

**Town of Prattsville, Arkansas**

**Financial and Compliance Report**

**December 31, 2022 and 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF PRATTSVILLE, ARKANSAS  
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# Arkansas

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**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

Town of Prattsville, 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 Town of Prattsville, Arkansas, as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated November 22, 2023. These procedures were not performed for the Water Department. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relates to the following officials who held office during 2022 and 2021:

Mayor: David Paxton  
Recorder: John Allen  
Treasurer: Linda Holiman

We evaluated the Town'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 **Mayor**.

#### **Mayor**

In 2022, total Street Fund disbursements exceeded appropriations by \$20,781 (74%) and in 2021 total General Fund disbursements exceeded appropriations by \$6,938 (20%), in noncompliance with Ark. Code Ann. § 14-58-203.

The Town entered into a fifteen (15) year financing agreement with a local bank on May 5, 2021, in the amount of \$160,000 to finance a portion of the purchase of a Kenworth Pumper Tanker which appears to be in conflict with Ark. Const. amend. 78 § 2, which limits short-term financing obligations to five years.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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  
November 22, 2023  
LOM313322

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 151,701	\$ 389,371
Receipts:		
State aid	4,311	43,676
Federal aid		31,698
Property taxes	16,912	5,077
Franchise fees	9,806	
Interest	159	388
Local permits and fees		41,410
Contributions from Grant County	5,250	4,000
Rent		7,395
Sanitation fees		35,438
Other	228	
Total Receipts	<u>36,666</u>	<u>169,082</u>
Disbursements:		
General government	39,105	8
Highways and streets		47,616
Public safety		126,031
Sanitation		34,536
Recreation and culture		7,350
Debt service		14,180
Total Disbursements	<u>39,105</u>	<u>229,721</u>
Cash Balance, December 31, 2022	<u>\$ 149,262</u>	<u>\$ 328,732</u>

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

Schedule 2

	Street	Fire	Waste Disposal	Community Center	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 174,862	\$ 166,762	\$ 4,039	\$ 11,990	\$ 31,718	\$ 389,371
Receipts:						
State aid	24,951	18,725				43,676
Federal aid					31,698	31,698
Property taxes	5,077					5,077
Interest	171	133	4	12	68	388
Local permits and fees		41,410				41,410
Contributions from Grant County		4,000				4,000
Rent				7,395		7,395
Sanitation fees			35,438			35,438
Total Receipts	30,199	64,268	35,442	7,407	31,766	169,082
Disbursements:						
General government					8	8
Highways and streets	47,616					47,616
Public safety		126,031				126,031
Sanitation			34,536			34,536
Recreation and culture				7,350		7,350
Debt service		14,180				14,180
Total Disbursements	47,616	140,211	34,536	7,350	8	229,721
Cash Balance, December 31, 2022	\$ 157,445	\$ 90,819	\$ 4,945	\$ 12,047	\$ 63,476	\$ 328,732

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

Schedule 3

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2021	\$ 157,438	\$ 336,555
Receipts:		
State aid	4,915	42,002
Federal aid		31,698
Property taxes	15,892	4,781
Franchise fees	9,420	
Interest	159	361
Local permits and fees		24,464
Contributions from Grant County	5,250	8,250
Rent		6,275
Sanitation fees		31,888
Insurance proceeds		2,459
Other	262	325
Total Receipts	<u>35,898</u>	<u>152,503</u>
Disbursements:		
General government	41,635	
Highways and streets		29,443
Public safety		32,461
Sanitation		31,662
Recreation and culture		6,121
Total Disbursements	<u>41,635</u>	<u>99,687</u>
Cash Balance, December 31, 2021	<u>\$ 151,701</u>	<u>\$ 389,371</u>

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

Schedule 4

	Street	Fire	Waste Disposal	Community Center	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 174,296	\$ 149,083	\$ 3,810	\$ 9,366		\$ 336,555
Receipts:						
State aid	24,820	17,182				42,002
Federal aid					\$ 31,698	31,698
Property taxes	4,781					4,781
Interest	178	149	3	11	20	361
Local permits and fees		24,464				24,464
Contributions from Grant County		8,250				8,250
Rent				6,275		6,275
Sanitation Fees			31,888			31,888
Insurance proceeds				2,459		2,459
Other	230	95				325
Total Receipts	30,009	50,140	31,891	8,745	31,718	152,503
Disbursements:						
Highways and streets	29,443					29,443
Public safety		32,461				32,461
Sanitation			31,662			31,662
Recreation and culture				6,121		6,121
Total Disbursements	29,443	32,461	31,662	6,121		99,687
Cash Balance, December 31, 2021	\$ 174,862	\$ 166,762	\$ 4,039	\$ 11,990	\$ 31,718	\$ 389,371

TOWN OF PRATTSVILLE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(UNAUDITED)

Schedule 5

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

2. Cash balances at year-end in the custodial agency fund are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payroll	\$ 11,393	\$ 5,170

These balances represent payroll taxes that have not been transferred to the appropriate entities.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land	\$ 10,800	\$ 10,800
Buildings	55,252	55,252
Equipment	<u>621,907</u>	<u>378,407</u>
Total	<u>\$ 687,959</u>	<u>\$ 444,459</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financed purchases	<u>\$ 151,782</u>	<u>\$ 160,000</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
American Rescue Plan Act (ARPA)	<u>\$ 31,698</u>	<u>\$ 31,698</u>