

City of Bradford, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BRADFORD, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Bradford, 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 Bradford, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated August 30, 2024. These procedures were not performed for the Water and Sewer Department. 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: Dennis Whitener
Recorder/Treasurer: Bliss Akridge
District Court Clerk: Brandi McFall
Police Chief: Roger Howard (Appointed August 1, 2023)
Weston Smith (Appointed June 1, 2023 - Resigned July 31, 2023)
David Lock (resigned June 1, 2023)

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 **District Court Clerk**.

Mayor

General Fund disbursements exceeded appropriations by \$157,971 (38%), in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous report.

District Court Clerk

The balance in the District Court bank account was not identified with receipts issued for cases not yet adjudicated and the payments made on all unpaid individual time accounts, as required by Ark. Code Ann. § 16-10-209. The ending cash balance exceeded identified receipts by \$3,985 (14%). A similar finding was noted in the previous six reports.

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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 30, 2024
LOM201523

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

Schedule 1

| | General Fund | Special Revenue Funds |
|----------------------------------|-------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Cash Balance, January 1, 2023 | \$ 130,316 | \$ 326,000 |
| Receipts: | | |
| State aid | 10,309 | 184,046 |
| Property taxes | 10,425 | 8,716 |
| Franchise fees | 23,623 | 1 |
| Sales taxes | 251,223 | 132,671 |
| Fines, forfeitures, and costs | 25,277 | 1,865 |
| Interest | 259 | 1,026 |
| Sanitation fees | 91,706 | |
| Contribution from county | | 129,902 |
| Proceeds from line of credit | | 56,265 |
| Other | 109,625 | 4,532 |
| Total Receipts | <u>522,447</u> | <u>519,024</u> |
| Disbursements: | | |
| General government | 90,645 | 220 |
| Law enforcement | 217,193 | 30,022 |
| Highways and streets | 50,463 | 110,313 |
| Public safety | | 170,321 |
| Sanitation | 103,306 | |
| Health | | 1,200 |
| Recreation and culture | | 20,353 |
| Debt service | | 59,598 |
| Contribution to water department | 107,766 | |
| Total Disbursements | <u>569,373</u> | <u>392,027</u> |
| Cash Balance, December 31, 2023 | <u>\$ 83,390</u> | <u>\$ 452,997</u> |

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

Schedule 2

| | Street | Local Police and Fire Retirement (LOPFI) | Volunteer Fire Department | Fire Equipment | Court Automation | Save City Hall | McKinley Goad Sports Complex |
|---------------------------------|------------------|--|------------------------------|------------------|------------------|-----------------|---------------------------------|
| Cash Balance, January 1, 2023 | \$ 50,421 | \$ 894 | \$ 22,330 | \$ 105,321 | \$ 1,064 | \$ 3,181 | \$ 21,266 |
| Receipts: | | | | | | | |
| State aid | 57,194 | | 26,852 | | | | 100,000 |
| Property taxes | 3,278 | 2,184 | | 3,254 | | | |
| Franchise fees | | | | | | | |
| Sales taxes | 60,305 | | | 24,122 | | | 24,122 |
| Fines, forfeitures, and costs | | | | | 1,865 | | |
| Interest | 94 | 1 | 200 | 517 | | | |
| Contribution from county | | | | | | | |
| Proceeds from line of credit | | | | | | | |
| Other | | | | 4,403 | | | |
| Total Receipts | <u>120,871</u> | <u>2,185</u> | <u>27,052</u> | <u>32,296</u> | <u>1,865</u> | | <u>124,122</u> |
| Disbursements: | | | | | | | |
| General government | | | | | | | |
| Law enforcement | | | | | 2,588 | | |
| Highways and streets | 110,313 | | | | | | |
| Public safety | | 2,457 | | 85,600 | | | |
| Health | | | | | | | |
| Recreation and culture | | | | | | | 20,353 |
| Debt service | | | 30,000 | | | | |
| Total Disbursements | <u>110,313</u> | <u>2,457</u> | <u>30,000</u> | <u>85,600</u> | <u>2,588</u> | | <u>20,353</u> |
| Cash Balance, December 31, 2023 | <u>\$ 60,979</u> | <u>\$ 622</u> | <u>\$ 19,382</u> | <u>\$ 52,017</u> | <u>\$ 341</u> | <u>\$ 3,181</u> | <u>\$ 125,035</u> |

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

Schedule 2

| | <u>Police Department</u> | <u>Fire Department County Sales Tax</u> | <u>Senior Center</u> | <u>American Rescue Plan Act</u> | <u>Total</u> |
|---------------------------------|--------------------------|---|----------------------|-------------------------------------|-------------------|
| Cash Balance, January 1, 2023 | \$ 21,041 | \$ 33,165 | \$ 783 | \$ 66,534 | \$ 326,000 |
| Receipts: | | | | | |
| State aid | | | | | 184,046 |
| Property taxes | | | | | 8,716 |
| Franchise fees | | 1 | | | 1 |
| Sales taxes | 24,122 | | | | 132,671 |
| Fines, forfeitures, and costs | | | | | 1,865 |
| Interest | | 114 | | 100 | 1,026 |
| Contribution from county | | 129,902 | | | 129,902 |
| Proceeds from line of credit | | 56,265 | | | 56,265 |
| Other | 129 | | | | 4,532 |
| Total Receipts | <u>24,251</u> | <u>186,282</u> | | <u>100</u> | <u>519,024</u> |
| Disbursements: | | | | | |
| General government | | | 220 | | 220 |
| Law enforcement | 27,434 | | | | 30,022 |
| Highways and streets | | | | | 110,313 |
| Public safety | | 82,264 | | | 170,321 |
| Health | 1,200 | | | | 1,200 |
| Recreation and culture | | | | | 20,353 |
| Debt service | 3,327 | 26,271 | | | 59,598 |
| Total Disbursements | <u>31,961</u> | <u>108,535</u> | <u>220</u> | | <u>392,027</u> |
| Cash Balance, December 31, 2023 | <u>\$ 13,331</u> | <u>\$ 110,912</u> | <u>\$ 563</u> | <u>\$ 66,634</u> | <u>\$ 452,997</u> |

CITY OF BRADFORD, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

2. Cash balances at year-end in the custodial funds are as follows:

| | December 31, 2023 |
|--------------------------------|----------------------|
| District Court | \$ 29,417 |
| Administration of Justice Fund | 7,136 |

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

| | December 31, 2023 |
|-----------|----------------------|
| Land | \$ 111,689 |
| Buildings | 366,355 |
| Equipment | 1,074,417 |
| Total | \$ 1,552,461 |

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

| | December 31, 2023 |
|-------------------|----------------------|
| Financed purchase | \$ 7,661 |
| Line of Credit | 166,016 |
| Total | \$ 173,677 |