

Town of Winchester, Arkansas

Financial and Compliance Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF WINCHESTER, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



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

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Winchester, 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 Winchester, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated October 11, 2023. These procedures were not performed for the Water Department. 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 relates to the following officials who held office during 2021 and 2020:

Mayor: Demetrous Trotter
Recorder/Treasurer: Jacqueline Trotter

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**.

Mayor and Recorder/Treasurer

Council minutes were not readily available for inspection, as required by Ark. Code Ann. § 14-59-114.

Recorder/Treasurer

The Recorder/Treasurer did not submit to the council a monthly financial report, as required by Ark. Code Ann. § 14-59-115.

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 cursive script that reads "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
October 11, 2023
LOM317821

TOWN OF WINCHESTER, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 20,018	\$ 6,972
Receipts:		
State aid	10,104	26,243
Federal aid		16,471
Property taxes	746	311
Franchise fees	5,777	
Sales taxes	29,152	
Interest	62	
Sanitation fees	5,368	
Other	5,141	511
Total Receipts	<u>56,350</u>	<u>43,536</u>
Disbursements:		
General government	51,894	11,500
Highways and streets		15,367
Public safety		10,364
Sanitation	900	
Unclassified	1,947	60
Total Disbursements	<u>54,741</u>	<u>37,291</u>
Cash Balance, December 31, 2021	<u>\$ 21,627</u>	<u>\$ 13,217</u>

TOWN OF WINCHESTER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training (ACT 833)	Fun Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 3,461	\$ 3,239	\$ 272		\$ 6,972
Receipts:					
State aid	13,163	13,080			26,243
Federal aid				\$ 16,471	16,471
Property taxes	311				311
Other		511			511
Total Receipts	<u>13,474</u>	<u>13,591</u>		<u>16,471</u>	<u>43,536</u>
Disbursements:					
General government				11,500	11,500
Highways and streets	15,367				15,367
Public safety		10,364			10,364
Unclassified			60		60
Total Disbursements	<u>15,367</u>	<u>10,364</u>	<u>60</u>	<u>11,500</u>	<u>37,291</u>
Cash Balance, December 31, 2021	<u>\$ 1,568</u>	<u>\$ 6,466</u>	<u>\$ 212</u>	<u>\$ 4,971</u>	<u>\$ 13,217</u>

TOWN OF WINCHESTER, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 17,079	\$ 11,392
Receipts:		
State aid	2,478	27,863
Property taxes	2,049	746
Franchise fees	5,644	
Sales taxes	28,201	
Interest	25	
Sanitation fees	10,142	
Grant income	13,500	
Loan proceeds	8,592	
Other	797	6,264
Total Receipts	<u>71,428</u>	<u>34,873</u>
Disbursements:		
General government	67,289	
Highways and streets		12,542
Public safety		26,716
Sanitation	1,200	
Unclassified		35
Total Disbursements	<u>68,489</u>	<u>39,293</u>
Cash Balance, December 31, 2020	<u>\$ 20,018</u>	<u>\$ 6,972</u>

TOWN OF WINCHESTER, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	Street	Fire Equipment and Training (ACT 833)	Fun Park Grant	Total
Cash Balance, January 1, 2020	\$ 2,650	\$ 8,435	\$ 307	\$ 11,392
Receipts:				
State aid	12,607	15,256		27,863
Property taxes	746			746
Other		6,264		6,264
Total Receipts	<u>13,353</u>	<u>21,520</u>		<u>34,873</u>
Disbursements:				
Highways and streets	12,542			12,542
Public safety		26,716		26,716
Unclassified			35	35
Total Disbursements	<u>12,542</u>	<u>26,716</u>	<u>35</u>	<u>39,293</u>
Cash Balance, December 31, 2020	<u>\$ 3,461</u>	<u>\$ 3,239</u>	<u>\$ 272</u>	<u>\$ 6,972</u>

TOWN OF WINCHESTER, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)

Schedule 5

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

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

	December 31, 2021	December 31, 2020
Land	\$ 34,850	\$ 34,850
Buildings	211,650	211,650
Equipment	<u>39,552</u>	<u>39,552</u>
Totals	<u>\$ 286,052</u>	<u>\$ 286,052</u>

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

	December 31, 2021	December 31, 2020
Financed purchase	<u>\$ 10,938</u>	<u>\$ 18,073</u>

Financed purchase payments were made from the Water Fund in fiscal year 2021 and 2020.

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 16,471</u>