

City of Brookland, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BROOKLAND, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 Brookland, 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 Brookland, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated February 8, 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 commentary contained in this section relates to the following officials who held office during 2022:

Mayor: Kenneth Jones
Clerk/Treasurer: Billy Dacus
Police Chief: Jon Moore

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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
February 8, 2024
LOM119522

CITY OF BROOKLAND, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund (Sales and Use Tax Refunding and Improvement Bonds, Series 2021)	Capital Projects Funds
Cash and Investment Balance, January 1, 2022	\$ 643,270	\$ 728,910	\$ 597,799	\$ 4,445,408
Receipts:				
State aid	119,835	350,872		
Federal aid	115,014	380,589		
Property taxes	4,337	51,104		
Franchise fees	149,952			
Sales taxes	1,276,332	228,693	943,862	
Fines, forfeitures, and costs	110,052	5,009		
Interest	6,937	4,527	6,576	45,230
Local permits and fees	166,930			
School resource officer reimbursement	132,753			
Loan proceeds	93,272			
Donations		12,652		
Other	44,757	8,536		
Transfers in	318,890	100,000		
Total Receipts	2,539,061	1,141,982	950,438	45,230
Disbursements:				
General government	475,992		52,354	
Law enforcement	741,129	431,710		
Highways and streets	314,669	832,220		
Public safety	141,341			
Health	48,600			
Recreation and culture	8,493			165,790
Debt service	53,773	5,085	849,809	
Transfers out	100,000	318,890		
Total Disbursements	1,883,997	1,587,905	902,163	165,790
Cash and Investment Balance, December 31, 2022	\$ 1,298,334	\$ 282,987	\$ 646,074	\$ 4,324,848

CITY OF BROOKLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 2

	Street	Police Equipment	Museum Fundraiser	American Rescue Plan Act	Police Department K-9	Total
Cash Balance, January 1, 2022	\$ 368,934	\$ 707	\$ 1,038	\$ 358,231		\$ 728,910
Receipts:						
State aid	350,872					350,872
Federal aid				380,589		380,589
Property taxes	51,104					51,104
Sales taxes	228,693					228,693
Fines, forfeitures, and costs		5,009				5,009
Interest	2,904	7	8	1,587	\$ 21	4,527
Donations					12,652	12,652
Other	8,528				8	8,536
Transfers in	100,000					100,000
Total Receipts	<u>742,101</u>	<u>5,016</u>	<u>8</u>	<u>382,176</u>	<u>12,681</u>	<u>1,141,982</u>
Disbursements:						
Law enforcement				419,119	12,591	431,710
Highways and streets	832,220					832,220
Debt service		5,085				5,085
Transfers out				318,890		318,890
Total Disbursements	<u>832,220</u>	<u>5,085</u>		<u>738,009</u>	<u>12,591</u>	<u>1,587,905</u>
Cash Balance, December 31, 2022	<u>\$ 278,815</u>	<u>\$ 638</u>	<u>\$ 1,046</u>	<u>\$ 2,398</u>	<u>\$ 90</u>	<u>\$ 282,987</u>

CITY OF BROOKLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 3

	<u>Park Construction</u>	<u>Municipal Building Construction</u>	<u>Total</u>
Cash and Investment Balance, January 1, 2022	<u>\$ 3,401,638</u>	<u>\$ 1,043,770</u>	<u>\$ 4,445,408</u>
Receipts:			
Interest	<u>34,379</u>	<u>10,851</u>	<u>45,230</u>
Disbursements:			
Recreation and culture	<u>165,790</u>		<u>165,790</u>
Cash and Investment Balance, December 31, 2022	<u><u>\$ 3,270,227</u></u>	<u><u>\$ 1,054,621</u></u>	<u><u>\$ 4,324,848</u></u>

CITY OF BROOKLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

1. Cash and investment balances on the Financial Schedules include demand and savings accounts, certificates of deposit, and a mutual fund.

2. The Municipality's capital assets records are summarized below:

	December 31, 2022
Land	\$ 1,088,418
Buildings	433,601
Equipment	<u>780,260</u>
Total	<u><u>\$ 2,302,279</u></u>

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

	December 31, 2022
Bonds payable	\$ 8,460,000
Financed purchases	<u>251,723</u>
Total	<u><u>\$ 8,711,723</u></u>

CITY OF BROOKLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

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

	December 31, 2022
<u>Bonds</u>	
2021 Sales and Use Tax Refunding and Improvement Bonds, dated September 1, 2021, in the amount of \$9,155,000, due in annual installments of \$290,000-\$450,000 plus interest through September 1, 2045; interest of .40-2.125%. Payments are to be made from the Sales and Use Tax Refunding and Improvement Bonds, Series 2021.	\$ 8,460,000
<u>Direct Borrowings</u>	
Financed purchase dated December 20, 2018, with First Community Bank in the amount of \$47,652 with interest rate of 4.10% for the purchase of real estate for a retention pond. Monthly payments of \$894 for 58 months. Payments are to be made from the General Fund.	10,488
Finance purchase dated December 17, 2018, with First Community Bank in the amount of \$28,132 with interest rate of 4.25% for the purchase of real estate for a park. Monthly payments of \$522 for 60 months. Payments are to be made from the General Fund.	6,119
Finance purchase dated May 17, 2018, with First Community Bank in the amount of \$150,000 with interest rate of 3.65% for the purchase of a building to be used for a library and museum. Monthly payments of \$886 for 38 months and a final payment of \$127,033. Payments are to be made from the General Fund.	128,441
Finance purchase dated August 2, 2018, with First Community Bank in the amount of \$64,210 with interest rate of 3.95% for the purchase of two Dodge Ram Trucks. Monthly payments of \$1,183 for 60 months. Payments are to be made from the General Fund.	8,145
Finance purchase dated July 26, 2019, with First Community Bank in the amount of \$24,323 with interest rate of 4.25% for the purchase of a Dodge Charger. Monthly payments of \$451 for 60 months. Payments are to be made from the General and Police Equipment Funds.	8,268
Finance purchase dated December 2, 2019, with First Community Bank in the amount of \$9,701 with interest rate of 3.25% for the purchase of a Dodge Charger. Monthly payments of \$216 for 48 months. Payments are to be made from the General and Police Equipment Funds.	2,335
Finance purchase dated August 16, 2022, with First Community Bank in the amount of \$93,272 with interest rate of 6.25% for the purchase of a Kubota Tractor. Monthly payments of \$1,818 for 60 months. Payments are to be made from the General Fund.	87,927
Total Direct Borrowings	<u>251,723</u>
Total	<u>\$ 8,711,723</u>

CITY OF BROOKLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 4

5. The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Financed Purchases	Bonds	Total
2023	\$ 185,716	\$ 454,009	\$ 639,725
2024	24,976	452,909	477,885
2025	21,817	451,709	473,526
2026	21,817	454,504	476,321
2027	14,519	453,104	467,623
2028 through 2032		2,257,796	2,257,796
2033 through 2037		2,261,656	2,261,656
2038 through 2042		2,260,531	2,260,531
2043 through 2045		1,400,925	1,400,925
Total Obligations	268,845	10,447,143	10,715,988
Less Interest	17,122	1,987,143	2,004,265
Total Principal	<u>\$ 251,723</u>	<u>\$ 8,460,000</u>	<u>\$ 8,711,723</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 380,589</u>