

City of Bull Shoals, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BULL SHOALS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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Arkansas

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Kevin William White, CPA, JD
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, 2023, and have issued our report thereon dated October 10, 2024. 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 2023:

Mayor: Michael Savu
Recorder/Treasurer: Tina Bailey
District Court Clerk: Darla Hulen (March 27, 2023 – December 31, 2023)
Jessica Wikinson (January 1, 2023 – March 27, 2023)
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 office of **Mayor**.

Mayor

General Fund disbursements exceeded total appropriations by \$147,289 (50.53%), in non-compliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the prior 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 black ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 10, 2024
LOM201923

CITY OF BULL SHOALS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 991,065	\$ 672,560
Receipts:		
State aid	241,474	173,162
Federal aid	4,000	
Property taxes	164,036	49,211
Franchise fees	114,454	
Sales taxes	745,323	
Fines, forfeitures, and costs	52,218	3,065
Interest	25,700	13,426
Local permits and fees	16,030	40
Sanitation fees		156,419
Other	9,697	2,086
Transfers in	1,288	47,836
Total Receipts	<u>1,374,220</u>	<u>445,245</u>
Disbursements:		
General government	321,444	
Law enforcement	317,041	38,499
Highways and streets		206,039
Public safety	159,073	
Sanitation		212,334
Recreation and culture	24,728	
Wastewater	234,997	
Debt service	3,428	
Transfers out	47,836	1,288
Total Disbursements	<u>1,108,547</u>	<u>458,160</u>
Cash Balance, December 31, 2023	<u>\$ 1,256,738</u>	<u>\$ 659,645</u>

CITY OF BULL SHOALS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (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, 2023	\$ 99,222	\$ 20,304	\$ 171,069	\$ 293	\$ 38,692	\$ 342,980	\$ 672,560
Receipts:							
State aid	173,162						173,162
Property taxes	49,211						49,211
Fines, forfeitures, and costs				3,065			3,065
Interest	2,385		2,491		850	7,700	13,426
Local permits and fees			40				40
Sanitation fees			156,419				156,419
Other			2,036		50		2,086
Transfers in		47,836					47,836
Total Receipts	<u>224,758</u>	<u>47,836</u>	<u>160,986</u>	<u>3,065</u>	<u>900</u>	<u>7,700</u>	<u>445,245</u>
Disbursements:							
Law enforcement		35,467		3,032			38,499
Highways and streets	206,039						206,039
Sanitation			212,334				212,334
Transfers out					1,288		1,288
Total Disbursements	<u>206,039</u>	<u>35,467</u>	<u>212,334</u>	<u>3,032</u>	<u>1,288</u>		<u>458,160</u>
Cash Balance, December 31, 2023	<u>\$ 117,941</u>	<u>\$ 32,673</u>	<u>\$ 119,721</u>	<u>\$ 326</u>	<u>\$ 38,304</u>	<u>\$ 350,680</u>	<u>\$ 659,645</u>

CITY OF BULL SHOALS, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

- 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, General Reserve, and General Sweep
- 3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
District Court	\$ 1,233
Payroll	2,563

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, 2023
Land	\$ 3,192,510
Equipment	1,172,086
Total	\$ 4,364,596

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

	December 31, 2023
Financed purchase	\$ 928