

**City of Johnson, Arkansas**

**Financial and Compliance Report**

**December 31, 2024 and 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF JOHNSON, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial and Compliance Report

	<u>Schedule</u>
2024	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2023	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2024 and 2023	
Other Information (Unaudited)	5

# 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 Johnson, 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 Johnson, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated May 19, 2025. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2024 and 2023:

Mayor: Chris Keeney  
Recorder/Treasurer: Jennifer Allen  
District Court Clerk: Krista McGaugh  
Police Chief: Chris Kelley

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

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
May 19, 2025  
LOM221124

CITY OF JOHNSON, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Sales and Use Tax Series 2021 Debt Service Funds	Sales and Use Tax, Series 2021 Capital Projects Funds
Cash and Investment Balance, January 1, 2024	\$ 4,178,046	\$ 514,138	\$ 652,772	\$ 6,968,104
Receipts:				
State aid	96,998	296,771		
Property taxes	632,099	64,776		
Franchise fees	308,414			
Sales taxes	2,470,947		751,674	
Fines, forfeitures, and costs	190,367	20,908		
Interest	150,932	3,955	22,505	326,926
Local permits and fees	117,413			
Advertising and promotion taxes (Park)		159,287		
Employee pension contributions	35,125			
County aid		28,502		
Grant proceeds	434,655			
Donations	200,004			
Other	124,122	81,976		
Transfers in		468,000		
Total Receipts	<u>4,761,076</u>	<u>1,124,175</u>	<u>774,179</u>	<u>326,926</u>
Disbursements:				
General government	1,460,196			
Law enforcement	1,186,630	13,142		
Highways and streets		898,353		2,864,042
Public safety	862,468	640		
Recreation and culture	8,121	51,498		
Debt service			712,706	
Transfers out	468,000			
Total Disbursements	<u>3,985,415</u>	<u>963,633</u>	<u>712,706</u>	<u>2,864,042</u>
Cash and Investment Balance, December 31, 2024	<u>\$ 4,953,707</u>	<u>\$ 674,680</u>	<u>\$ 714,245</u>	<u>\$ 4,430,988</u>

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

Schedule 2

	Street	Motor Vehicle Liability Insurance (ACT 988)	Drug	Court Automation	Act 833	Park Advertising and Promotion Fund	Total
Cash Balance, January 1, 2024	\$ 232,049	\$ 23,169	\$ 2,051	\$ 1,556	\$ 36,778	\$ 218,535	\$ 514,138
Receipts:							
State aid	296,771						296,771
Property taxes	64,776						64,776
Fines, forfeitures, and costs		8,133		12,775			20,908
Interest	1,954					2,001	3,955
Advertising and promotion taxes (Park)						159,287	159,287
County aid					28,502		28,502
Other	81,171					805	81,976
Transfers in	468,000						468,000
Total Receipts	<u>912,672</u>	<u>8,133</u>		<u>12,775</u>	<u>28,502</u>	<u>162,093</u>	<u>1,124,175</u>
Disbursements:							
Law enforcement				13,142			13,142
Highways and streets	898,353						898,353
Public safety					640		640
Recreation and culture						51,498	51,498
Total Disbursements	<u>898,353</u>			<u>13,142</u>	<u>640</u>	<u>51,498</u>	<u>963,633</u>
Cash Balance, December 31, 2024	<u>\$ 246,368</u>	<u>\$ 31,302</u>	<u>\$ 2,051</u>	<u>\$ 1,189</u>	<u>\$ 64,640</u>	<u>\$ 329,130</u>	<u>\$ 674,680</u>

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

Schedule 3

	General Fund	Special Revenue Funds	Sales and Use Tax, Series 2021 Debt Service Fund	Sales and Use Tax, Series 2021 Capital Projects Fund
Cash and Investment Balance, January 1, 2023	\$ 4,096,764	\$ 1,025,691	\$ 584,605	\$ 6,659,474
Receipts:				
State aid	279,872	304,443		
Federal aid	11,228			
Property taxes	617,691	67,845		
Franchise fees	335,156			
Sales taxes	2,286,158		674,008	
Fines, forfeitures, and costs	155,860	15,336		
Interest	102,978	2,270	20,027	308,630
Local permits and fees	91,096	73		
Advertising and promotion taxes (Park)		133,686		
Employee pension contributions	21,612			
County aid		26,378		
Other	102,819	6,019		
Transfers in		250,000		
Total Receipts	<u>4,004,470</u>	<u>806,050</u>	<u>694,035</u>	<u>308,630</u>
Disbursements:				
General government	1,482,419			
Law enforcement	512,715	392,218		
Highways and streets		568,065		
Public safety	371,863	357,320		
Recreation and culture	1,192,704			
Debt service	113,487		625,868	
Transfers out	250,000			
Total Disbursements	<u>3,923,188</u>	<u>1,317,603</u>	<u>625,868</u>	
Cash and Investment Balance, December 31, 2023	<u>\$ 4,178,046</u>	<u>\$ 514,138</u>	<u>\$ 652,772</u>	<u>\$ 6,968,104</u>

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

Schedule 4

	Street	Motor Vehicle Liability Insurance (ACT 988)	Drug	Court Automation	Act 833	American Rescue Plan Act (ARPA)	Park Advertising and Promotion Fund	Total
Cash Balance, January 1, 2023	\$ 170,550	\$ 15,710	\$ 2,051	\$ 250	\$ 11,739	\$ 741,628	\$ 83,763	\$ 1,025,691
Receipts:								
State aid	304,443							304,443
Property taxes	67,845							67,845
Fines, forfeitures, and costs		7,459		7,877				15,336
Interest	1,419						851	2,270
Local permits and fees							73	73
Advertising and promotion taxes (Park)							133,686	133,686
County aid					26,378			26,378
Other	5,857						162	6,019
Transfers in	250,000							250,000
Total Receipts	<u>629,564</u>	<u>7,459</u>		<u>7,877</u>	<u>26,378</u>		<u>134,772</u>	<u>806,050</u>
Disbursements:								
Law enforcement				6,571		385,647		392,218
Highways and streets	568,065							568,065
Public safety					1,339	355,981		357,320
Total Disbursements	<u>568,065</u>			<u>6,571</u>	<u>1,339</u>	<u>741,628</u>		<u>1,317,603</u>
Cash Balance, December 31, 2023	<u>\$ 232,049</u>	<u>\$ 23,169</u>	<u>\$ 2,051</u>	<u>\$ 1,556</u>	<u>\$ 36,778</u>	<u>\$ 0</u>	<u>\$ 218,535</u>	<u>\$ 514,138</u>

CITY OF JOHNSON, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(UNAUDITED)

Schedule 5

1. Cash and investment balances on the Financial Schedules include demand accounts, certificates of deposit, and federal treasury obligations.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General Fund, Local Police and Fire Retirement (LOPFI), and Fire
3. Cash balances at year-end in the custodial fund are as follows:

	December 31, 2024	December 31, 2023
District Court	\$ 22,299	\$ 20,263

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2024	December 31, 2023
Land	\$ 494,607	\$ 494,607
Buildings	233,142	233,142
Equipment	4,719,080	4,323,992
Totals	\$ 5,446,829	\$ 5,051,741

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

	December 31, 2024	December 31, 2023
Sales and Use Tax Bonds - Series 2021 for financing the costs of improvements to streets dated November 2, 2021; principal amount of \$7,300,000 plus interest through February 2, 2045. Interest from 1.125-2%. Payments are to be made from the Sales and Use Tax, Series 2021 Debt Service Fund.	\$ 6,255,000	\$ 6,825,000

CITY OF JOHNSON, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
 (UNAUDITED)

Schedule 5

6. The City is obligated for the following amounts at December 31, 2024:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2025	\$ 596,381
2026	368,719
2027	369,784
2028	371,563
2029	367,825
2030 through 2034	1,569,956
2035 through 2039	1,236,162
2040 through 2044	1,797,894
2045	<u>1,225,125</u>
Total Obligations	7,903,409
Less Interest	<u>1,648,409</u>
Total Principal	<u><u>\$ 6,255,000</u></u>

The City is obligated for the following amounts at December 31, 2023:

<u>Years Ending December 31,</u>	<u>Bonds</u>
2024	\$ 707,656
2025	596,381
2026	368,719
2027	369,784
2028	371,563
2029 through 2033	1,852,369
2034 through 2038	1,253,563
2039 through 2043	1,835,656
2044 through 2045	<u>1,255,375</u>
Total Obligations	8,611,066
Less Interest	<u>1,786,066</u>
Total Principal	<u><u>\$ 6,825,000</u></u>