

City of Wilmot, Arkansas

Financial and Compliance Report

December 31, 2023



CITY OF WILMOT, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Wilmot, 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 Wilmot, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated December 30, 2024. These procedures were not performed for the Water and Sewer Fund. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2023:

Mayor: Carolyn Harris
Recorder/Treasurer: Ebony Jackson
Police Chief: Wayne Williams

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.

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

Mayor

Although Schedule 1 of this report shows a cash balance of \$4,084 in the General Fund, it was brought to our attention that as of December 31, 2023, the City owed a significant amount to the Internal Revenue Service which has not been paid as of report date. As shown in Note 5 on Schedule 3 of this report, when this outstanding amount was considered, the General Fund had a deficit balance of \$27,538 at December 31, 2023.

An annual audit or agreed-upon procedures report has not been completed and submitted to Arkansas Legislative Audit for the City's Water and Sewer System for the years 2017 through 2022, as required by Ark. Code Ann. § 14-234-119.

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
December 30, 2024
LOM219823

CITY OF WILMOT, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund City Hall	Capital Projects Fund City Hall
Cash Balance, January 1, 2023	\$ 12,544	\$ 49,129	\$ 374	\$ 78
Receipts:				
State aid	6,325	35,092		
Federal aid	7,000			
Property taxes	21,487	2,714		
Franchise fees	23,202			
Sales taxes	121,039			
Fines, forfeitures, and costs	18,636			
Interest		1		
Local permits and fees	50			
Sanitation fees	26,437			
Community center rent	1,455			
Mosquito	7,828			
Other	3,463	633		
Transfers in	2		6,737	
Total Receipts	<u>236,924</u>	<u>38,440</u>	<u>6,737</u>	
Disbursements:				
General government	99,807	33,151	218	
Law enforcement	28,898			
Highways and streets	117	35,315		
Public safety	34,953	10,467		
Sanitation	28,437			
Health	1,204			
Recreation and culture	41,731			
Debt service	3,500		5,448	
Transfers out	6,737	2		
Total Disbursements	<u>245,384</u>	<u>78,935</u>	<u>5,666</u>	
Cash Balance, December 31, 2023	<u>\$ 4,084</u>	<u>\$ 8,634</u>	<u>\$ 1,445</u>	<u>\$ 78</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>Fire Department</u>	<u>Drug Control</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ (609)	\$ 10,812	\$ 21	\$ 196	\$ 38,709	\$ 49,129
Receipts:						
State aid	35,092					35,092
Property taxes	2,714					2,714
Interest		1				1
Other			500		133	633
Total Receipts	<u>37,806</u>	<u>1</u>	<u>500</u>		<u>133</u>	<u>38,440</u>
Disbursements:						
General government			217	194	32,740	33,151
Highways and streets	35,315					35,315
Public safety		10,467				10,467
Transfers out				2		2
Total Disbursements	<u>35,315</u>	<u>10,467</u>	<u>217</u>	<u>196</u>	<u>32,740</u>	<u>78,935</u>
Cash Balance, December 31, 2023	<u>\$ 1,882</u>	<u>\$ 346</u>	<u>\$ 304</u>	<u>\$ 0</u>	<u>\$ 6,102</u>	<u>\$ 8,634</u>

CITY OF WILMOT, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General, Sales Tax, Garbage, Community Center, Public Safety, & COPS Grant
3. The Municipality's capital assets records are summarized below:

	December 31, 2023
Land	\$ 4,000
Buildings	2,526,867
Equipment	784,196
Total	\$ 3,315,063

4. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2023
Financed purchases	\$ 155,726

5. The schedules included in our Financial and Compliance Reports are cash basis. We are including additional information here, as it was brought to our attention that the City of Wilmot (City) had significant delinquent payments for 2023 to the Internal Revenue Service (IRS). The information below begins with the cash balance per Schedule 1 of this report. The computation includes the amount due to the IRS, not including any penalties or interest that may be due as a result. As of the report date, per the City, payments to the IRS have not been made.

	December 31, 2023 General
Cash balance per Schedule	\$ 4,084
Due to IRS	(31,622)
Total	\$ (27,538)