

**City of McCrory, Arkansas**

**Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

---



CITY OF MCCRORY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

# Arkansas

**Sen. David Wallace**  
Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of McCrory, 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 McCrory, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated October 20, 2023. These procedures were not performed for the Water and Sewer Funds. 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: Doyle Fowler  
Financial Director/Treasurer: Robert Trotter  
City Clerk/District Court Clerk: Karen Harrison  
Police Chief: Brad Bevills

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

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

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

Little Rock, Arkansas  
October 20, 2023  
LOM106122

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

Schedule 1

	General Fund	Special Revenue Funds	Browning Youth Permanent Fund
Cash Balance, January 1, 2022	\$ 310,155	\$ 460,489	\$ 75,000
Receipts:			
State aid	\$ 50,528	\$ 169,950	
Federal aid	1,293	173,899	
Property taxes	79,031	22,098	
Franchise fees	97,262		
Sales taxes	580,256		
Fines, forfeitures, and costs	134,148	20,697	
Interest	847	1,062	\$ 263
Local permits and fees	2,809	2,553	
Rent	3,525	1,258	
Other	6,522	350	
Transfers in		248,358	
Total Receipts	<u>956,221</u>	<u>640,225</u>	<u>263</u>
Disbursements:			
General government	255,110	20,036	
Law enforcement	342,333	33,087	
Highways and streets		183,455	
Public safety	112,771	35,858	
Recreation and culture	21,528	40	
Debt service		18,026	
Transfers out	248,095		263
Contribution to water department		154,545	
Total Disbursements	<u>979,837</u>	<u>445,047</u>	<u>263</u>
Cash Balance, December 31, 2022	<u>\$ 286,539</u>	<u>\$ 655,667</u>	<u>\$ 75,000</u>

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

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	District Court Automation	Fire Equipment and Training (Act 833)	Police Vehicle Maintenance	Intoximeter	Municipal Judge's and Clerk's Retirement	Canine/Drug Enforcement	Police Car Project
Cash Balance, January 1, 2022	\$ 254,399	\$ 6,821	\$ 14,962	\$ 15,631	\$ 12,869	\$ 9,398	\$ 3,079	\$ 671	\$ 2,904
Receipts:									
State aid	145,101			24,849					
Federal aid									19,757
Property taxes	15,776	6,322							
Fines, forfeitures, and costs			3,844		14,201	2,127	342		
Interest	1,030	32							
Local permits and fees									
Rent									
Other	350								
Transfers in	194,095	42,000							
Total Receipts	<u>356,352</u>	<u>48,354</u>	<u>3,844</u>	<u>24,849</u>	<u>14,201</u>	<u>2,127</u>	<u>342</u>		<u>19,757</u>
Disbursements:									
General government									
Law enforcement			4,902		74	73		74	22,661
Highways and streets	183,455								
Public safety		30,014		5,420					
Recreation and culture									
Debt service	2,366			15,660					
Contribution to water department									
Total Disbursements	<u>185,821</u>	<u>30,014</u>	<u>4,902</u>	<u>21,080</u>	<u>74</u>	<u>73</u>		<u>74</u>	<u>22,661</u>
Cash Balance, December 31, 2022	<u>\$ 424,930</u>	<u>\$ 25,161</u>	<u>\$ 13,904</u>	<u>\$ 19,400</u>	<u>\$ 26,996</u>	<u>\$ 11,452</u>	<u>\$ 3,421</u>	<u>\$ 597</u>	<u>\$ 0</u>

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

Schedule 2

	Parks Commission	Fire Truck and Equipment	City Project Account	Animal Control	Animal Shelter Project	Arcade	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 1,354	\$ 43,246	\$ 28,552	\$ 2,890	\$ 48,476	\$ 14,834	\$ 403	\$ 460,489
Receipts:								
State aid								169,950
Federal aid							154,142	173,899
Property taxes								22,098
Fines, forfeitures, and costs				183				20,697
Interest								1,062
Local permits and fees				2,553				2,553
Rent				1,258				1,258
Other								350
Transfers in	263	12,000						248,358
Total Receipts	<u>263</u>	<u>12,000</u>		<u>3,994</u>			<u>154,142</u>	<u>640,225</u>
Disbursements:								
General government			20,036					20,036
Law enforcement				5,303				33,087
Highways and streets								183,455
Public safety		424						35,858
Recreation and culture	40							40
Debt service								18,026
Contribution to water department							154,545	154,545
Total Disbursements	<u>40</u>	<u>424</u>	<u>20,036</u>	<u>5,303</u>			<u>154,545</u>	<u>445,047</u>
Cash Balance, December 31, 2022	<u>\$ 1,577</u>	<u>\$ 54,822</u>	<u>\$ 8,516</u>	<u>\$ 1,581</u>	<u>\$ 48,476</u>	<u>\$ 14,834</u>	<u>\$ 0</u>	<u>\$ 655,667</u>

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.

2. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2022
	<u>                    </u>
District Court	\$ 26,829

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

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

	December 31, 2022
	<u>                    </u>
Land	\$ 76,985
Buildings	1,114,604
Equipment	<u>908,289</u>
Total	<u><u>\$ 2,099,878</u></u>

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

	December 31, 2022
	<u>                    </u>
Financed purchases	<u><u>\$ 19,688</u></u>

5. The City received federal funding of the following amount related to COVID-19 relief:

	December 31, 2022
	<u>                    </u>
American Rescue Plan Act (ARPA)	<u><u>\$ 154,142</u></u>