

# Arkansas

Sen. Jim Petty  
Senate Chair  
Sen. Jim Dotson  
Senate Vice Chair



Rep. Robin Lundstrum  
House Chair  
Rep. RJ Hawk  
House Vice Chair

Kevin William White, CPA, JD  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

January 2, 2026

The Honorable David Ethredge  
Prosecuting Attorney  
Fourteenth Judicial District  
301 W. 6<sup>th</sup> Street, Suite 170  
Mountain Home, AR 72653

The Honorable Tim Griffin  
Attorney General  
323 Center Street, Suite 200  
Little Rock, AR 72201

Dear Mr. Ethredge and Mr. Griffin:

Pursuant to Ark. Code Ann. §§ 10-4-419, 21-2-708, we are notifying you of the following information disclosed in our report of the City of Bull Shoals for the year ended December 31, 2024:

### District Court Clerk

We examined District Court records for the period January 1, 2024 through April 30, 2025, after receiving allegations of missing funds. The District Court bank account and accounting records were not maintained in accordance with Ark. Code Ann. § 16-10-209 as follows:

- The balance remaining in the bank was not identified with receipt numbers for cases not yet adjudicated and the payments made on all unpaid individual time accounts.
- The bank account was not properly reconciled each month.
- The cash receipts journal was not properly maintained and was not reconciled monthly to total bank deposits as shown on the bank statements.
- The cash disbursements journal was not properly maintained and was not reconciled monthly to total bank disbursements as indicated on the bank statements.
- Prenumbered receipts were not issued for all funds collected.

City officials also provided copies of receipts and other documents obtained from defendants indicating payments made in cash that were not credited to court records. The receipt book in which these payments were recorded could not be located. Based on our comparison of District Court bank and accounting records to documentation provided, we identified 13 receipts, totaling \$2,190, for fines and costs that were not deposited or recorded and one receipt for a \$20 money order that was recorded but not deposited in the bank account. The United States Postal Service confirmed that the money order was cashed.

The Court Clerk, who appears to have been responsible for making deposits, resigned in March 2025. This matter is being investigated by the 14th Judicial District Prosecuting Attorney and Arkansas State Police.

The Honorable David Ethredge and The Honorable Tim Griffin  
January 2, 2026  
Page two

**Recorder/Treasurer**

Of \$10,053 in credit card payments tested, the City paid charges totaling \$1,944 without supporting documentation, in noncompliance with Ark. Code Ann. § 14-59-105; therefore, the validity of these disbursements could not be determined. Of this amount, charges totaling \$242 were paid from funds included in this engagement, charges totaling \$490 were paid from water funds that had not been audited as of report date, and we were unable to determine the fund from which charges totaling \$1,212 were paid.

The report will be presented to the Standing Committee on Counties and Municipalities at its January 8, 2026 meeting at which time the report will be public information and available on our website ([www.arklegaudit.gov](http://www.arklegaudit.gov)).

Please notify us of action taken by your office, or other outcome regarding this matter, by fax, postal mail, or email to Michelle Atchley at [michelle.atchley@arklegaudit.gov](mailto:michelle.atchley@arklegaudit.gov).

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD  
Legislative Auditor

KWW:cmc  
Enclosure

cc: The Honorable Sarah Huckabee Sanders, Governor  
Arkansas Governmental Bonding Board  
Office of the Prosecutor Coordinator  
The Honorable William Stahlman, Jr., Mayor

# Arkansas

Sen. Jim Petty  
Senate Chair  
Sen. Jim Dotson  
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Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

TO: Auditee

FROM: Joseph D. Archer, CPA  
Deputy Legislative Auditor

DATE: January 2, 2026

SUBJECT: Legislative Joint Auditing Committee Review Of:  
  
City of Bull Shoals  
December 31, 2024

The enclosed report will be presented to the Standing Committee on Counties and Municipalities of the Legislative Joint Auditing Committee for its review at **1:30 p.m.**, on **Thursday, January 8, 2026** in Conference Room 151, State Capitol Building, Little Rock, Arkansas.

*If your presence at the meeting is requested, you will be notified in a separate letter.*

As a reminder, Ark. Code Ann. § 10-4-418 requires the City Council to review this report and accompanying comments, if applicable, at the first regularly scheduled meeting following the receipt of this report, if received at least ten days prior to the meeting. If the report is received less than 10 days prior to the next regularly scheduled meeting, the report may be reviewed at the following meeting. The City Council is required to take appropriate action relating to each finding and recommendation in the report, and the minutes of the meeting shall document the review of the findings and recommendations and actions taken.

Please refer to the “Meetings” tab on our website at [arklegaudit.gov](http://arklegaudit.gov) or the meeting calendar on the General Assembly webpage at [arkleg.state.ar.us](http://arkleg.state.ar.us) for any additional changes to meeting dates.

If you should have any questions or comments regarding this matter, please feel free to contact us.

CITY OF BULL SHOALS, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2024

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# Arkansas



**Sen. Jim Petty**  
Senate Chair  
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House Vice Chair

**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, 2024, and have issued our report thereon dated December 3, 2025. 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 2024:

Mayor: Carol Duss (appointed April 24, 2024)  
Tina Bailey (April 16, 2024 – April 24, 2024)  
Michael Savu (resigned April 16, 2024)  
Recorder/Treasurer: Tina Bailey  
District Court Clerk: Darla Hulen  
Police Chief: Brad Harper (hired March 16, 2024)  
John Ainsworth (resigned March 16, 2024)

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, Recorder/Treasurer, and District Court Clerk.**

#### District Court Clerk

1. We examined District Court records for the period January 1, 2024 through April 30, 2025, after receiving allegations of missing funds. The District Court bank account and accounting records were not maintained in accordance with Ark. Code Ann. § 16-10-209 as follows:
  - The balance remaining in the bank was not identified with receipt numbers for cases not yet adjudicated and the payments made on all unpaid individual time accounts.
  - The bank account was not properly reconciled each month.
  - The cash receipts journal was not properly maintained and was not reconciled monthly to total bank deposits as shown on the bank statements.
  - The cash disbursements journal was not properly maintained and was not reconciled monthly to total bank disbursements as indicated on the bank statements.
  - Prenumbered receipts were not issued for all funds collected.

City officials also provided copies of receipts and other documents obtained from defendants indicating payments made in cash that were not credited to court records. The receipt book in which these payments were recorded could not be located. Based on our comparison of District Court bank and accounting records to documentation provided, we identified 13 receipts, totaling \$2,190, for fines and costs that were not deposited or recorded and one receipt for a \$20 money order that was recorded but not deposited in the bank account. The United States Postal Service confirmed that the money order was cashed.

The Court Clerk, who appears to have been responsible for making deposits, resigned in March 2025. This matter is being investigated by the 14th Judicial District Prosecuting Attorney and Arkansas State Police.

2. We noted the District Court is not properly transferring one half (1/2) of the installment fee collected to the District Court Automation Fund in non-compliance with Ark. Code Ann. § 16-13-704.

**Recorder/Treasurer**

1. Of \$10,053 in credit card payments tested, the City paid charges totaling \$1,944 without supporting documentation, in noncompliance with Ark. Code Ann. § 14-59-105; therefore, the validity of these disbursements could not be determined. Of this amount, charges totaling \$242 were paid from funds included in this engagement, charges totaling \$490 were paid from water funds that had not been audited as of report date, and we were unable to determine the fund from which charges totaling \$1,212 were paid.
2. Supporting documentation authorizing \$4,127 of the Recorder/Treasurer's salary was not provided, in noncompliance with Ark. Code Ann. § 14-59-105. This variance was determined to be the result of a discrepancy in the hourly rate, a payment for unused compensation and vacation time, and overtime not budgeted or reflected in the Council minutes.

**Mayor and Recorder/Treasurer**

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The City was in noncompliance with these codes and other proper accounting procedures as noted below:

- Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank.
- Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank.
- Bank accounts were not reconciled properly. Additionally, they were not approved by someone other than the preparer.
- Prenumbered receipts were not issued for all funds received.
- Adequate supporting documentation was not provided for tested disbursements of \$9,688.
- Electronic disbursements were made without proper approval of the City Council (by Ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal controls and documentation for audit and accounting purposes giving consideration to the information systems best practices approved by the Legislative Joint Auditing Committee.
- Annual financial statements were not prepared and posted.
- A fixed asset listing was established but was not properly maintained to include additions and deletions.

**Mayor**

1. The governing body did not review the prior year's report and accompanying comments at the first regularly scheduled meeting following receipt of the report and did not document in the minutes the review of findings and recommendation and the action taken by the governing body in non-compliance with Ark. Code Ann. § 10-4-418.
2. Audits or agreed-upon procedures reports and compilations for the Water and Sewer Department were not obtained, in noncompliance with Ark. Code Ann. § 14-234-119.
3. General Fund disbursements exceeded total appropriations by \$339,415 (39%), in non-compliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous two reports dating back to 2022.

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



Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
December 3, 2025  
LOM201924

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

	Street	Local Police and Fire Retirement (LOPFI)	Solid Waste	Court Automation	Private Donation	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	\$ 117,941	\$ 32,673	\$ 119,721	\$ 326	\$ 38,304	\$ 350,680	\$ 659,645
Receipts:							
State aid	160,514						160,514
Property taxes	48,876						48,876
Interest	3,260		1,906		628	9,820	15,614
Fuel reimbursements	8,181						8,181
Sanitation fees			120,912		50		120,912
Other	1,334		911				2,295
Transfers in		28,392					28,392
Unclassified	12,993			5,967	445		19,405
Total Receipts	235,158	28,392	123,729	5,967	1,123	9,820	404,189
Disbursements:							
Law enforcement		54,051					54,051
Highways and streets	246,872			1,389			248,261
Sanitation			193,219				193,219
Unclassified	246,872	54,051	193,219	4,890			500,421
Total Disbursements	246,872	54,051	193,219	6,279			500,421
Cash Balance, December 31, 2024	\$ 106,227	\$ 7,014	\$ 50,231	\$ 14	\$ 39,427	\$ 360,500	\$ 563,413

**STATE OF ARKANSAS  
 ARKANSAS LEGISLATIVE AUDIT  
 LOM201924 - CITY OF BULL SHOALS  
 ENGAGEMENT YEAR: 2024  
 REPORTABLE-MAYOR FINDINGS**

Official: Bill Stahlman

Office: Mayor

Item	ALA Finding ID	Finding	Recommendation	Workpaper Reference
1	LOM201924-003	Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The City was in non-compliance with these codes and other proper accounting procedures as noted below: • Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank. • Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank. • Bank accounts were not reconciled properly. Additionally, they were not approved by someone other than the preparer. • Prenumbered receipts were not issued for all funds received. • Adequate supporting documentation was not provided for tested disbursements of \$9,688. • Electronic disbursements were made without proper approval of the City Council (by Ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal controls and documentation for audit and accounting purposes giving consideration to the information systems best practices approved by the Legislative Joint Auditing Committee. • Annual financial statements were not prepared and posted. • A fixed asset listing was established, but was not properly maintained to include additions and deletions.	Ark. Code Ann. §§ 14-59-101 - 14-15-119 should be reviewed and complied with.	2100.24
2	LOM201924-004	The governing body did not review the prior year's report and accompanying comments at the first regularly scheduled meeting following receipt of the report and did not document in the minutes the review of findings and recommendation and the action taken by the governing body in non-compliance with Ark. Code Ann. § 10-4-418.	Ark. Code Ann. § 10-4-418 should be reviewed and complied with.	8100.50, 2800.60
3	LOM201924-008	Audits or agreed-upon procedures reports and compilations for the Water and Sewer Department were not obtained, in non-compliance with Ark. Code Ann. § 14-234-119.	Information for the 2023 and 2024 Water & Sewer system should be provided to the water auditor so the audits can be completed as required by Ark. Code Ann. § 14-234-119.	8100.5
4	LOM201924-009	General fund disbursements exceeded total appropriations by \$339,415 (38.59%), in non-compliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous 2 reports dating back to 2022.	Budgets and actual expenses should be reviewed and amended as necessary.	8100.51

Title/Name	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

AIC: \_\_\_\_\_

Please address each finding and the proposed corrective action in a letter addressed to the following:

Name: Jessica Brown, CPA  
 Street: 1141 E. Main St., Ste. 215B  
 City/State/ZIP: Batesville, AR 72501  
 Email: jessica.brown@arklegaudit.gov

Please mail the letter by: 12/5/2025

**DRAFT** Draft documents are subject to change. This draft document is an integral part of the audit documentation of Arkansas Legislative Audit, is not considered a public document, and is not subject to the Freedom of Information Act. After the audit report has been presented to the Legislative Joint Auditing Committee, the report and copies of audit documentation are open to public inspection, except those documents specifically exempted as outlined in Ark. Code Ann. § 10-4-422.

# City of Bull Shoals

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P.O. Box 390 -706 C.S. Woods Blvd. – Bull Shoals, AR 72619

Website: [www.cityofbullshoals.org](http://www.cityofbullshoals.org)

Phone: (870) 445-4775 – Fax: (870) 445-4948

12-3-2025

Jessica Brown, CPA  
1141 E. Main St., Ste. 215B  
Batesville, Arkansas 72501

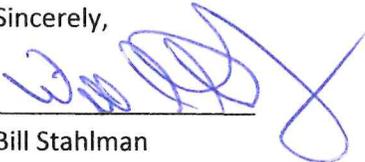
In response to Item 1, ALA Finding ID# LOM201924-003 for audit year 2024, All of my staff and I are new as of 2025 and will follow procedures for municipalities in accordance with 14-59-101 through 14-59-119 for year 2025, and under my term of service to the best of our abilities, establishing policies and procedures to avoid any non-compliance with these codes.

In response to item 2, ALA Finding ID# LOM201924-004, once legislative audit files the official findings for 2024 back to our city the results will be reviewed by the governing body at the next regular meeting and documented in the minutes with recommendations and action taken to avoid non-compliance under 10-4-418.

In response to Item 3, ALA Finding ID# LOM201924-008, under previous administration who hired an outside accounting service to do the water/sewer books and lost the records for both 2023 and 2024 did not back up their records they have had to re-enter all data by hand. They have just sent 2023 information to Ballard and Assoc. for the audit and are still working on entering 2024 records so Ballard can do 2024 audit. The city is no longer using this 3<sup>rd</sup> party as of 1-1-2025 and will be able to get 2025 records for audit in the first part of 2026 complying with 14-234-119 in a timely manner.

In response to Item 4, ALA Finding Id # LOM201924-009, I have made a budget committee having several individuals working on the 2026 budget which the city council was able to pass in November 2025 for year 2026 having used real expenditures spent in 2025 along with real revenue received so far in 2025. The city council also has passed several department resolutions amending their budgets in October and November 2025 to reflect the actual expenses and revenues received so far this year to avoid overspending.

Sincerely,



Bill Stahlman  
Mayor City of Bull Shoals

**STATE OF ARKANSAS  
ARKANSAS LEGISLATIVE AUDIT  
LOM201924 - CITY OF BULL SHOALS  
ENGAGEMENT YEAR: 2024**

**REPORTABLE-RECORDER-TREASURER FINDINGS**

Official: Paula Reynolds

Office: Recorder/Treasurer

Item	ALA Finding ID	Finding	Recommendation	Workpaper Reference
1	LOM201924-003	Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The City was in noncompliance with these codes and other proper accounting procedures as noted below: <ul style="list-style-type: none"> <li>• Cash receipts journals were not properly maintained to include all receipts and were not reconciled to total deposits per bank.</li> <li>• Cash disbursements journals were not properly maintained to include all disbursements and were not reconciled to total disbursements per bank.</li> <li>• Bank accounts were not reconciled properly. Additionally, they were not approved by someone other than the preparer.</li> <li>• Prenumbered receipts were not issued for all funds received.</li> <li>• Adequate supporting documentation was not provided for tested disbursements of \$9,688.</li> <li>• Electronic disbursements were made without proper approval of the City Council (by Ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal controls and documentation for audit and accounting purposes giving consideration to the information systems best practices approved by the Legislative Joint Auditing Committee.</li> <li>• Annual financial statements were not prepared and posted.</li> <li>• A fixed asset listing was established, but was not properly maintained to include additions and deletions.</li> </ul>	Ark. Code Ann. §§ 14-59-101 - 14-15-119 should be reviewed and complied with.	2100.24
2	LOM201924-006	Supporting documentation authorizing \$4,127 of the Recorder/Treasurer's salary was not provided, in noncompliance with Ark. Code Ann. § 14-59-105. This variance was determined to be the result of a discrepancy in the hourly rate, a payment for unused compensation and vacation time, and overtime not budgeted or reflected in the Council minutes.	The City should ensure that salaries to be paid to officials and employees are adequately documented and budgeted.	8781.08
3	LOM201924-012	Of \$10,053 in credit card payments tested, the City paid charges totaling \$1,944 without supporting documentation, in noncompliance with Ark. Code Ann. § 14-59-105; therefore, the validity of these disbursements could not be determined. Of this amount, charges totaling \$242 were paid from funds included in this engagement, charges totaling \$490 were paid from water funds that had not been audited as of report date, and we were unable to determine the fund from which charges totaling \$1,212 were paid.		8100.52

Title/Name	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

AIC: \_\_\_\_\_

Please address each finding and the proposed corrective action in a letter addressed to the following:

Name: Jessica Brown, CPA  
 Street: 1141 E. Main St., Ste. 215B  
 City/State/ZIP: Batesville, AR 72501  
 Email: jessica.brown@arklegaudit.gov

Please mail the letter by: 12/5/2025

<b>DRAFT</b>	<p><i>Draft documents are subject to change. This draft document is an integral part of the audit documentation of Arkansas Legislative Audit, is not considered a public document, and is not subject to the Freedom of Information Act. After the audit report has been presented to the Legislative Joint Auditing Committee, the report and copies of audit documentation are open to public inspection, except those documents specifically exempted as outlined in Ark. Code Ann. § 10-4-422.</i></p>
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# *City of Bull Shoals*

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P.O. Box 390 -706 C.S. Woods Blvd. – Bull Shoals, AR 72619

Website: [www.cityofbullshoals.org](http://www.cityofbullshoals.org)

Phone: (870) 445-4775 – Fax: (870) 445-4948

12/04/2025

Legislative Audit 2024 Response.

1) Cash Receipts – We now have in place a triple review of all cash monies. Window clerk receives monies and writes receipt. Accounts receivable counts the cash and logs it along with writing deposit receipt. The treasurer then receives the documents and reviews cash and receipts and logs it into Centerpoint. The accounts receivable then takes cash and deposit slip to the bank for deposit.

Cash Disbursements – Accounts receivable receives the bill. Matches to purchase orders or makes a purchase order. Attaches the p.o. to the bill and sends it to the treasurer. The treasurer matches all amounts on p.o. and bill while entering into Centerpoint. Then given to Mayor for final approval before payments is made.

Reconciled Bank accounts – Treasurer reconciles in Centerpoint and signs, then given to accounts receivable reviews and signatures.

Prenumbered Receipts – Our receipts have numbers on each in sequential order for each book per department.

Electronic Disbursement – We will make an ordinance with proper procedures to be voted on by the City Council.

Annual Financial statements – There were no actual financial statements to work with in 2024 fiscal year. We could not post what did not exist. Fixed assets list is now being maintained by the new administration.

2) Treasurer is now salary and has been merged with the Recorders position to make positions and payroll legal.

3) Credit Card Charges – for 2024 we could not reconcile charges against purchase orders, now the cards are locked in the safe and must write p.o. to obtain credit card. The credit card statements are now reconciled accurately.

Thank You

Paula Reynolds

Recorder/Treasurer

Official Initials \_\_\_\_\_

Date \_\_\_\_\_

**STATE OF ARKANSAS  
 ARKANSAS LEGISLATIVE AUDIT  
 LOM201924 - CITY OF BULL SHOALS  
 ENGAGEMENT YEAR: 2024  
 SUPPLEMENTAL-RECORDER-TREASUR FINDINGS**

Official: Paula Reynolds

Office: Recorder/Treasurer

Item	ALA Finding ID	Finding	Recommendation	Workpaper Reference
1	LOM201924-005	We were unable to reconcile the W-3 to the quarterly 941 reports due to the city no maintaining the first and third quarter 941 reports.	Payroll reports should be maintained and made available for review.	8781.08
2	LOM201924-007	We noted the Payroll Fund had an unidentified balance of \$36,240.	The amount left in the Payroll fund after all payroll, taxes, insurance, etc. is paid should be identified and proper disposition of the balance be determined.	8781.07
3	LOM201924-010	Again, we noted old outstanding checks that are over one year old continue to be carried on the reconciliations for General, Street, Payroll, and District Court funds. Additionally, we noted outstanding checks and deposits in transit between City funds that were not in reciprocal balance.	Municipal league should be consulted about how to handle reconciling items over one year old and they should be removed from the books. The City should research outstanding items between city accounts to determine their authenticity.	8720.05, 8730.04, 8781.03, 8782.03, 8720.08, 8720.09, 8730.05, 8730.06

Title/Name	Signature	Date

AIC: \_\_\_\_\_

**Please address each finding and the proposed corrective action in a letter addressed to the following:**

Name: Jessica Brown, CPA  
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 Email: jessica.brown@arklegaudit.gov  
**Please mail the letter by:** 12/5/2025

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12/04/2025

Supplemental Legislative Audit 2024 Response

1) 941 to w-3 – No response to the missing 941's. That was previous administration doing payroll.

2) Payroll Fund balance – I inherited the surplus of monies in the payroll account and will check into fixing it.

3) Outstanding Checks Over 1 Year – I will contact AML to consult me on what to do.

Thank You

Paula Reynolds

Recorder/Treasurer

Official Initials \_\_\_\_\_

Date \_\_\_\_\_

**STATE OF ARKANSAS  
 ARKANSAS LEGISLATIVE AUDIT  
 LOM201924 - CITY OF BULL SHOALS  
 ENGAGEMENT YEAR: 2024  
 REPORTABLE-DISTRICT COURT CLE FINDINGS**

Official: Jessica Wilkinson

Office: District Court Clerk

Item	ALA Finding ID	Finding	Recommendation	Workpaper Reference
1	LOM201924-001	We examined District Court records for the period January 1, 2024 through April 30, 2025, after receiving allegations of missing funds. The District Court bank account and accounting records were not maintained in accordance with Ark. Code Ann. § 16-10-209 as follows: •The balance remaining in the bank was not identified with receipt numbers for cases not yet adjudicated and the payments made on all unpaid individual time accounts. •The bank account was not properly reconciled each month. •The cash receipts journal was not properly maintained and was not reconciled monthly to total bank deposits as shown on the bank statements. •The cash disbursements journal was not properly maintained and was not reconciled monthly to total bank disbursements as indicated on the bank statements. •Prenumbered receipts were not issued for all funds collected. City officials also provided copies of receipts and other documents obtained from defendants indicating payments made in cash that were not credited to court records. The receipt book in which these payments were recorded could not be located. Based on our comparison of District Court bank and accounting records to documentation provided, we identified 13 receipts, totaling \$2,190, for fines and costs that were not deposited or recorded and one receipt for a \$20 money order that was recorded but not deposited in the bank account. The United States Postal Service confirmed that the money order was cashed. The Court Clerk, who appears to have been responsible for making deposits, resigned in March 2025. This matter is being investigated by the 14th Judicial District Prosecuting Attorney and Arkansas State Police.		8782.03, 8782.09, 8950.02, 8950.03, 1060.05a
2	LOM201924-002	We noted the District Court is not properly transferring one half (1/2) of the installment fee collected to the District Court Automation fund in non-compliance with Ark. Code Ann. § 16-13-704.	One half of the installment fee collected by the District Court should be transferred to the Court Automation Fund as required by Ark. Code Ann. § 16-13-704. \$780 should have been transferred to the Court	8782.03

Title/Name	Signature	Date

AIC: \_\_\_\_\_

Please address each finding and the proposed corrective action in a letter addressed to the following:

Name: Jessica Brown, CPA  
 Street: 1141 E. Main St., Ste. 215B  
 City/State/ZIP: Batesville, AR 72501  
 Email: jessica.brown@arklegaudit.gov  
 Please mail the letter by: 12/5/2025

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**Anthony Weston, CPA**

**Staff Auditor**

Arkansas Legislative Audit

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Ph: (501) 683-8600, ext. 4663

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**From:** Jessica Wilkinson <jwilkinson@cityofbullshoals.gov>

**Sent:** Wednesday, December 3, 2025 3:47 PM

**To:** Anthony Weston <Anthony.Weston@arklegaudit.gov>

**Subject:** Re: District Court Findings

Hi Anthony,

**For the District Court findings on the Reportable findings....**

We will reconcile the bank statements, bank account, receipts, and check register on a monthly basis. We will do a verification and have 2 people sign off on the reconciliation.

Prenumbered receipt book was bought in April 2025 to replace missing receipt book. Those receipts are being recorded into Virtual Justice as payment is processed.

The missing money is being looked into by State Police and Prosecuting Attorney, I have notated these accounts and have written the monies off as instructed by the Judge.

**For the District Court findings on the Supplemental findings....**

The money that should have been put into the Court Automation Fund has been placed into the General Fund. We will put this money into the Court Automation fund for 2025 and ensure the monies are moved correctly. Going forward, we will put the money into the correct account. Some of the money will be moved back into the Court account as we were moving money from that account to the court automation fund to pay for MSI.

Jessica Wilkinson  
District Court Clerk  
P.O. Box 390  
Bull Shoals, AR 72619  
Phone: (870)445-4775  
Fax: (870)445-4948

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**From:** Anthony Weston <Anthony.Weston@arklegaudit.gov>

**Sent:** Wednesday, December 3, 2025 8:52 AM

**To:** Jessica Wilkinson <jwilkinson@cityofbullshoals.gov>

**Subject:** District Court Findings

Attached are the findings we noted for the district court office. These are considered draft findings, so they are not to be shared with anyone. We will discuss everything and I can answer any questions you have when I get there later today.

Thanks,

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**Re: District Court Findings**

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**From** Jessica Wilkinson <jwilkinson@cityofbullshoals.gov>  
**Date** Mon 12/8/2025 8:06 AM  
**To** Anthony Weston <Anthony.Weston@arklegaudit.gov>

Hi Anthony,

Sorry about that.

**For the District Court findings on the Supplemental findings....**

We will get with AML to create a process to handle reconciliation of items over 1 year old.

Jessica Wilkinson  
District Court Clerk  
P.O. Box 390  
Bull Shoals, AR 72619  
Phone: (870)445-4775  
Fax: (870)445-4948

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**From:** Anthony Weston <Anthony.Weston@arklegaudit.gov>  
**Sent:** Thursday, December 4, 2025 1:45 PM  
**To:** Jessica Wilkinson <jwilkinson@cityofbullshoals.gov>  
**Subject:** Re: District Court Findings

It looks like the response below for the supplemental finding was actually for your 2<sup>nd</sup> reportable finding. Can send me another response for the actual supplemental finding? The supplemental finding I need a response for was about old outstanding checks over 1 year old being carried on the bank reconciliation.

Thanks,

**Anthony Weston, CPA**

**Staff Auditor**

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