

**City of Bull Shoals, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF BULL SHOALS, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2021

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# Arkansas

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Senate Vice Chair



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**Rep. Nelda Speaks**  
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, 2021, and have issued our report thereon dated November 3, 2022. 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 2021:

Mayor: David Nixon  
Recorder/Treasurer: Tina Bailey  
District Court Clerk: Jessica Wilkinson  
Police Chief: James Kuchenbecker, retired December 2021  
John Ainsworth, hired December 2021

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**

The governing body did not review the prior year's report and accompanying comments at the first regularly scheduled meeting following the receipt of the report, as required by Ark. Code Ann. § 10-4-418.

#### **Recorder/Treasurer**

Cash receipts and disbursements journals were not properly classified or reconciled to bank deposits and withdrawals, in noncompliance with Ark. Code Ann. §§ 14-59-110 - 111. A similar finding was issued in the previous 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 that reads "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
November 3, 2022  
LOM201921

CITY OF BULL SHOALS, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 1,132,776	\$ 230,121
Receipts:		
State aid	41,944	160,776
Federal aid		201,588
Property taxes	155,102	36,793
Franchise fees	103,564	
Sales taxes	479,121	
Fines, forfeitures, and costs	56,626	3,150
Interest	1,764	301
Local permits and fees	55,288	
Sales of equipment	8,700	13,000
Sanitation fees		157,399
Donations		1,465
Other	1,140	16,468
Transfers in	12,352	59,951
Unclassified	684,897	2,071
Total Receipts	<u>1,600,498</u>	<u>652,962</u>
Disbursements:		
General government	503,618	
Law enforcement	272,329	3,307
Highways and streets		183,207
Public safety	202,931	
Sanitation		153,787
Recreation and culture	28,890	
Contributions to water	164,625	
Debt service	4,051	1,295
Transfers out	59,951	12,352
Unclassified	264,968	60,231
Total Disbursements	<u>1,501,363</u>	<u>414,179</u>
Cash Balance, December 31, 2021	<u>\$ 1,231,911</u>	<u>\$ 468,904</u>

CITY OF BULL SHOALS, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (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, 2021	\$ 107,180	\$ 458	\$ 113,979	\$ 118	\$ 8,386		\$ 230,121
Receipts:							
State aid	160,776						160,776
Federal aid						\$ 201,588	201,588
Property taxes	36,793						36,793
Fines, forfeitures, and costs				3,150			3,150
Interest	194		55		9	43	301
Sales of equipment	13,000						13,000
Sanitation fees			157,399				157,399
Donations					1,465		1,465
Other	11,495		4,972			1	16,468
Transfers in		59,841	110				59,951
Unclassified	2,071						2,071
Total Receipts	<u>224,329</u>	<u>59,841</u>	<u>162,536</u>	<u>3,150</u>	<u>1,474</u>	<u>201,632</u>	<u>652,962</u>
Disbursements:							
Law enforcement			275	3,032			3,307
Highways and streets	183,207						183,207
Sanitation			153,787				153,787
Debt service	1,295						1,295
Transfers out	6,952				5,400		12,352
Unclassified		60,231					60,231
Total Disbursements	<u>191,454</u>	<u>60,231</u>	<u>154,062</u>	<u>3,032</u>	<u>5,400</u>		<u>414,179</u>
Cash Balance, December 31, 2021	<u>\$ 140,055</u>	<u>\$ 68</u>	<u>\$ 122,453</u>	<u>\$ 236</u>	<u>\$ 4,460</u>	<u>\$ 201,632</u>	<u>\$ 468,904</u>

CITY OF BULL SHOALS, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(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, 2021
District Court	\$ 8,721
Payroll	12,491

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, 2021
Land & Buildings	\$ 3,192,510
Equipment	1,097,126
Total	<u>\$ 4,289,636</u>

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

	December 31, 2021
Leases payable	<u>\$ 7,710</u>

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

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 201,588</u>