Town of Wabbaseka, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

TOWN OF WABBASEKA, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Wabbaseka, 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 Wabbaseka, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated May 12, 2026. These procedures were not performed for the Water and Sewer 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 relate to the following officials who held office during 2024:

Mayor: Andrew Goodloe
Recorder/Treasurer: Jennifer Moore
District Court Clerk: Brooke Stayton
Police Chief: Efrem Elliot (Resigned June 2024)

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

An audit or agreed upon procedures report has not been obtained for the Town's Water and Sewer System for the years 2016 through 2022, as required by Ark. Code Ann. § 14-234-119. The Town signed an engagement letter on September 24, 2025, for the years 2024 and 2023 and it was completed on March 11, 2026. A similar finding was issued in the previous report.

Recorder/Treasurer

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The Town was in noncompliance with these codes and other proper accounting procedures as noted below:

- Cash receipts and disbursements journals were not properly maintained for all funds.
- Bank reconciliations were not properly prepared for Act 833 and Fire Department Donations Funds.
- Bank reconciliations were not approved by someone other than the preparer for General and Street Funds.
- Receipt books were not properly maintained for all funds.
- Invoices and supporting documentation were not maintained for disbursements of $831. Due to a lack of documentation, the validity of these disbursements could not be determined.
- Numerous disbursements were made by debit card rather than a prenumbered check.
- Electronic disbursements were made without proper approval of the Town Council (by Ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal controls and documentation for audit and accounting purposes.
- Checks did not contain the signature of two authorized disbursing officers.

Similar findings were issued in previous reports dating as far back as 2007.

Mayor and Recorder/Treasurer

The following payroll issues were noted:

- The Town failed to remit federal payroll taxes for reporting periods dating back to 2015. Review of Internal Revenue Services (IRS) notices indicated unpaid federal payroll taxes, penalties, and interest totaling $267,516, consisting of $176,674 for the Town and $90,842 for the Water Department, as of December 31, 2024. The Town met with IRS on September 9, 2025, and is in the process of setting up a payment plan. A similar finding was noted in the previous ten reports dating back to 2012.
- IRS Form W-3 and quarterly payroll Form 941 reports were not in agreement.

Although Schedule 1 of this report shows an ending General Fund balance of $2,204, review of records revealed that the Town owed significant amounts to the Internal Revenue Service (IRS). Furthermore, IRS quarterly tax payments were not paid for 2024. As shown in Note 5 of Schedule 3 of this report, when the outstanding amount is considered, the General Fund had a deficit of $174,470 at December 31, 2024. Similar findings were noted in the previous five reports dating back to 2018.

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 12, 2026
LOM316824

Schedule 1

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	$ 3,918	$ 22,049
Receipts:		
State aid	2,677	24,922
Property taxes	6,633	
Franchise fees	12,123	
Sales taxes	55,778	
Fines, forfeitures, and costs	44,057	232
Interest		1
Contribution from water	4,919	
Other	6,784	96
Unclassified		21,550
Total Receipts	132,971	46,801
Disbursements:		
General government	87,172	120
Law enforcement	17,090	65
Highways and streets		12,983
Wastewater	30,423	
Debt service		7,448
Unclassified		20,062
Total Disbursements	134,685	40,678
Cash Balance, December 31, 2024	$ 2,204	$ 28,172

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

Schedule 2

	Street	Fire Training and Equipment (Act 833)	Court Automation	Fire Department Donations	Total
Cash Balance, January 1, 2024	$ 2,495	$ 12,955	$ 4,525	$ 2,074	$ 22,049
Receipts:					
State aid	14,801	10,121			24,922
Fines, forfeitures, and costs			232		232
Interest			1		1
Other	36	60			96
Unclassified		21,500		50	21,550
Total Receipts	14,837	31,681	233	50	46,801
Disbursements:					
General government		120			120
Law enforcement			65		65
Highways and streets	12,983				12,983
Debt service	4,010	3,438			7,448
Unclassified		18,522		1,540	20,062
Total Disbursements	16,993	22,080	65	1,540	40,678
Cash Balance, December 31, 2024	$ 339	$ 22,556	$ 4,693	$ 584	$ 28,172

TOWN OF WABBASEKA, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

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

2. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2024
District Court	$ 280

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

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

	December 31, 2024
Land	$ 302,000
Buildings	292,000
Equipment	409,073
Total	$ 1,003,073

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

	December 31, 2024
Financed purchases	$ 41,615

5. The schedules included on our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it was brought to our attention that the Town of Wabbaseka had significant balances due to the Internal Revenue Service (IRS). The information below begins with cash balances per Schedules 1 and 2 of this report. The computations include changes to the cash balances for the outstanding amounts owed at year end.

	General Fund
Cash balance per Schedule 1 as of December 31, 2024	$ 2,204
Due to the IRS - City	(176,674)
Restated balance as of December 31, 2024	$ (174,470)