

City of Wilmot, Arkansas

Financial and Compliance Report

December 31, 2024



CITY OF WILMOT, 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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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, 2024, and have issued our report thereon dated March 11, 2026. 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 findings contained in this section relate to the following officials who held office during 2024:

Mayor: Carolyn Harris
Recorder/Treasurer: Ebony Jackson (resigned August 2024)
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

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 2024, as required by Ark. Code Ann. § 14-234-119. The City signed engagement letters on February 1, 2026, for the 2025, 2024, 2023 and 2022 years; however, the City has not received the reports. A similar finding was issued in the previous report.

Although Schedule 1 of this report shows a cash balance of \$90 in the General Fund, it was brought to our attention that as of December 31, 2024, 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 \$51,632 at December 31, 2024. A similar finding was issued in the previous report.

During the review of disbursements, we noted \$1,301 in monthly bank account analysis charges.

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
March 11, 2026
LOM219824

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund City Hall	Capital Projects Fund City Hall
Cash Balance, January 1, 2024	\$ 4,084	\$ 8,634	\$ 1,445	\$ 78
Receipts:				
State aid	6,186	53,032		
Property taxes	24,506	3,395		
Franchise fees	21,512			
Sales taxes	120,740			
Fines, forfeitures, and costs	33,216			
Local permits and fees	25			
Sanitation fees	18,530			
Community center rent	3,618			
Contribution from water department	26,395			
Mosquito	1,419			
Other	1,931			
Transfers in	6,158	235	6,600	
Total Receipts	<u>264,236</u>	<u>56,662</u>	<u>6,600</u>	
Disbursements:				
General government	181,172	113	218	
Law enforcement	975			
Highways and streets		38,972		
Public safety	28,687	13,660		
Sanitation	38,051			
Recreation and culture	4,229			
Debt service	3,566		5,448	
Transfers out	6,700	6,293		
Contribution to Water Department	4,850			
Total Disbursements	<u>268,230</u>	<u>59,038</u>	<u>5,666</u>	
Cash Balance, December 31, 2024	<u>\$ 90</u>	<u>\$ 6,258</u>	<u>\$ 2,379</u>	<u>\$ 78</u>

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

Schedule 2

	<u>Street</u>	<u>Act 833</u>	<u>Fire Department</u>	<u>ARPA</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 1,882	\$ 346	\$ 304	\$ 6,102	\$ 8,634
Receipts:					
State aid	34,208	18,824			53,032
Property taxes	3,395				3,395
Transfers in		235			235
Total Receipts	<u>37,603</u>	<u>19,059</u>			<u>56,662</u>
Disbursements:					
General government			69	44	113
Highways and streets	38,972				38,972
Public safety		13,660			13,660
Transfers out			235	6,058	6,293
Total Disbursements	<u>38,972</u>	<u>13,660</u>	<u>304</u>	<u>6,102</u>	<u>59,038</u>
Cash Balance, December 31, 2024	<u>\$ 513</u>	<u>\$ 5,745</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,258</u>

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

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, and COPS Grant
3. The Municipality's capital assets records are summarized below:

	December 31, 2024
Land	\$ 4,000
Buildings	2,526,867
Equipment	782,400
Total	\$ 3,313,267

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

	December 31, 2024
Financed purchases	\$ 151,219

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 2024 and 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, 2024 General
Cash balance per Schedule	\$ 90
Due to IRS	(51,722)
Total	\$ (51,632)