

City of Bradley, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Sen. Jim Dotson
Senate Vice Chair



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House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Bradley, 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 Bradley, Arkansas, as of and for the year ended December 31, 2023, and have issued our report thereon dated March 18, 2025. These procedures were not performed for the Water and Sewer System. 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: Jason Martin
Recorder/Treasurer: LaKeisha Young
District Court Clerk: Misty Williams (appointed February 17, 2023)
Cathy Richmond (resigned February 16, 2023)
Police Chief: David Adkinson (appointed March 21, 2023)
Terry Phillips (resigned February 15, 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, Recorder/Treasurer, and District Court Clerk.**

Mayor and Recorder/Treasurer

Restricted funds from previous years of \$10,289 and \$1,643 were not transferred to the Street Fund from the General Fund and Water and Sewer Revenue Fund, respectively, as required by Ark. Code Ann. § 27-70-207. On March 13, 2025, the City Council approved Resolution 1-25 to pay \$858 per month until the balance is paid in full, in compliance with Ark. Code Ann. § 27-70-207. Additionally, other restricted funds from prior years totaling \$93,256 were due to the Solid Waste Fund from the General Fund. As shown on Note 7 on Schedule 3 of this report, when these outstanding amounts were considered, the General Fund had a deficit fund balance of \$108,206 for 2023. A similar finding was issued in the previous six reports dating back to 2015.

Restricted law enforcement monies of \$9,200 were expended for unallowable purposes in 2023.

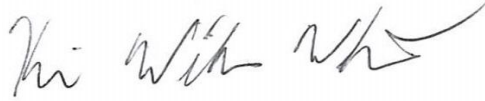
The City ended the year with a negative cash balance in the General Fund at December 31, 2023, totaling \$4,661.

District Court Clerk

The ending balance in the Court Fund bank account was not identified with receipts issued for cases not yet adjudicated, as required by Ark. Code Ann. §16-10-209. Identified receipts exceeded the bank balance by \$4,870 for 2023. A similar finding was noted in the previous seven reports dating back to 2014.

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", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 18, 2025
LOM201623

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

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 26,070	\$ 95,102	\$ 4,761
Receipts:			
State aid	6,158	63,674	
Property taxes	17,522	5,261	
Franchise fees	479		
Sales taxes	73,142	46,637	
Fines, forfeitures, and costs	40,409	9,897	
Interest	48	380	32
Local permits and fees	8,298		
Sanitation fees		44,728	
Contribution from water and sewer	6,400		
Other	2,365	5,030	
Transfers in			2,438
Total Receipts	<u>154,821</u>	<u>175,607</u>	<u>2,470</u>
Disbursements:			
General government	69,031		
Law enforcement	102,222	37,689	
Highways and streets		44,926	
Public safety	8,799	8,338	
Sanitation	3,062	57,562	
Wastewater		9,200	
Debt service		27,416	2,216
Transfers out	2,438		
Total Disbursements	<u>185,552</u>	<u>185,131</u>	<u>2,216</u>
Cash Balance, December 31, 2023	<u>\$ (4,661)</u>	<u>\$ 85,578</u>	<u>\$ 5,015</u>

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

Schedule 2

	Street	Solid Waste	Criminal Justice	Fire Equipment and Training	Judicial Enhancement	Police Equipment	Total
Cash Balance, January 1, 2023	\$ 5,200	\$ 23,984	\$ 13,677	\$ 30,047	\$ 5,876	\$ 16,318	\$ 95,102
Receipts:							
State aid	34,164			17,393		12,117	63,674
Property taxes	5,261						5,261
Sales taxes		46,637					46,637
Fines, forfeitures, and costs			2,935		942	6,020	9,897
Interest	23	315			42		380
Sanitation fees		44,728					44,728
Other	978			2,259		1,793	5,030
Total Receipts	40,426	91,680	2,935	19,652	984	19,930	175,607
Disbursements:							
Law enforcement			11,368		1,190	25,131	37,689
Highways and streets	44,926						44,926
Public safety				8,338			8,338
Sanitation		57,562					57,562
Wastewater						9,200	9,200
Debt service		27,416					27,416
Total Disbursements	44,926	84,978	11,368	8,338	1,190	34,331	185,131
Cash Balance, December 31, 2023	\$ 700	\$ 30,686	\$ 5,244	\$ 41,361	\$ 5,670	\$ 1,917	\$ 85,578

CITY OF BRADLEY, 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. The General Fund column on the Financial Schedules includes the following bank accounts:
General and Franchise Fee

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

	December 31, 2023
District Court	\$ 12,131
Payroll	3,393

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

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

	December 31, 2023
Land	\$ 94,749
Buildings	999,072
Equipment	559,326
Total	<u>\$ 1,653,147</u>

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

	December 31, 2023
Financed purchases	\$ 121,221
Bonds payable	18,457
Total	<u>\$ 139,678</u>

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

Schedule 3

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

Years Ending December 31,	Financed Purchases	Bonds	Total
2024	\$ 27,416	\$ 2,216	\$ 29,632
2025	27,416	2,216	29,632
2026	27,416	2,216	29,632
2027	27,416	2,216	29,632
2028	20,559	2,216	22,775
2029 through 2033		11,080	11,080
2034		1,892	1,892
Total Obligations	130,223	24,052	154,275
Less Interest	9,002	5,595	14,597
Total Principal	<u>\$ 121,221</u>	<u>\$ 18,457</u>	<u>\$ 139,678</u>

7. Deficit Balances

The schedules included on our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it came to our attention in prior reports, that various restricted funds were deposited into or expended from the wrong bank accounts. The information below begins with the cash balance per Schedules 1 and 2 of this report and the cash balance per the City's Independent Accountants' Report on Applying Agreed Upon Procedures. The computation includes increases and decreases to cash balances for amounts due to and due from funds within the City.

Balances as of December 31, 2023	General	Street	Solid Waste	Police Equipment	Water and Sewer Fund
Cash balance per Schedules	\$ (4,661)	\$ 700	\$ 30,686	\$ 1,917	
Cash balance per City's Independent Accountants' Report on Applying Agreed Upon Procedures					\$ 12,619
Due to other funds	(103,545)				(10,843)
Due from other funds		11,932	93,256	9,200	
Restated balance as of December 31, 2023	<u>\$ (108,206)</u>	<u>\$ 12,632</u>	<u>\$ 123,942</u>	<u>\$ 11,117</u>	<u>\$ 1,776</u>