

City of McRae, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MCRAE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Financial and Compliance Report

City of McRae, 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 McRae, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated September 5, 2023. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2022:

Mayor: Joel Pruitt
Recorder/Treasurer: Deborah McDaniel
District Court Clerk: Billie Curtis
Police Chief/Marshal: Scotty Whitcomb (June 18, 2022 – December 31, 2022)
Danny Spears (January 1, 2022 – May 9, 2022)

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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 5, 2023
LOM212722

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 196,103	\$ 162,207
Receipts:		
State aid	8,575	68,057
Federal aid		69,302
Property taxes	22,807	2,734
Franchise fees	26,373	
Sales taxes	255,048	
Fines, forfeitures, and costs	56,998	4,112
Interest	14	
Local permits and fees	500	
Contributions from county		120,887
Other	10,414	4,466
Total Receipts	380,729	269,558
Disbursements:		
General government	381,000	2,000
Law enforcement	55,934	23,273
Highways and streets		40,758
Public safety		63,084
Recreation and culture		2,605
Wastewater		22,835
Sales tax remitted to water department	22,984	
Total Disbursements	459,918	154,555
Cash Balance, December 31, 2022	\$ 116,914	\$ 277,210

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

Schedule 2

	Street	Fire Department Special	Judicial Fine Enhancement	Police Car Grant	Police Drug Control	Fireworks and Christmas Decorations	Fire Department Operation and Maintenance	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 28,506	\$ 25,548	\$ 11,297	\$ 17	\$ 1,078	\$ 1,874	\$ 60,426	\$ 33,461	\$ 162,207
Receipts:									
State aid	53,183	14,874							68,057
Federal aid								69,302	69,302
Property taxes	2,734								2,734
Fines, forfeitures, and costs			4,112						4,112
Contributions from county		8,993					111,894		120,887
Other	3,081					1,150	235		4,466
Total Receipts	58,998	23,867	4,112			1,150	112,129	69,302	269,558
Disbursements:									
General government								2,000	2,000
Law enforcement			3,278					19,995	23,273
Highways and streets	25,697							15,061	40,758
Public safety		13,753					49,331		63,084
Recreation and culture						2,605			2,605
Wastewater								22,835	22,835
Total Disbursements	25,697	13,753	3,278			2,605	49,331	59,891	154,555
Cash Balance, December 31, 2022	\$ 61,807	\$ 35,662	\$ 12,131	\$ 17	\$ 1,078	\$ 419	\$ 123,224	\$ 42,872	\$ 277,210

CITY OF MCRAE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General and Sales and Use Tax
3. Cash balance at year-end in the custodial fund is as follows:

	December 31, 2022
District Court	\$ 13,112

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

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

	December 31, 2022
Land	\$ 25,819
Buildings	320,558
Equipment	640,404
Total	<u>\$ 986,781</u>

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