

City of Wilmar, Arkansas

Financial and Compliance Report

December 31, 2017



CITY OF WILMAR, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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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 year ended December 31, 2017, and have issued our report thereon dated September 18, 2018. These procedures were not performed for the Water and Sewer Systems. 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 2017:

Mayor: Curley Jackson
Recorder/Treasurer: Amanda Orr

We evaluated the City's compliance with certain state laws concerning general 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

The City has not obtained an audit or agreed-upon procedures (AUP) report for the City's Water and Sewer Systems for 2016, 2015 and 2014, in noncompliance with Ark. Code Ann. § 14-234-119. The City has obtained two proposals to perform AUPs for the Water and Sewer Systems for 2016, 2015, and 2014; however, as of September 17, 2018, the engagement had not been initiated. A similar finding was issued in the prior report.

Recorder/Treasurer

The following deficiencies were noted while testing payroll:

- Federal income tax was remitted in March and August 2018 for eight months of delinquent taxes.
- State income tax monthly payments were delinquent.
- Internal Revenue Service (IRS) Employer's Quarterly Federal Tax Returns (Form 941) and the (IRS) Form W-3 Transmittal of Wage and Tax Statements were not filed until July 2018.

A similar finding was issued in the prior report.

Mayor and Recorder/Treasurer

Again, payments for past due accounts, late payment charges and/or disconnect notices were noted during review of City invoices.

Restricted Street Fund monies totaling \$3,061 were transferred to the General Fund for which documentation was not provided, in noncompliance with Ark. Code Ann. §§ 26-79-104, 27-70-207.

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



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

Little Rock, Arkansas
September 18, 2018
LOM219717

CITY OF WILMAR, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 11,329	\$ 59,515
Receipts:		
State aid	8,105	35,152
Property taxes	4,339	1,434
Franchise fees	19,023	
Sales taxes	76,799	
Rental income	21,394	
Transfers in	3,061	100
Total Receipts	<u>132,721</u>	<u>36,686</u>
Disbursements:		
General government	117,161	64
Highways and streets		24,770
Public safety	790	4,279
Recreation and culture	1,314	1,583
Water and sewer	13,033	
Transfers out		3,161
Total Disbursements	<u>132,298</u>	<u>33,857</u>
Cash Balance, December 31, 2017	<u>\$ 11,752</u>	<u>\$ 62,344</u>

CITY OF WILMAR, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training (Act 833)	Parks and Recreation	Street Grant	Total
Cash Balance, January 1, 2017	\$ 8,752	\$ 29,740	\$ 21,023		\$ 59,515
Receipts:					
State aid	35,152				35,152
Property taxes	1,434				1,434
Transfers in				\$ 100	100
Total Receipts	<u>36,586</u>			<u>100</u>	<u>36,686</u>
Disbursements:					
General government				64	64
Highways and streets	24,770				24,770
Public safety		4,279			4,279
Recreation and culture			1,583		1,583
Transfers out	3,161				3,161
Total Disbursements	<u>27,931</u>	<u>4,279</u>	<u>1,583</u>	<u>64</u>	<u>33,857</u>
Cash Balance, December 31, 2017	<u>\$ 17,407</u>	<u>\$ 25,461</u>	<u>\$ 19,440</u>	<u>\$ 36</u>	<u>\$ 62,344</u>

CITY OF WILMAR, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Schedule 3

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:

	<u>December 31, 2017</u>
Land and Buildings	\$ 798,183
Equipment	<u>355,841</u>
Total	<u><u>\$ 1,154,024</u></u>