

# **City of Piggott, Arkansas**

## **Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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

Financial and Compliance Report

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# Arkansas

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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 Piggott, 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 Piggott, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated January 11, 2024. These procedures were not performed for the Municipal Light, Water, and Sewer and Piggott Community Hospital. 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: Travis Williams  
City Clerk/Treasurer: Julie McMillon  
Police Chief: Jeremi Wicker

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, reading "Roger A. Norman".

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

Little Rock, Arkansas  
January 11, 2024  
LOM107522

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

Schedule 1

|  | General<br>Fund     | Special<br>Revenue<br>Funds | Debt Service Fund<br>(Community<br>Center Reserve) |
|--|---------------------|-----------------------------|--|
|  | <u>          </u>   | <u>          </u>           | <u>          </u>                                  |
| Cash Balance, January 1, 2022                        | \$ 1,814,408        | \$ 959,465                  | \$ 10,267  |
| Receipts:  |                     |                             |  |
| State aid  | 302,695             | 346,031                     |  |
| Federal aid  |                     | 411,635                     |  |
| Property taxes                                       | 176,179             | 52,872                      |  |
| Franchise fees                                       | 103,548             |                             |  |
| Sales taxes  | 1,386,070           | 37,512                      |  |
| Fines, forfeitures, and costs                        | 34,931              | 2,860                       |  |
| Interest   | 11,996              | 8,652                       | 57   |
| Local permits and fees                               | 21,534              |                             |  |
| Airport fees   |                     | 7,580                       |  |
| Rental income  | 30,988              | 23,273                      |  |
| Recreation fees                                      | 24,466              |                             |  |
| Contributions from municipal light, water, and sewer | 381,993             |                             |  |
| Other  | 7,853               | 12,255                      |  |
| Transfers in   |                     | 16,334                      | 1,008  |
| Total Receipts                                       | <u>2,482,253</u>    | <u>919,004</u>              | <u>1,065</u>                                       |
| Disbursements:                                       |                     |                             |  |
| General government                                   | 395,844             |                             |  |
| Law enforcement                                      | 624,389             | 9,979                       |  |
| Highways and streets                                 | 180,907             | 318,849                     |  |
| Public safety  | 41,607              | 80,082                      |  |
| Recreation and culture                               | 147,360             |                             |  |
| Community development                                |                     | 3,620                       |  |
| Airport  |                     | 8,135                       |  |
| Wastewater   |                     | 418,200                     |  |
| Debt service   | 18,864              |                             |  |
| Transfers out  | 1,008               | 16,334                      |  |
| Contribution to hospital fund                        | 502,264             | 1,537                       |  |
| Contribution to municipal light, water, and sewer    | 190,984             |                             |  |
| Payment on settlement agreement                      | 247,653             |                             |  |
| Total Disbursements                                  | <u>2,350,880</u>    | <u>856,736</u>              |  |
| Cash Balance, December 31, 2022                      | <u>\$ 1,945,781</u> | <u>\$ 1,021,733</u>         | <u>\$ 11,332</u>                                   |

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

Schedule 2

|                                 | Street            | Airport           | Fire Equipment    | District Court<br>Automation | Governmental<br>Grants |
|---------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------|
| Cash Balance, January 1, 2022   | <u>\$ 201,152</u> | <u>\$ 214,184</u> | <u>\$ 95,249</u>  | <u>\$ 4,304</u>              | <u>\$ 14,806</u>       |
| Receipts:                       |                   |                   |                   |                              |                        |
| State aid                       | 312,711           |                   | 33,320            |                              |                        |
| Federal aid                     |                   | 20,000            |                   |                              | 17,201                 |
| Property taxes                  | 52,872            |                   |                   |                              |                        |
| Sales taxes                     |                   | 12,399            | 25,113            |                              |                        |
| Fines, forfeitures, and costs   |                   |                   |                   | 2,860                        |                        |
| Interest                        | 1,218             | 1,220             | 488               | 25                           |                        |
| Airport fees                    |                   | 7,580             |                   |                              |                        |
| Rental income                   |                   |                   |                   |                              |                        |
| Other                           | 8,954             |                   | 3,301             |                              |                        |
| Transfers in                    |                   |                   |                   |                              | 16,334                 |
| Total Receipts                  | <u>375,755</u>    | <u>41,199</u>     | <u>62,222</u>     | <u>2,885</u>                 | <u>33,535</u>          |
| Disbursements:                  |                   |                   |                   |                              |                        |
| Law enforcement                 |                   |                   |                   | 2,651                        |                        |
| Highways and streets            | 318,849           |                   |                   |                              |                        |
| Public safety                   |                   |                   | 31,741            |                              | 48,341                 |
| Community development           |                   |                   |                   |                              |                        |
| Airport                         |                   | 8,135             |                   |                              |                        |
| Wastewater                      |                   |                   |                   |                              |                        |
| Transfers out                   |                   |                   | 16,334            |                              |                        |
| Contribution to hospital fund   |                   |                   |                   |                              |                        |
| Total Disbursements             | <u>318,849</u>    | <u>8,135</u>      | <u>48,075</u>     | <u>2,651</u>                 | <u>48,341</u>          |
| Cash Balance, December 31, 2022 | <u>\$ 258,058</u> | <u>\$ 247,248</u> | <u>\$ 109,396</u> | <u>\$ 4,538</u>              | <u>\$ 0</u>            |

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

Schedule 2

|                                 | <u>Police Car Grant</u> | <u>Hospital Grant</u> | <u>American<br/>Rescue Plan Act<br/>(ARPA)</u> | <u>Job Stimulus</u> | <u>Total</u>        |
|---------------------------------|-------------------------|-----------------------|--|---------------------|---------------------|
| Cash Balance, January 1, 2022   |                         |                       | <u>\$ 365,319</u>                              | <u>\$ 64,451</u>    | <u>\$ 959,465</u>   |
| Receipts:                       |                         |                       |  |                     |                     |
| State aid                       |                         |                       |  |                     | 346,031             |
| Federal aid                     | \$ 7,328                | \$ 1,537              | 365,569  |                     | 411,635             |
| Property taxes                  |                         |                       |  |                     | 52,872              |
| Sales taxes                     |                         |                       |  |                     | 37,512              |
| Fines, forfeitures, and costs   |                         |                       |  |                     | 2,860               |
| Interest                        |                         |                       |  | 5,701               | 8,652               |
| Airport fees                    |                         |                       |  |                     | 7,580               |
| Rental income                   |                         |                       |  | 23,273              | 23,273              |
| Other                           |                         |                       |  |                     | 12,255              |
| Transfers in                    |                         |                       |  |                     | 16,334              |
| Total Receipts                  | <u>7,328</u>            | <u>1,537</u>          | <u>365,569</u>                                 | <u>28,974</u>       | <u>\$ 919,004</u>   |
| Disbursements:                  |                         |                       |  |                     |                     |
| Law enforcement                 | 7,328                   |                       |  |                     | 9,979               |
| Highways and streets            |                         |                       |  |                     | 318,849             |
| Public safety                   |                         |                       |  |                     | 80,082              |
| Community development           |                         |                       |  | 3,620               | 3,620               |
| Airport                         |                         |                       |  |                     | 8,135               |
| Wastewater                      |                         |                       | 418,200  |                     | 418,200             |
| Transfers out                   |                         |                       |  |                     | 16,334              |
| Contribution to hospital fund   |                         | 1,537                 |  |                     | 1,537               |
| Total Disbursements             | <u>7,328</u>            | <u>1,537</u>          | <u>418,200</u>                                 | <u>3,620</u>        | <u>\$ 856,736</u>   |
| Cash Balance, December 31, 2022 | <u>\$ 0</u>             | <u>\$ 0</u>           | <u>\$ 312,688</u>                              | <u>\$ 89,805</u>    | <u>\$ 1,021,733</u> |

CITY OF PIGGOTT, 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 General Fund column on the Financial Schedules includes the following bank accounts:  
General and Parks and Recreation

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

|           | December 31,<br>2022 |
|-----------|----------------------|
| Land      | \$ 694,262           |
| Buildings | 6,234,768            |
| Equipment | 1,885,913            |
| Total     | <u>\$ 8,814,943</u>  |

4. Outstanding balances at year-end for long-term liabilities are as follows:

|   | December 31,<br>2022 |
|---|----------------------|
| USDA loan payable                         | \$ 221,797           |
| Note settlement agreement<br>(see note 6) | 181,896              |
| Total                                     | <u>\$ 403,693</u>    |

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

|                                 | December 31,<br>2022 |
|---------------------------------|----------------------|
| American Rescue Plan Act (ARPA) | <u>\$ 365,569</u>    |

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

Schedule 3

6. The City entered into a settlement agreement with Evergy Kansas Central, Inc. on September 16, 2021, as a result of the February 2021 winter storm event causing unavailability and interruptions of electrical generation in the region. The City incurred substantial energy costs well in excess of their anticipated and budgeted forecast. The original settlement agreement balance was \$1,234,422 (net credits). The Piggott Job Stimulus Fund Board subsidized \$400,000 of this cost leaving a balance of \$834,422. The City made an initial payment of \$342,960 from General Fund and agreed to monthly installments of \$20,863 for 23 months and a final payment of \$16,794, interest-free. The payments will be made from General Fund on behalf of Municipal Light, Water, and Sewer (MLWS). MLWS added a monthly surcharge to their customers' bills to recoup the funds over a 5 year period, with payments being reimbursed to General Fund. The City paid \$247,653 during 2022. At December 31, 2022, the remaining balance was \$181,896.