

City of McNeil, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF MCNEIL, ARKANSAS
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Arkansas

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of McNeil, 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 McNeil, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated November 18, 2024. 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 finding contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Dana Harris (2023)
Teresa Triplet (2022)
Recorder/Treasurer: Sherry Phelps (2023)
Nancy Cook (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.

Noncompliance with state law and accepted accounting practices was noted in the office of the **Mayor**.

Mayor

Street Fund disbursements exceeded appropriations by \$13,483 (46%) and \$53,996 (136%) in 2023 and 2022, respectively, in noncompliance with Ark. Code Ann. § 14-58-203. In addition, the 2023 and 2022 budgets were not adopted by ordinance or resolution, in noncompliance with Ark. Code Ann. § 14-58-202.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 18, 2024
LOM212623

CITY OF MCNEIL, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 58,582	\$ 157,994
Receipts:		
State aid	5,793	62,897
Property taxes	11,109	4,171
Franchise fees	16,605	
Sales taxes	13,103	
Interest	1,488	798
Fire department tax		5,471
Rental income	12,675	
Donations		11,160
Contribution from water and sewer		2,500
Other	2,561	1,374
Transfers in		2,260
Total Receipts	<u>63,334</u>	<u>90,631</u>
Disbursements:		
General government	31,886	36,820
Law enforcement	11,881	
Highways and streets		45,111
Public safety	6,110	24,443
Water and sewer		5,065
Debt service	5,036	
Transfers out	1,500	760
Total Disbursements	<u>56,413</u>	<u>112,199</u>
Cash Balance, December 31, 2023	<u>\$ 65,503</u>	<u>\$ 136,426</u>

CITY OF MCNEIL, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street	Fire Department	Volunteer Fire Department (ACT 833)	American Rescue Plan Act (ARPA)	South Side School Project	Total
Cash Balance, January 1, 2023	\$ 45,224	\$ 14,187	\$ 20,734	\$ 77,849		\$ 157,994
Receipts:						
State aid	32,140		15,757		\$ 15,000	62,897
Property taxes	4,171					4,171
Interest	798					798
Fire department tax		5,471				5,471
Donations					11,160	11,160
Contribution from water and sewer	2,500					2,500
Other	1,374					1,374
Transfers in		760			1,500	2,260
Total Receipts	<u>40,983</u>	<u>6,231</u>	<u>15,757</u>		<u>27,660</u>	<u>90,631</u>
Disbursements:						
General government				9,160	27,660	36,820
Highways and streets	42,611			2,500		45,111
Public safety		6,491	17,952			24,443
Water and sewer				5,065		5,065
Transfers out			760			760
Total Disbursements	<u>42,611</u>	<u>6,491</u>	<u>18,712</u>	<u>16,725</u>	<u>27,660</u>	<u>112,199</u>
Cash Balance, December 31, 2023	<u>\$ 43,596</u>	<u>\$ 13,927</u>	<u>\$ 17,779</u>	<u>\$ 61,124</u>	<u>\$ 0</u>	<u>\$ 136,426</u>

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

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 60,487	\$ 142,049
Receipts:		
State aid	5,684	84,180
Federal aid		48,687
Property taxes	10,748	4,037
Franchise fees	16,304	
Sales taxes	13,178	
Interest	301	73
Fire department tax		4,228
Rental income	12,275	
Other	2,013	1,073
Unclassified	15	
Total Receipts	60,518	142,278
Disbursements:		
General government	41,766	
Law enforcement	12,570	
Highways and streets		95,547
Public safety	3,425	20,460
Water and sewer		10,326
Debt service	4,662	
Total Disbursements	62,423	126,333
Cash Balance, December 31, 2022	\$ 58,582	\$ 157,994

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

Schedule 4

	Street	Fire Department	Volunteer Fire Department (ACT 833)	American Rescue Plan Act (ARPA)	Total
Cash Balance, January 1, 2022	\$ 63,916	\$ 13,392	\$ 23,452	\$ 41,289	\$ 142,049
Receipts:					
State aid	69,894		14,286		84,180
Federal aid				48,687	48,687
Property taxes	4,037				4,037
Interest	73				73
Fire department tax		4,228			4,228
Other	1,050	23			1,073
Total Receipts	<u>75,054</u>	<u>4,251</u>	<u>14,286</u>	<u>48,687</u>	<u>142,278</u>
Disbursements:					
Highways and streets	93,746			1,801	95,547
Public safety		3,456	17,004		20,460
Water and sewer				10,326	10,326
Total Disbursements	<u>93,746</u>	<u>3,456</u>	<u>17,004</u>	<u>12,127</u>	<u>126,333</u>
Cash Balance, December 31, 2022	<u>\$ 45,224</u>	<u>\$ 14,187</u>	<u>\$ 20,734</u>	<u>\$ 77,849</u>	<u>\$ 157,994</u>

CITY OF MCNEIL, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (UNAUDITED)

Schedule 5

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

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

	December 31, 2023	December 31, 2022
Buildings and Improvements	\$ 388,866	\$ 361,205
Equipment	298,577	284,490
Totals	\$ 687,443	\$ 645,695

The Municipality's capital assets records did not contain cost amounts for land.

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

	December 31, 2022
Financed purchase	\$ 4,873

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 48,687