

Town of Wooster, Arkansas

Financial and Compliance Report

December 31, 2017 and 2016

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF WOOSTER, ARKANSAS
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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Financial and Compliance Report

Town of Wooster, 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 Wooster, Arkansas, as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated September 24, 2018. These procedures were not performed for the Water 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 2017 and 2016:

Mayor: Terry Robinson
Finance Director: Donna Pruitt

We evaluated the Town'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 Finance Director.

Mayor and Finance Director

The Park Fund disbursed \$1,500 in cash and \$150 in gift cards for contest prizes. Even though these funds were donated or generated from the event at which the prizes were given, the "public purpose doctrine", as described in Op. Att'y Gen. no. 91-410, does not allow cash prizes and gift cards to be disbursed using government funds.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
September 24, 2018
LOM223417

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

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Fund - Street</u>
Cash Balance, January 1, 2017	<u>\$ 390,010</u>	<u>\$ 211,806</u>
Receipts:		
State aid	13,640	59,161
Property taxes	41,131	18,862
Franchise fees	26,600	
Sales taxes	68,053	
Interest	63	224
Local permits and fees	2,681	
Donations	1,450	
Other	20,161	
Total Receipts	<u>173,779</u>	<u>78,247</u>
Disbursements:		
General government	116,326	
Highways and streets	10,183	52,068
Recreation and culture	11,865	
Total Disbursements	<u>138,374</u>	<u>52,068</u>
Cash Balance, December 31, 2017	<u><u>\$ 425,415</u></u>	<u><u>\$ 237,985</u></u>

TOWN OF WOOSTER, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (UNAUDITED)

Schedule 2

	<u>General Fund</u>	<u>Special Revenue Fund - Street</u>
Cash Balance, January 1, 2016	<u>\$ 333,930</u>	<u>\$ 150,310</u>
Receipts:		
State aid	13,735	56,810
Property taxes	40,175	18,515
Franchise fees	26,497	
Sales taxes	64,746	
Interest	63	224
Local permits and fees	3,309	
Donations	2,763	
Other	11,963	
Total Receipts	<u>163,251</u>	<u>75,549</u>
Disbursements:		
General government	92,048	
Highways and streets	9,749	14,053
Recreation and culture	5,374	
Total Disbursements	<u>107,171</u>	<u>14,053</u>
Cash Balance, December 31, 2016	<u><u>\$ 390,010</u></u>	<u><u>\$ 211,806</u></u>

TOWN OF WOOSTER, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
 (UNAUDITED)

Schedule 3

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, Saferoom, and Park.
3. The Municipality's capital assets records are summarized below:

	December 31, 2017	December 31, 2016
Land	\$ 90,400	\$ 90,400
Buildings	262,374	262,374
Equipment	189,503	165,003
Total	\$ 542,277	\$ 517,777

4. The beginning balance for the General Fund was increased \$13,518 to correct a prior year error and \$3,834 for the reclassification of the Park Fund from a Special Revenue Fund to a General Fund.