

City of Brookland, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BROOKLAND, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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Kevin William White, CPA, JD
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, 2025, and have issued our report thereon dated September 3, 2026. 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 2025:

Mayor: Kenneth Jones
Clerk/Treasurer: Julie Thomas
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 dark ink, appearing to read "Kevin White", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 3, 2026
LOM119525

CITY OF BROOKLAND, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Cash Balance, January 1, 2025	\$ 909,616	\$ 460,057	\$ 886,688	\$ 3,146,606
Receipts:				
State aid	60,383	343,408		225,000
Federal aid	9,806			
Property taxes		63,531		
Franchise fees	238,865			
Sales taxes	1,565,037	207,877	1,326,783	
Fines, forfeitures, and costs	103,888	11,309		
Interest	8,389	5,714	62,989	106,964
Local permits and fees	118,458			
School resource officer reimbursement	192,728			
Bond proceeds			1,215,000	
Loan proceeds	65,040			
Other	65,138	13,508	155	
Transfers in			25,101	
Total Receipts	2,427,732	645,347	2,630,028	331,964
Disbursements:				
General government	684,672		950	1,034,799
Law enforcement	1,492,012	3,169	755,117	
Highways and streets	145,557	808,671		
Public safety	206,180			
Health	52,274			
Recreation and culture	21,720			393,233
Wastewater	1,265			
Debt service	168,839	1,668	1,424,877	
Transfers out	25,101			
Total Disbursements	2,797,620	813,508	2,180,944	1,428,032
Cash Balance, December 31, 2025	\$ 539,728	\$ 291,896	\$ 1,335,772	\$ 2,050,538

CITY OF BROOKLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	Street	Police Equipment	Museum Fundraiser	Police Department K-9	Police Drug Control	Total
Cash Balance, January 1, 2025	\$ 442,312	\$ 15,638	\$ 1,067	\$ 1,040		\$ 460,057
Receipts:						
State aid	343,408					343,408
Property taxes	63,531					63,531
Sales taxes	207,877					207,877
Fines, forfeitures, and costs		10,555			\$ 754	11,309
Interest	5,489	204	11	9	1	5,714
Other	13,508					13,508
Total Receipts	633,813	10,759	11	9	755	645,347
Disbursements:						
Law enforcement		2,646		523		3,169
Highways and streets	808,671					808,671
Debt service	1,668					1,668
Total Disbursements	810,339	2,646		523		813,508
Cash Balance, December 31, 2025	\$ 265,786	\$ 23,751	\$ 1,078	\$ 526	\$ 755	\$ 291,896

CITY OF BROOKLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 3

	Sales and Use Tax Refunding and Improvement Bonds, Series 2021	Capital Improvements Revenue Bonds, Series 2025	Total
Cash Balance, January 1, 2025	<u>\$ 886,688</u>		<u>\$ 886,688</u>
Receipts:			
Sales taxes	1,326,783		1,326,783
Interest	40,707	\$ 22,282	62,989
Bond proceeds		1,215,000	1,215,000
Other		155	155
Transfers in		25,101	25,101
Total Receipts	<u>1,367,490</u>	<u>1,262,538</u>	<u>2,630,028</u>
Disbursements:			
General government	950		950
Law enforcement		755,117	755,117
Debt service	1,399,776	25,101	1,424,877
Total Disbursements	<u>1,400,726</u>	<u>780,218</u>	<u>2,180,944</u>
Cash Balance, December 31, 2025	<u>\$ 853,452</u>	<u>\$ 482,320</u>	<u>\$ 1,335,772</u>

CITY OF BROOKLAND, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 4

	Park Construction	Municipal Building Construction	Total
Cash Balance, January 1, 2025	\$ 2,138,909	\$ 1,007,697	\$ 3,146,606
Receipts:			
State aid	225,000		225,000
Interest	79,862	27,102	106,964
Total Receipts	<u>304,862</u>	<u>27,102</u>	<u>331,964</u>
Disbursements:			
General government		1,034,799	1,034,799
Recreation and culture	393,233		393,233
Total Disbursements	<u>393,233</u>	<u>1,034,799</u>	<u>1,428,032</u>
Cash Balance, December 31, 2025	<u>\$ 2,050,538</u>	<u>\$ 0</u>	<u>\$ 2,050,538</u>

CITY OF BROOKLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 5

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

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

	December 31, 2025
Land	\$ 1,533,417
Buildings	449,816
Equipment	1,481,777
Total	\$ 3,465,010

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

	December 31, 2025
Financed purchases	\$ 585,223
Bonds payable	6,550,000
Total	\$ 7,135,223

CITY OF BROOKLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 5

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

	<u>December 31, 2025</u>
<u>Direct Borrowings</u>	
Financed 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.	\$ 34,363
Financed purchase dated April 2, 2024, with First Community Bank in the amount of \$75,766 with interest rate of 5.85% for the purchase of a 2024 Kubota skid steer. Monthly payments of \$1,463 for 60 months. Payments are to be made from the General Fund.	51,750
Financed purchase dated May 30, 2024, with First Community Bank in the amount of \$105,251 with interest rate of 5.85% for the purchase of a Freightliner dump truck. Monthly payments of \$2,032 for 60 months. Payments are to be made from the General Fund.	75,217
Financed purchase dated June 11, 2024, with Welch State Bank in the amount of \$216,820 with interest rate of 5.82% for the purchase of an Asphalt Zipper. Annual payments of \$51,236 for 5 years. Payments are to be made from the General Fund.	177,668
Financed purchase dated April 24, 2025, with First Community Bank in the amount of \$65,040 with interest rate of 5.85% for the purchase of a 2025 Ram 3500 Truck. Monthly payments of \$1,258 for 60 months. Payments are to be made from the General Fund.	57,549
Financed-purchase agreement dated December 11, 2024, with AXON in the amount of \$197,256 for the purchase of 14 body cameras and software, with annual installments of \$40,456 for the 1st year and \$39,200 for the remaining 4 years at 0% interest. Payments are to be made from the General Fund.	156,800
Financed-purchase agreement dated December 13, 2024, with AXON in the amount of \$40,217 for the purchase of 5 body cameras and software, with annual installments of \$8,341 for the 1st year and \$7,969 for the remaining 4 years at 0% interest. Payments are to be made from the General (2/5), Street (1/5) and Utility (2/5) Funds.	31,876
<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, 2043; interest of .40 - 2.125%. Payments are to be made from the Sales and Use Tax Refunding and Improvement Bonds, Series 2021 Fund.	5,335,000
2025 Capital Improvement Revenue Bonds, dated April 17, 2025, in the amount of \$1,215,000, due in annual installments of \$30,000-\$80,000 plus interest through October 1, 2050; interest of 3.75-5.000%. Payments are to be made from the Capital Improvements Revenue Bonds, Series 2025 Fund.	<u>1,215,000</u>
Total	<u>\$ 7,135,223</u>

CITY OF BROOKLAND, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 5

5. The City is obligated for the following amounts at December 31, 2025:

Years Ending December 31,	Financed Purchases	Bonds	Total
2026	\$ 175,989	\$ 525,016	\$ 701,005
2027	169,927	522,491	692,418
2028	155,430	517,710	673,140
2029	128,045	517,523	645,568
2030	6,272	522,014	528,286
2031 through 2035		2,605,275	2,605,275
2036 through 2040		2,580,731	2,580,731
2041 through 2045		410,506	410,506
2046 through 2050		406,750	406,750
Total Obligations	635,663	8,608,016	9,243,679
Less Interest	50,440	2,058,016	2,108,456
Total Principal	<u>\$ 585,223</u>	<u>\$ 6,550,000</u>	<u>\$ 7,135,223</u>