

**City of Patterson, Arkansas**

**Financial and Compliance Report**

**December 31, 2021 and 2020**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF PATTERSON, ARKANSAS  
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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# Arkansas

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Senate Vice Chair



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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 Patterson, 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 Patterson, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated September 6, 2022. 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 2021 and 2020:

Mayor: John Leonard  
Recorder/Treasurer: Peggy King  
Police Chief: James Dunham (resigned September 15, 2020)  
Jeremy McNeil (appointed September 15, 2020, resigned June 2, 2021)  
Jordan Woods (appointed June 2, 2021, resigned July 19, 2021)  
Jay Atkins (appointed July 19, 2021)

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 offices of **Mayor** and **Recorder/Treasurer**.

### **Mayor and Recorder/Treasurer**

The Mayor and Recorder/Treasurer both received a \$1,000 bonus that was not documented in Council minutes or the budget and, therefore, appears unauthorized. In addition, the budget did not detail the Mayor's approved salary.

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  
September 6, 2022  
LOM215021

CITY OF PATTERSON, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 295,572	\$ 73,079
Receipts:		
State aid	16,226	34,407
Federal aid		52,053
Property taxes	9,928	1,978
Franchise fees	15,591	
Sales taxes	75,251	
Fines, forfeitures, and costs	47,130	
Interest	746	248
Local permits and fees	393	
Contribution from water department	6,353	
Other	9,480	
Transfers in		18,866
Total Receipts	<u>181,098</u>	<u>107,552</u>
Disbursements:		
General government	127,344	
Law enforcement	29,526	30,315
Highways and streets		50,684
Public safety	21,674	
Sanitation	5,325	
Recreation and culture	864	
Debt service	725	
Transfers out	18,866	
Total Disbursements	<u>204,324</u>	<u>80,999</u>
Cash Balance, December 31, 2021	<u>\$ 272,346</u>	<u>\$ 99,632</u>

CITY OF PATTERSON, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 2

	Street	Police Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 73,079			\$ 73,079
Receipts:				
State aid	34,407			34,407
Federal aid		\$ 11,549	\$ 40,504	52,053
Property taxes	1,978			1,978
Interest	248			248
Transfers in		18,866		18,866
Total Receipts	<u>36,633</u>	<u>30,415</u>	<u>40,504</u>	<u>107,552</u>
Disbursements:				
Law enforcement		30,315		30,315
Highways and streets	50,684			50,684
Total Disbursements	<u>50,684</u>	<u>30,315</u>		<u>80,999</u>
Cash Balance, December 31, 2021	<u>\$ 59,028</u>	<u>\$ 100</u>	<u>\$ 40,504</u>	<u>\$ 99,632</u>

CITY OF PATTERSON, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Fund - Street
Cash Balance, January 1, 2020	\$ 310,941	\$ 55,593
Receipts:		
State aid	15,522	34,122
Federal aid	17,907	
Property taxes	9,961	1,975
Franchise fees	14,776	
Sales taxes	66,311	
Fines, forfeitures, and costs	38,664	
Interest	1,398	352
Local permits and fees	600	
Contribution from water department	5,693	
Other	23,822	
Total Receipts	<u>194,654</u>	<u>36,449</u>
Disbursements:		
General government	115,470	
Law enforcement	26,154	
Highways and streets		18,963
Public safety	18,088	
Recreation and culture	723	
Contribution to water department	48,863	
Debt service	725	
Total Disbursements	<u>210,023</u>	<u>18,963</u>
Cash Balance, December 31, 2020	<u>\$ 295,572</u>	<u>\$ 73,079</u>

CITY OF PATTERSON, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(UNAUDITED)

Schedule 4

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 Volunteer Fire Department

3. Cash balance at year-end in the custodial fund is as follows:

	December 31, 2021
Police Bond and Fine	\$ 20

This balance represent 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, 2021	December 31, 2020
Land	\$ 34,294	\$ 34,294
Buildings	432,258	432,258
Equipment	553,565	486,891
Total	<u>\$ 1,020,117</u>	<u>\$ 953,443</u>

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

	December 31, 2021	December 31, 2020
Notes payable	<u>\$ 725</u>	<u>\$ 1,450</u>

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

	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)		\$ 17,907
American Rescue Plan Act (ARPA)	\$ 40,504	
	<u>\$ 40,504</u>	<u>\$ 17,907</u>