

City of McRae, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MCRAE, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

Schedule

Schedule of Financial Information (Unaudited)

1

Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)

2

Other Information (Unaudited)

3

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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, 2017, and have issued our report thereon dated August 30, 2018. 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 findings contained in this section relate to the following officials who held office during 2017:

Mayor: Robert W. Sullivan
Recorder/Treasurer: Mary L. Claiborne
District Court Clerk: Billie Curtis
Police Chief: Jonathan Underwood

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.

Our procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
August 30, 2018
LOM212717

CITY OF MCRAE, 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	\$ 169,633	\$ 87,383
Receipts:		
State aid	10,816	56,852
Federal aid	3,500	
Property taxes	25,176	3,009
Franchise fees	23,885	
Sales taxes	137,938	
Fines, forfeitures, and costs	87,495	4,968
Interest	27	
Local permits and fees	360	
Contributions from county		49,012
Total Receipts	<u>317,475</u>	<u>118,756</u>
Disbursements:		
General government	112,165	
Law enforcement	199,574	3,276
Highways and streets		48,178
Public safety	6,275	51,298
Health	11,473	
Recreation and culture	2,979	4,000
Total Disbursements	<u>332,466</u>	<u>106,752</u>
Cash Balance, December 31, 2017	<u>\$ 154,642</u>	<u>\$ 99,387</u>

CITY OF MCRAE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (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	Total
Cash Balance, January 1, 2017	\$ 66,525	\$ 12,215	\$ 7,208	\$ 17	\$ 1,078	\$ 340		\$ 87,383
Receipts:								
State aid	46,916	9,936						56,852
Property taxes	3,009							3,009
Fines, forfeitures, and costs			4,968					4,968
Contributions from county		8,735					\$ 40,277	49,012
Other	225	900				3,790		4,915
Total Receipts	<u>50,150</u>	<u>19,571</u>	<u>4,968</u>			<u>3,790</u>	<u>40,277</u>	<u>118,756</u>
Disbursements:								
Law enforcement			3,276					3,276
Highways and streets	48,178							48,178
Public safety		26,234					25,064	51,298
Recreation and culture						4,000		4,000
Total Disbursements	<u>48,178</u>	<u>26,234</u>	<u>3,276</u>			<u>4,000</u>	<u>25,064</u>	<u>106,752</u>
Cash Balance, December 31, 2017	<u>\$ 68,497</u>	<u>\$ 5,552</u>	<u>\$ 8,900</u>	<u>\$ 17</u>	<u>\$ 1,078</u>	<u>\$ 130</u>	<u>\$ 15,213</u>	<u>\$ 99,387</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts 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. The cash balance at year-end in the agency fund is as follows:

	December 31, 2017
District Court Fund	\$ 16,910

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, 2017
Land	\$ 25,819
Buildings	316,399
Equipment	462,207
Total	\$ 804,425

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

	December 31, 2017
Leases payable	\$ 56,700