City of Wilmar, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF WILMAR, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Wilmar, 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 Wilmar, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated May 29, 2024. These procedures were not performed for the Water and Sewer Departments. 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 relates to the following officials who held offices during 2023 and 2022:

Mayor: Toni Perry
Recorder/Treasurer: Takendra Webb

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 **Recorder/Treasurer**.

Recorder/Treasurer

Bank reconciliations were not properly prepared for all bank accounts or approved by a municipal official or employee other than the person preparing the reconciliation, as required by Ark. Code Ann. § 14-59-108. A similar finding was noted in the previous report.

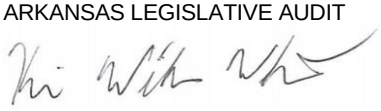
The following deficiencies were noted while reviewing payroll records:

- Internal Revenue Service (IRS) forms 941 and W-3 and Arkansas Department of Finance and Administration form AR3 were not provided for 2023 or 2022.
- Supporting documentation authorizing $34,753 and $31,500 of the payroll preparer's salary in 2023 and 2022, respectively, was not provided.

A similar finding was noted in the four previous reports dating back to 2016.

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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 29, 2024
LOM219723

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	$ 17,988	$ 97,829
Receipts:		
State aid	6,006	33,321
Property taxes	5,839	1,878
Franchise fees	21,517	
Sales taxes	87,714	
Rental income	31,275	
Other	4,104	
Unclassified	2,981	
Total Receipts	159,436	35,199
Disbursements:		
General government	129,758	34
Highways and streets		37,149
Public safety	3,204	44
Wastewater		451
Debt service	1,102	2,208
Unclassified	22,975	
Total Disbursements	157,039	39,886
Cash Balance, December 31, 2023	$ 20,385	$ 93,142

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

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Parks and Recreation	Street Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	$ 66,236	$ 15,974	$ 15,034	$ 100	$ 485	$ 97,829
Receipts:						
State aid	33,321					33,321
Property taxes	1,878					1,878
Total Receipts	35,199					35,199
Disbursements:						
General government					34	34
Highways and streets	37,149					37,149
Public safety		44				44
Wastewater					451	451
Debt service	2,208					2,208
Total Disbursements	39,357	44			485	39,886
Cash Balance, December 31, 2023	$ 62,078	$ 15,930	$ 15,034	$ 100	$ 0	$ 93,142

CITY OF WILMAR, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	$ 11,153	$ 136,606
Receipts:		
State aid	5,893	34,103
Federal aid		50,241
Property taxes	3,552	930
Franchise fees	16,631	
Sales taxes	83,449	
Rental income	28,558	
Other	2,579	
Unclassified	4,329	
Total Receipts	144,991	85,274
Disbursements:		
General government	109,856	45,876
Highways and streets		36,609
Public safety	2,241	
Sanitation	11,920	7,000
Recreation and culture		32,362
Wastewater	6,143	
Debt service	551	2,204
Unclassified	7,445	
Total Disbursements	138,156	124,051
Cash Balance, December 31, 2022	$ 17,988	$ 97,829

CITY OF WILMAR, ARKANSAS
COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

	Street	Fire Equipment and Training (Act 833)	Parks and Recreation	Street Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	$ 70,016	$ 15,974	$ 15,034	$ 100	$ 35,482	$ 136,606
Receipts:						
State aid	34,103					34,103
Federal aid					50,241	50,241
Property taxes	930					930
Total Receipts	35,033				50,241	85,274
Disbursements:						
General government					45,876	45,876
Highways and streets	36,609					36,609
Sanitation					7,000	7,000
Recreation and culture					32,362	32,362
Debt service	2,204					2,204
Total Disbursements	38,813				85,238	124,051
Cash Balance, December 31, 2022	$ 66,236	$ 15,974	$ 15,034	$ 100	$ 485	$ 97,829

CITY OF WILMAR, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
   General and Home

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

	December 31, 2023	December 31, 2022
Land	$ 798,183	$ 798,183
Equipment	361,656	361,656
Totals	$ 1,159,839	$ 1,159,839

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

	December 31, 2023	December 31, 2022
Financed purchase	$ 12,715	$ 16,845

5. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	$ 50,241

6. The City did not remit retirement benefit payments to Arkansas Public Employee Retirement System for an employee's years of service 1997 to 2000. The City began making payment of $500 month in March 2023. As of December 31, 2023, the City owed $57,945, this amount includes penalties.