

City of Shannon Hills, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF SHANNON HILLS, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Shannon Hills, 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 Shannon Hills, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated October 22, 2025. These procedures were not performed for the Water, Sewer, and Fire Department Funds. 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 2024:

Mayor: Mike Kemp
Recorder: Robin Baker
Treasurer: Mary Meyers
District Court Clerk: Lindsey Dinwiddie
Police Chief: Allen Spears

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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 cursive script, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 22, 2025
LOM216924

CITY OF SHANNON HILLS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund Franchise Fee	Capital Projects Fund Franchise Fee
Cash Balance, January 1, 2024	\$ 318,418	\$ 500,976	\$ 260,279	\$ 521,059
Receipts:				
State aid	180,786	369,216		
Federal aid	7,400			
Property taxes	228,651	85,772		
Franchise fees	97,566		112,222	
Sales taxes	228,155			
Fines, forfeitures, and costs	91,371	4,382		
Interest	411	1,081	595	2,556
Local permits and fees	27,122			
Sales of assets	6,519			
Other	19,193	3,081		
Transfers in	208,299	17,170		
Total Receipts	<u>1,095,473</u>	<u>480,702</u>	<u>112,817</u>	<u>2,556</u>
Disbursements:				
General government	382,619		270	133
Law enforcement	596,641	20,061		
Highways and streets		388,585		
Recreation and culture	138,960			
Debt service	13,454	11,896	69,709	
Wastewater	146,728			
Transfers out	17,170	33,299	175,000	
Total Disbursements	<u>1,295,572</u>	<u>453,841</u>	<u>244,979</u>	<u>133</u>
Cash Balance, December 31, 2024	<u>\$ 118,319</u>	<u>\$ 527,837</u>	<u>\$ 128,117</u>	<u>\$ 523,482</u>

CITY OF SHANNON HILLS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Drug Seizure</u>	<u>Court Automation</u>	<u>Jail Fees</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 463,854	\$ 303	\$ 36,309	\$ 510	\$ 500,976
Receipts:					
State aid	369,216				369,216
Property taxes	85,772				85,772
Fines, forfeitures, and costs			4,382		4,382
Interest	518		563		1,081
Other	2,376	705			3,081
Transfers in				17,170	17,170
Total Receipts	<u>457,882</u>	<u>705</u>	<u>4,945</u>	<u>17,170</u>	<u>480,702</u>
Disbursements:					
Law enforcement		910	2,555	16,596	20,061
Highways and streets	388,585				388,585
Debt service	11,896				11,896
Transfers out	33,299				33,299
Total Disbursements	<u>433,780</u>	<u>910</u>	<u>2,555</u>	<u>16,596</u>	<u>453,841</u>
Cash Balance, December 31, 2024	<u>\$ 487,956</u>	<u>\$ 98</u>	<u>\$ 38,699</u>	<u>\$ 1,084</u>	<u>\$ 527,837</u>

CITY OF SHANNON HILLS, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 3

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, Bank OZK Savings, Cadence Bank Savings, and Surplus Sales

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

	December 31, 2024
District Court	\$ 16,025

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, 2024
Land	\$ 3,014,061
Equipment	<u>1,192,558</u>
Total	<u><u>\$ 4,206,619</u></u>

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

	December 31, 2024
Bonds payable	\$ 508,138
Financed purchases	<u>31,129</u>
Total	<u><u>\$ 539,267</u></u>

CITY OF SHANNON HILLS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

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

	December 31, 2024
Franchise Fee Revenue Bonds, Series 2023, dated January 31, 2023, in the amount of \$555,172 due in annual installments of \$47,034 to \$66,778 plus interest through January 1, 2033, interest rate of 4.45%. Payments are to be made from the Debt Service Fund.	\$ 508,138
Finance purchase agreement dated September 29, 2020, with BancorpSouth Equipment Finance in the amount of \$60,034 with interest rate of 2.59% for the purchase of three vehicles. Monthly payments of \$1,121 for 60 months. Payments are to be made from the General Fund.	9,983
Finance purchase agreement dated August 5, 2021, with BancorpSouth Equipment Finance in the amount of \$60,799 with interest rate of 2.59% for the purchase of two vehicles. Monthly payments of \$1,081 for 60 months. Payments are to be made from the Street Fund.	21,146
Total	\$ 539,267

7. The City is obligated for the following amounts at December 31, 2024:

Years Ending December 31,	Financed Purchases	Bonds	Total
2025	\$ 23,068	\$ 69,749	\$ 92,817
2026	8,651	69,749	78,400
2027		69,750	69,750
2028		69,749	69,749
2029		69,750	69,750
2030 through 2033		278,998	278,998
Total Obligations	31,719	627,745	659,464
Less Interest	590	119,607	120,197
Total Principal	\$ 31,129	\$ 508,138	\$ 539,267