

City of Washington, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WASHINGTON, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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 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 year ended December 31, 2024, and have issued our report thereon dated October 7, 2025. 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 finding contained in this section relates to the following officials who held office during 2024:

Mayor: Paul Henley
Recorder/Treasurer: Catherine Rowe

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

The City has not obtained an audit or agreed-upon procedures and compilation report for the City's Water Department for 2023, as required by Ark. Code Ann. § 14-234-119. The City has signed an engagement letter dated May 30, 2025.

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
October 7, 2025
LOM219124

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

Schedule 1

| | General Fund | Special Revenue Funds |
|-----------------------------------|------------------|-----------------------------|
| Cash Balance, January 1, 2024 | \$ 12,822 | \$ 97,907 |
| Receipts: | | |
| State aid | 2,973 | 48,844 |
| Property taxes | 7,584 | 2,146 |
| Franchise fees | 3,187 | |
| Sales taxes | 18,312 | 47,698 |
| Interest | 38 | 143 |
| Fire dues | | 6,365 |
| Donations | | 10,000 |
| Rent | 5,550 | |
| Other | | 2,657 |
| Transfers in | | 1,500 |
| Total Receipts | <u>37,644</u> | <u>119,353</u> |
| Disbursements: | | |
| General government | 12,222 | 5,435 |
| Law enforcement | 4,350 | |
| Highways and streets | | 19,211 |
| Public safety | | 48,843 |
| Sanitation | 18,312 | |
| Recreation and culture | | 13,023 |
| Water | | 31,169 |
| Debt service | | 3,748 |
| Transfers out | | 1,500 |
| Contributions to water department | | 4,500 |
| Total Disbursements | <u>34,884</u> | <u>127,429</u> |
| Cash Balance, December 31, 2024 | <u>\$ 15,582</u> | <u>\$ 89,831</u> |

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

Schedule 2

| | Street | Fire Protection Act 833 | Volunteer Fire Department | Capital Improvement | Tourist Promotion | American Rescue Plan Act | Total |
|-----------------------------------|-----------|----------------------------|------------------------------|------------------------|----------------------|--------------------------------|-----------|
| Cash Balance, January 1, 2024 | \$ 14,317 | \$ 15,174 | \$ 1,370 | \$ 23,845 | \$ 19,721 | \$ 23,480 | \$ 97,907 |
| Receipts: | | | | | | | |
| State aid | 7,729 | 26,115 | 15,000 | | | | 48,844 |
| Property taxes | 2,146 | | | | | | 2,146 |
| Sales taxes | | | | 39,856 | 7,842 | | 47,698 |
| Interest | 57 | 28 | 11 | 47 | | | 143 |
| Fire dues | | | 6,365 | | | | 6,365 |
| Donations | | 10,000 | | | | | 10,000 |
| Other | | 2,491 | | | 166 | | 2,657 |
| Transfers in | | | | 1,500 | | | 1,500 |
| Total Receipts | 9,932 | 38,634 | 21,376 | 41,403 | 8,008 | | 119,353 |
| Disbursements: | | | | | | | |
| General government | | | | 5,435 | | | 5,435 |
| Highways and streets | 9,451 | | | 9,760 | | | 19,211 |
| Public safety | | 30,983 | 17,819 | 41 | | | 48,843 |
| Recreation and culture | | | | | 13,023 | | 13,023 |
| Water | | | | 7,689 | | 23,480 | 31,169 |
| Debt service | | 3,748 | | | | | 3,748 |
| Transfers out | | | 1,500 | | | | 1,500 |
| Contributions to water department | | | | 4,500 | | | 4,500 |
| Total Disbursements | 9,451 | 34,731 | 19,319 | 27,425 | 13,023 | 23,480 | 127,429 |
| Cash Balance, December 31, 2024 | \$ 14,798 | \$ 19,077 | \$ 3,427 | \$ 37,823 | \$ 14,706 | \$ 0 | \$ 89,831 |

CITY OF WASHINGTON, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

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, 2024 |
|-----------|--------------------------|
| Land | \$ 38,000 |
| Buildings | 458,516 |
| Equipment | <u>263,751</u> |
| Total | <u><u>\$ 760,267</u></u> |

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

| | December 31, 2024 |
|-------------------|-------------------------|
| Financed purchase | <u><u>\$ 11,252</u></u> |