

**City of Bull Shoals, Arkansas**

**Financial and Compliance Report**

**December 31, 2019 and 2018**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF BULL SHOALS, ARKANSAS  
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# Arkansas

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Senate Vice Chair



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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 Bull Shoals, 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 Bull Shoals, Arkansas, as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon dated April 5, 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 findings contained in this section relate to the following officials who held office during 2019 and 2018:

Mayor: David Nixon  
Recorder/Treasurer: Tina Bailey  
District Court Clerk: Kristy Graham (February 1, 2018 – April 26, 2018),  
Jerry Bradshaw (June 22, 2018 – December 6, 2018),  
Jessica Wilkinson (appointed January 1, 2019)  
Police Chief: James Kuckenbecker

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**

An accountant hired by the City made clerical errors resulting in overpayments to the Mayor totaling \$4,771 for the period September 2017 through February 2019. The accountant notified the City of the error on February 27, 2019. On November 27, 2019, the Mayor reimbursed the City \$5,113 for the overpayment and corresponding payroll taxes; however, the applicable wage and tax reporting forms were not amended for the affected periods.

#### **Recorder/Treasurer**

Cash receipts and disbursements journals were not properly classified or reconciled to bank deposits and withdrawals, in noncompliance with Ark. Code Ann. §§ 14-59-108, -110, -111.

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  
April 5, 2022  
LOM201919

CITY OF BULL SHOALS, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2019	\$ 717,993	\$ 479,508
Receipts:		
State aid	43,660	139,814
Federal aid	2,300	
Property taxes	154,672	41,167
Franchise fees	97,723	
Sales taxes	454,573	127,960
Fines, forfeitures, and costs	17,302	3,110
Interest	8,411	6,354
Local permits and fees	34,409	161,537
Donations		5,503
Other	15,263	10,609
Transfers in		23,969
Unclassified	16,159	16,593
Total Receipts	<u>844,472</u>	<u>536,616</u>
Disbursements:		
General government	161,608	
Law enforcement	200,423	22,724
Highways and streets		266,810
Public safety	125,465	7,543
Sanitation		150,746
Recreation and culture	27,849	
Sales taxes remitted to sewer	191,701	
Wastewater	163,141	
Debt service	3,116	5,179
Transfers out	23,969	
Unclassified	14,044	
Total Disbursements	<u>911,316</u>	<u>453,002</u>
Cash Balance, December 31, 2019	<u>\$ 651,149</u>	<u>\$ 563,122</u>

CITY OF BULL SHOALS, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (UNAUDITED)

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Solid Waste	Court Automation	Private Donation	Total
Cash Balance, January 1, 2019	\$ 380,181	\$ 1,497	\$ 93,329	\$ 310	\$ 4,191	\$ 479,508
Receipts:						
State aid	139,814					139,814
Property taxes	41,167					41,167
Sales taxes	127,960					127,960
Fines, forfeitures, and costs				3,110		3,110
Interest	5,719	5	567		63	6,354
Local permits and fees			161,537			161,537
Donations					5,503	5,503
Other	10,609					10,609
Transfers in		23,969				23,969
Unclassified	16,584	9				16,593
Total Receipts	<u>341,853</u>	<u>23,983</u>	<u>162,104</u>	<u>3,110</u>	<u>5,566</u>	<u>536,616</u>
Disbursements:						
Law enforcement		17,022		3,344	2,358	22,724
Highways and streets	266,810					266,810
Public safety		7,543				7,543
Sanitation			150,746			150,746
Debt service	5,179					5,179
Total Disbursements	<u>271,989</u>	<u>24,565</u>	<u>150,746</u>	<u>3,344</u>	<u>2,358</u>	<u>453,002</u>
Cash Balance, December 31, 2019	<u>\$ 450,045</u>	<u>\$ 915</u>	<u>\$ 104,687</u>	<u>\$ 76</u>	<u>\$ 7,399</u>	<u>\$ 563,122</u>

CITY OF BULL SHOALS, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds	Pension Trust Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2018	\$ 590,023	\$ 145,909	\$ (6)
Receipts:			
State aid	37,755	138,641	
Federal aid		88,885	
Property taxes	161,420	42,716	
Franchise fees	99,045		
Sales taxes	377,134	127,960	
Fines, forfeitures, and costs	14,784	1,907	
Interest	6,372	2,300	
Local permits and fees	10,781	220,984	
Donations		4,360	
Other	55,554	4,000	
Transfers in	8,456	71,734	15
Unclassified	83,771	24,083	
Total Receipts	<u>855,072</u>	<u>727,570</u>	<u>15</u>
Disbursements:			
General government	183,010		
Law enforcement	179,516	14,665	
Highways and streets		177,091	
Public safety	115,322	4,465	9
Sanitation		126,639	
Recreation and culture	26,754		
Sales taxes remitted to sewer	144,645		
Debt service		5,179	
Transfers out	14,273	65,932	
Unclassified	63,582		
Total Disbursements	<u>727,102</u>	<u>393,971</u>	<u>9</u>
Cash Balance, December 31, 2018	<u>\$ 717,993</u>	<u>\$ 479,508</u>	<u>\$ 0</u>

CITY OF BULL SHOALS, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 (UNAUDITED)

Schedule 4

	Street	Local Police and Fire Retirement (LOPFI)	Solid Waste	Government Lease	Criminal Justice	Court Automation	Private Donations	Total
Cash Balance, January 1, 2018	\$ 87,026	\$ 3,288	\$ 45,835	\$ 8,456	\$ 796	\$ 508		\$ 145,909
Receipts:								
State aid	138,641							138,641
Federal aid	88,885							88,885
Property taxes	42,716							42,716
Sales taxes	127,960							127,960
Fines, forfeitures, and costs					10	1,897		1,907
Interest	2,166	9	123				\$ 2	2,300
Local permits and fees			220,984					220,984
Donations							4,360	4,360
Other			4,000					4,000
Transfers in	56,700	14,264				770		71,734
Unclassified	18,357		5,726					24,083
Total Receipts	<u>475,425</u>	<u>14,273</u>	<u>230,833</u>		<u>10</u>	<u>2,667</u>	<u>4,362</u>	<u>727,570</u>
Disbursements:								
Law enforcement		11,593			36	2,865	171	14,665
Highways and streets	177,091							177,091
Public safety		4,465						4,465
Sanitation			126,639					126,639
Debt service	5,179							5,179
Transfers out		6	56,700	8,456	770			65,932
Total Disbursements	<u>182,270</u>	<u>16,064</u>	<u>183,339</u>	<u>8,456</u>	<u>806</u>	<u>2,865</u>	<u>171</u>	<u>393,971</u>
Cash Balance, December 31, 2018	<u>\$ 380,181</u>	<u>\$ 1,497</u>	<u>\$ 93,329</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 310</u>	<u>\$ 4,191</u>	<u>\$ 479,508</u>

CITY OF BULL SHOALS, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand and savings accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, General Sweep, General Reserve, and Fire Department Building Depreciation
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2019	December 31, 2018
District Court Fund	\$ (3,561)	\$ (1,482)
Payroll Fund	18,041	22,382

These balances represent fines, forfeitures, and costs and payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2019	December 31, 2018
Land and buildings	\$ 2,288,795	\$ 2,288,795
Equipment	1,037,740	1,037,740
Totals	<u>\$ 3,326,535</u>	<u>\$ 3,326,535</u>

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

	December 31, 2019	December 31, 2018
Leases payable	<u>\$ 20,577</u>	<u>\$ 11,359</u>