

City of Wiederkehr Village, Arkansas

Financial and Compliance Report

December 31, 2021, 2020, and 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF WIEDERKEHR VILLAGE, ARKANSAS
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Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Wiederkehr Village, 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 Wiederkehr Village, Arkansas, as of and for the years ended December 31, 2021, 2020, and 2019, and have issued our report thereon dated August 12, 2022. 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 2021, 2020, and 2019:

Mayor: Jeff Coley
Recorder/Treasurer: Michelle Robbins

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 offices of **Mayor** and **Recorder/Treasurer**.

Mayor

1. The governing body did not adopt the budgets by ordinance or resolution, as required by Ark. Code Ann. § 14-58-202. A similar finding was noted in the previous report.
2. The governing body did not review the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418. A similar finding was noted in the previous report.

Recorder/Treasurer

1. The bank accounts were not properly reconciled, and reconciliations were not approved by someone other than the preparer, as required by Ark. Code Ann. § 14-59-108. A similar finding was noted in the previous report.
2. The annual financial statements were not published or posted as required by Ark. Code Ann. § 14-59-116. A similar finding was noted in the previous report.
3. The following deficiencies were noted regarding the City's receipting process, in noncompliance with Ark Code Ann. § 14-59-109:
 - Prenumbered receipts were not issued for all funds received.
 - Receipts were not always issued in sequential order.
 - Receipts were not deposited in a timely manner.
 - Receipts were not formally receipted at the time of collection or earliest opportunity.
 - Receipt numbers were not indicated on deposit slips.
4. Cash receipts and disbursements journals were not properly posted and reconciled with bank deposits and withdrawals, in noncompliance with Ark. Code Ann. §§ 14-59-108, 110, 111.
5. During 2021, the General Fund transferred \$2,470 as partial repayment of restricted revenues that were transferred from the Street Fund. Combining the aforementioned amount with \$9,574 due the Street Fund from prior years, resulted in a total of \$7,104 due the Street Fund at December 31, 2021. A similar finding was noted in the previous two reports.
6. Invoices and supporting documentation were not provided for tested disbursements in 2021, 2020, and 2019 of \$3,314 (35%), \$1,503 (24%), and \$6,272 (77%) respectively, in noncompliance with Ark. Code Ann. § 14-59-105. A similar finding was noted in the previous two reports.

Recorder/Treasurer (Continued)

7. The following issues were noted when reviewing payroll records:

- Internal Revenue Service (IRS) Form 941 for the fourth quarter of 2020 and the second quarter of 2019 were not provided for inspection, as required by Ark. Code Ann. § 14-59-114.
- Bonus pay of \$100 received by city officials was not reported on City W-2s for 2021 and 2020.
- Authorized salaries for the Mayor and the Recorder/Treasurer could not be determined.
- State of Arkansas ARW-3 Form was not made available for inspection for 2021, as required by Ark. Code Ann. § 14-59-114.
- The City incurred Internal Revenue Service (IRS) penalties for untimely reporting of \$606 in 2021 and \$541 in 2019.

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
August 12, 2022
LOM219621

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 31,674	\$ 13,261
Receipts:		
State aid	653	3,373
Federal aid		4,765
Property taxes	3,993	3,745
Sales taxes	40,159	
Interest	10	4
Advertising and promotion taxes	7,188	10,273
Other	1,331	20
Transfers in	2,095	
Total Receipts	<u>55,429</u>	<u>22,180</u>
Disbursements:		
General government	36,644	4,183
Highways and streets		929
Public safety	1,335	
Transfers out		2,095
Total Disbursements	<u>37,979</u>	<u>7,207</u>
Cash Balance, December 31, 2021	<u>\$ 49,124</u>	<u>\$ 28,234</u>

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Advertising and Promotion	American Rescue Plan (ARPA)	Total
Cash Balance, January 1, 2021	\$ 8,909	\$ 4,352		\$ 13,261
Receipts:				
State aid	3,373			3,373
Federal aid			\$ 4,765	4,765
Property taxes	3,745			3,745
Interest	4			4
Advertising and promotion taxes		10,273		10,273
Other	20			20
Total Receipts	<u>7,142</u>	<u>10,273</u>	<u>4,765</u>	<u>22,180</u>
Disbursements:				
General government		4,183		4,183
Highways and streets	929			929
Transfers out		2,095		2,095
Total Disbursements	<u>929</u>	<u>6,278</u>		<u>7,207</u>
Cash Balance, December 31, 2021	<u>\$ 15,122</u>	<u>\$ 8,347</u>	<u>\$ 4,765</u>	<u>\$ 28,234</u>

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2020	\$ 12,859	\$ 7,652
Receipts:		
State aid	564	2,869
Property taxes	3,126	998
Sales taxes	37,138	
Interest	18	6
Advertising and promotion taxes	6,295	7,010
Other	1,033	
Transfers in	1,198	
Total Receipts	<u>49,372</u>	<u>10,883</u>
Disbursements:		
General government	29,292	4,076
Public safety	1,265	
Transfers out		1,198
Total Disbursements	<u>30,557</u>	<u>5,274</u>
Cash Balance, December 31, 2020	<u>\$ 31,674</u>	<u>\$ 13,261</u>

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	Street	Advertising and Promotion	Total
Cash Balance, January 1, 2020	\$ 5,036	\$ 2,616	\$ 7,652
Receipts:			
State aid	2,869		2,869
Property taxes	998		998
Interest	6		6
Advertising and promotion taxes		7,010	7,010
Total Receipts	<u>3,873</u>	<u>7,010</u>	<u>10,883</u>
Disbursements:			
General government		4,076	4,076
Transfers out		1,198	1,198
Total Disbursements		<u>5,274</u>	<u>5,274</u>
Cash Balance, December 31, 2020	<u>\$ 8,909</u>	<u>\$ 4,352</u>	<u>\$ 13,261</u>

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2019	\$ 829	\$ 2,437
Receipts:		
State aid	601	2,725
Property taxes	7,206	2,305
Sales taxes	31,898	
Interest	9	3
Advertising and promotion taxes	7,138	8,640
Contributions from the water fund	2,595	
Other	808	
Transfers in	300	300
Total Receipts	<u>50,555</u>	<u>13,973</u>
Disbursements:		
General government	37,085	8,148
Highways and streets		310
Public safety	1,140	
Transfers out	300	300
Total Disbursements	<u>38,525</u>	<u>8,758</u>
Cash Balance, December 31, 2019	<u>\$ 12,859</u>	<u>\$ 7,652</u>

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (UNAUDITED)

Schedule 6

	Street	Advertising and Promotion	Total
Cash Balance, January 1, 2019	\$ 313	\$ 2,124	\$ 2,437
Receipts:			
State aid	2,725		2,725
Property taxes	2,305		2,305
Interest	3		3
Advertising and promotion taxes		8,640	8,640
Transfers in		300	300
Total Receipts	<u>5,033</u>	<u>8,940</u>	<u>13,973</u>
Disbursements:			
General government		8,148	8,148
Highways and streets	310		310
Transfers out		300	300
Total Disbursements	<u>310</u>	<u>8,448</u>	<u>8,758</u>
Cash Balance, December 31, 2019	<u>\$ 5,036</u>	<u>\$ 2,616</u>	<u>\$ 7,652</u>

CITY OF WIEDERKEHR VILLAGE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(UNAUDITED)

Schedule 7

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 Community Development
3. The City did not own any fixed assets as of December 31, 2021, 2020, and 2019.
4. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 4,765</u>