

City of Bull Shoals, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BULL SHOALS, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

Sen. David Wallace
Senate Chair
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

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 year ended December 31, 2022, and have issued our report thereon dated November 13, 2023. These procedures were not performed for the Water and Sewer Funds. 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 2022:

Mayor: David Nixon
Recorder/Treasurer: Tina Bailey
District Court Clerk: Jessica Wilkinson
Police Chief: John Ainsworth

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

General Fund disbursements exceeded total appropriations by \$703,896 (93.3%) in noncompliance with Ark. Code Ann. § 14-58-203.

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. A similar finding was issued in the previous two reports dating back to 2020.

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
November 13, 2023
LOM201922

CITY OF BULL SHOALS, 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	\$ 1,231,911	\$ 468,904
Receipts:		
State aid	67,169	168,529
Federal aid	2,350	201,586
Property taxes	170,164	36,359
Franchise fees	108,458	
Sales taxes	734,357	
Fines, forfeitures, and costs	85,269	2,875
Interest	2,871	1,500
Local permits and fees	16,902	285
Sanitation fees		162,821
Donations		50,350
Other	32,353	1,550
Transfers in	8,116	28,335
Unclassified		276,271
Total Receipts	<u>1,228,009</u>	<u>930,461</u>
Disbursements:		
General government	522,525	
Law enforcement	299,642	3,662
Highways and streets		523,601
Public safety	147,784	
Sanitation		160,630
Recreation and culture	30,643	
Sales tax collected and remitted to water department	231,830	
Debt service	3,739	
Transfers out	28,335	8,116
Unclassified	204,357	30,796
Total Disbursements	<u>1,468,855</u>	<u>726,805</u>
Cash Balance, December 31, 2022	<u>\$ 991,065</u>	<u>\$ 672,560</u>

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

Schedule 2

	Street	Local Police and Fire Retirement (LOPFI)	Solid Waste	Court Automation	Private Donation	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 140,055	\$ 68	\$ 122,453	\$ 236	\$ 4,460	\$ 201,632	\$ 468,904
Receipts:							
State aid	168,529						168,529
Federal aid						201,586	201,586
Property taxes	36,359						36,359
Fines, forfeitures, and costs				2,875			2,875
Interest	275		369		94	762	1,500
Local permits and fees			285				285
Sanitation fees			162,821				162,821
Donations			45,000		5,350		50,350
Other			1,550				1,550
Transfers in		28,035		300			28,335
Unclassified	216,605	22,762			36,904		276,271
Total Receipts	<u>421,768</u>	<u>50,797</u>	<u>210,025</u>	<u>3,175</u>	<u>42,348</u>	<u>202,348</u>	<u>930,461</u>
Disbursements:							
Law enforcement			544	3,118			3,662
Highways and streets	462,601					61,000	523,601
Sanitation			160,630				160,630
Transfers out					8,116		8,116
Unclassified		30,561	235				30,796
Total Disbursements	<u>462,601</u>	<u>30,561</u>	<u>161,409</u>	<u>3,118</u>	<u>8,116</u>	<u>61,000</u>	<u>726,805</u>
Cash Balance, December 31, 2022	<u>\$ 99,222</u>	<u>\$ 20,304</u>	<u>\$ 171,069</u>	<u>\$ 293</u>	<u>\$ 38,692</u>	<u>\$ 342,980</u>	<u>\$ 672,560</u>

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

Schedule 3

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, General Reserve, and General Sweep

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022
District Court	\$ 5,469
Payroll	23,863

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, 2022
Land & Buildings	\$ 3,192,510
Equipment	1,172,086
Total	<u>\$ 4,364,596</u>

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

	December 31, 2022
Financed purchases	<u>\$ 4,244</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 201,586</u>