

**City of Brinkley, Arkansas**

**Financial and Compliance Report**

**December 31, 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

---



CITY OF BRINKLEY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Brinkley, 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 Brinkley, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated August 27, 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: Billy Hankins  
Clerk/Treasurer: Sarah Rollins  
District Court Clerk: Kim Henry (Appointed April 18, 2023)  
                                  Brandy Quinn (Resigned April 18, 2023)  
Police Chief: Ed Randle

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 **Clerk/Treasurer**, **District Court Clerk** and **Police Chief**.

#### **Clerk/Treasurer/ Police Chief**

The City discovered that a credit card issued to a Police Officer, whose employment was terminated in October 2023, was not canceled, or returned to the Police Department. The card was used to make non-business fuel purchases totaling \$2,855 for two months after the Officer's employment ended.

#### **Clerk/Treasurer/ District Court Clerk**

District Court bank statements were not properly reconciled monthly to the journals. The bank reconciliation was not reconciled to the receipt journal and omitted \$5,422 of deposits in transit. Receipt journals for District Court were not properly posted in noncompliance with Ark. Code Ann. §16-10-209.

#### **Police Chief**


The balance remaining in the Bond and Fine account of \$8,596 was not identified with receipts issued as required by Ark. Code Ann. §16-10-207.

#### **Clerk/Treasurer**

Journals were not properly posted for the District Judge and Clerk Retirement Fund and Street Fund in noncompliance with Ark. Code Ann. §§ 14-59-110 - 14-59-111.

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  
August 27, 2024  
LOM101423

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Pension Trust Fund
Cash and Investment Balances, January 1, 2023	\$ 1,881,204	\$ 1,496,291	\$ 355,459		\$ 496,908
Receipts:					
State aid	55,976	315,600			
Federal aid		66,413			
Property taxes	128,740	74,182			9,626
Franchise fees	134,899				
Sales taxes	1,745,064	196	799,927		
Fines, forfeitures, and costs	145,448	107,491			
Interest	23,558	12,897	31,142		28,301
Local permits and fees	22,483				
Advertising and promotion taxes		294,692			
Mosquito fees		17,235			
Rent	8,000	127,648			
Ambulance fees		57,711			
Sanitation fees	198,770				
Fuel fees		6,528			
Jail fees		45,931			
Bond proceeds			328,395	\$ 3,640,655	
Other	78,089	137,250			6,131
Transfers in	522	374,252			
Unclassified	2,654	15,219			36
Total Receipts	<u>2,544,203</u>	<u>1,653,245</u>	<u>1,159,464</u>	<u>3,640,655</u>	<u>44,094</u>
Disbursements:					
General government	449,587	427,804			
Law enforcement	1,106,016	292,216		129,629	
Highways and streets	10,527	295,059			
Public safety	359,751	204,697			541,002
Sanitation	208,716				
Health		159,856			
Recreation and culture	284,557				
Social services		30,560			
Airport		173,479			
Debt service			302,101		
Transfers out	75,000	299,774			
Unclassified		9,148			
Total Disbursements	<u>2,494,154</u>	<u>1,892,593</u>	<u>302,101</u>	<u>129,629</u>	<u>541,002</u>
Cash and Investment Balances, December 31, 2023	<u>\$ 1,931,253</u>	<u>\$ 1,256,943</u>	<u>\$ 1,212,822</u>	<u>\$ 3,511,026</u>	<u>\$ 0</u>

CITY OF BRINKLEY, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 2

	Street	Ambulance	Insect Control	District Judge's and Clerk's Retirement	Local Police and Fire Retirement (LOPFI)	Criminal Justice	District Court Cost	Fire Equipment & Training (Act 833)	Police Car Reserve	Airport
Cash and Investment Balances, January 1, 2023	\$ 313,161	\$ 12,280	\$ 22,804	\$ 589	\$ 96,812	\$ 209,395	\$ 4,719	\$ 25,438	\$ 7,947	\$ 55,352
Receipts:										
State aid	227,763							51,477		36,360
Federal aid										66,413
Property taxes	61,975				12,207					
Sales taxes										196
Fines, forfeitures, and costs				20,719	23,385	48,845	7,035		7,507	
Interest	492	91	30		110	212	46		32	56
Advertising and promotion taxes										
Mosquito fees			17,235							
Rent		44,001								41,700
Ambulance fees		57,711								
Fuel fees										6,528
Jail fees						45,931				
Other	33				32,830	50			3,290	
Transfers in		50,000								
Unclassified										15,219
Total Receipts	<u>290,263</u>	<u>151,803</u>	<u>17,265</u>	<u>20,719</u>	<u>68,532</u>	<u>95,038</u>	<u>7,081</u>	<u>51,477</u>	<u>10,829</u>	<u>166,472</u>
Disbursements:										
General government										
Law enforcement				20,640	62,404	132,154	7,706			
Highways and streets	295,059									
Public safety					21,485			48,909		
Health		132,261	27,595							
Social services										
Airport										173,479
Transfers out										
Unclassified					9,148					
Total Disbursements	<u>295,059</u>	<u>132,261</u>	<u>27,595</u>	<u>20,640</u>	<u>93,037</u>	<u>132,154</u>	<u>7,706</u>	<u>48,909</u>		<u>173,479</u>
Cash and Investment Balances, December 31, 2023	<u>\$ 308,365</u>	<u>\$ 31,822</u>	<u>\$ 12,474</u>	<u>\$ 668</u>	<u>\$ 72,307</u>	<u>\$ 172,279</u>	<u>\$ 4,094</u>	<u>\$ 28,006</u>	<u>\$ 18,776</u>	<u>\$ 48,345</u>

CITY OF BRINKLEY, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 2

	Hotel and Restaurant	Advertising and Promotion	Cemetery	Haven Rest	Memorial Park Perpetual Care	Commissary	American Rescue Plan Act	Police Car Grant	Total
Cash and Investment Balances, January 1, 2023	\$ 479,731	\$ 806	\$ 31,492	\$ 6,752		\$ 33,876	\$ 134,051	\$ 61,086	\$ 1,496,291
Receipts:									
State aid									315,600
Federal aid									66,413
Property taxes									74,182
Sales taxes									196
Fines, forfeitures, and costs									107,491
Interest	11,441	20	47		\$ 18		302		12,897
Advertising and promotion taxes	294,692								294,692
Mosquito fees									17,235
Rent		41,947							127,648
Ambulance fees									57,711
Fuel fees									6,528
Jail fees									45,931
Other	64,081	12,148	3,782		3,801	17,232		3	137,250
Transfers in		292,500	31,752						374,252
Unclassified									15,219
Total Receipts	<u>370,214</u>	<u>346,615</u>	<u>35,581</u>		<u>3,819</u>	<u>17,232</u>	<u>302</u>	<u>3</u>	<u>1,653,245</u>
Disbursements:									
General government	72,467	355,287					50		427,804
Law enforcement						8,745		60,567	292,216
Highways and streets									295,059
Public safety							134,303		204,697
Health									159,856
Social services			30,560						30,560
Airport									173,479
Transfers out	292,500			6,752				522	299,774
Unclassified									9,148
Total Disbursements	<u>364,967</u>	<u>355,287</u>	<u>30,560</u>	<u>6,752</u>		<u>8,745</u>	<u>134,353</u>	<u>61,089</u>	<u>1,892,593</u>
Cash and Investment Balances, December 31, 2023	<u>\$ 484,978</u>	<u>\$ (7,866)</u>	<u>\$ 36,513</u>	<u>\$ 0</u>	<u>\$ 3,819</u>	<u>\$ 42,363</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,256,943</u>

CITY OF BRINKLEY, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2023  
 (UNAUDITED)

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit. Investment balances include government securities and mutual funds.
2. The General Fund column on the Financial Schedules includes the following bank accounts: General, Sanitation, Sales Tax, Fire Depreciation, and Parks and Recreation.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
Police Bond and Fine	\$ 8,596
District Court	56,609
Administration of Justice	11

These balances 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, 2023
Land	\$ 1,871,774
Buildings	8,662,485
Equipment	3,793,418
Total	\$ 14,327,677



CITY OF BRINKLEY, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2023  
 (UNAUDITED)

Schedule 3

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

December 31, 2023
<hr/>
\$ 4,075,000
<hr/> <hr/>

2023 Sales and Use Tax Bonds, in the amount of 4,075,000, dated December 19, 2023, due in annual installment of \$340,000 - \$545,000, plus interest through March 1, 2033, at an average interest rate of 4.5%.

6. The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Bonds
2024	\$ 128,363
2025	515,725
2026	559,075
2027	550,850
2028	556,837
2029 through 2033	2,780,250
Total Obligations	5,091,100
Less Interest	1,016,100
Total Principal	\$ 4,075,000