Arkansas**

**Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF WATSON, ARKANSAS  
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# Arkansas

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Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Kevin William White, CPA, JD**  
Legislative Auditor

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Watson, 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 Watson, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated December 4, 2024. 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 2022:

Mayor: Harold Douthit  
Recorder/Treasurer: Cindy Moncrief (Hired April 4, 2022)  
Candice Moore (Resigned on April 1, 2022)

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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 cursive script, appearing to read "Kevin White".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
December 4, 2024  
LOM219222

CITY OF WATSON, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2022	\$ 58,954	\$ 152,691
Receipts:		
State aid	2,760	15,972
Federal aid		18,646
Property taxes	4,205	842
Franchise fees	7,653	
Sales taxes	38,952	
Interest	47	435
Mosquito control fees	2,372	
Community room fees	400	
Property maintenance	340	
Other	2,019	
Total Receipts	<u>58,748</u>	<u>35,895</u>
Disbursements:		
General government	53,924	2,446
Highways and streets		17,097
Health	1,020	
Recreation and culture	962	
Wastewater		15,336
Total Disbursements	<u>55,906</u>	<u>34,879</u>
Cash Balance, December 31, 2022	<u>\$ 61,796</u>	<u>\$ 153,707</u>

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

Schedule 2

	<u>Street</u>	<u>Natural Gas</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 24,149	\$ 109,896	\$ 18,646	\$ 152,691
Receipts:				
State aid	15,972			15,972
Federal aid			18,646	18,646
Property taxes	842			842
Interest	22	413		435
Total Receipts	<u>16,836</u>	<u>413</u>	<u>18,646</u>	<u>35,895</u>
Disbursements:				
General government	24		2,422	2,446
Highways and streets	17,097			17,097
Wastewater			15,336	15,336
Total Disbursements	<u>17,121</u>		<u>17,758</u>	<u>34,879</u>
Cash Balance, December 31, 2022	<u>\$ 23,864</u>	<u>\$ 110,309</u>	<u>\$ 19,534</u>	<u>\$ 153,707</u>

CITY OF WATSON, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
     Mosquito Control and Community Room
3. The Municipality's capital assets records are summarized below:

	December 31, 2022
Land	\$ 4,000
Buildings	11,921
Equipment	80,910
Total	\$ 96,831

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 18,646