

City of Bradley, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BRADLEY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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Arkansas

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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, 2024, and have issued our report thereon dated March 10, 2026. 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 2024:

Mayor: Jason Martin
Recorder/Treasurer: LaKeisha Young
District Court Clerk: Misty Williams
Police Chief: David Adkinson

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 Police Chief.**

Mayor and Police Chief

Fines and cost revenue of \$109,477 exceeded 30% of the City's total expenditures in the preceding year by \$14,110, in noncompliance with Ark. Code Ann. § 12-8-403. This revenue was generated from traffic offense citations written or by arrests made by the City's law enforcement personnel.

Mayor and Recorder/Treasurer

Restricted funds were expended from the Street Fund in noncompliance with Ark. Code Ann. § 27-70-207 in the amount of \$565 for overdraft fees and bank service charges. When combined with amounts due from previous years, the City's General Fund and Water and Sewer Fund owed the Street Fund \$5,706 and \$1,643, respectively at December 31, 2024. During 2024, the City made payments of \$5,148 from the General Fund to the Street Fund to reduce the previous balances owed. In March of 2025, the City approved Resolution 1-25 to repay \$858 per month until the balance is paid in full. Additionally, other restricted funds from prior years totaling \$93,256 were due to the Solid Waste Fund from the General Fund and \$9,200 was due to the Police Equipment Fund from the Water and Sewer Fund. As shown on Note 7 on Schedule 3 of this report, when these outstanding amounts were considered, the General Fund had a deficit balance of \$84,067 for 2024. A similar finding was issued in the previous seven reports dating back to 2015.

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
March 10, 2026
LOM201624

CITY OF BRADLEY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Debt Service Fund
Cash Balance, January 1, 2024	\$ (4,661)	\$ 85,578	\$ 5,015
Receipts:			
State aid	6,023	57,896	
Federal aid	2,156		
Property taxes	18,980	5,695	
Franchise fees	489		
Sales taxes	83,175	47,931	
Fines, forfeitures, and costs	109,986	27,243	
Interest	245	246	52
Local permits and fees	4,981		
Sanitation fees		37,110	
Contribution from water and sewer	2,098		
Insurance proceeds	34,397		
Other	3,937	505	
Transfers in		5,148	2,234
Unclassified	200		
Total Receipts	<u>266,667</u>	<u>181,774</u>	<u>2,286</u>
Disbursements:			
General government	117,859	565	
Law enforcement	107,195	16,322	
Highways and streets	197	43,856	
Public safety	11,367	22,761	
Sanitation	1,815	77,137	
Debt service		27,416	2,216
Transfers out	7,382		
Unclassified	1,296		
Total Disbursements	<u>247,111</u>	<u>188,057</u>	<u>2,216</u>
Cash Balance, December 31, 2024	<u>\$ 14,895</u>	<u>\$ 79,295</u>	<u>\$ 5,085</u>

CITY OF BRADLEY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Solid Waste</u>	<u>Criminal Justice</u>	<u>Fire Equipment and Training</u>	<u>Judicial Enhancement</u>	<u>Police Equipment</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 700	\$ 30,686	\$ 5,244	\$ 41,361	\$ 5,670	\$ 1,917	\$ 85,578
Receipts:							
State aid	33,304			24,592			57,896
Property taxes	5,695						5,695
Sales taxes		47,931					47,931
Fines, forfeitures, and costs			9,670		1,083	16,490	27,243
Interest	20	181			45		246
Sanitation fees		37,110					37,110
Other				99		406	505
Transfers in	5,148						5,148
Total Receipts	<u>44,167</u>	<u>85,222</u>	<u>9,670</u>	<u>24,691</u>	<u>1,128</u>	<u>16,896</u>	<u>181,774</u>
Disbursements:							
General government	565						565
Law enforcement			4,036		2,117	10,169	16,322
Highways and streets	43,856						43,856
Public safety				22,761			22,761
Sanitation		77,137					77,137
Debt service		27,416					27,416
Total Disbursements	<u>44,421</u>	<u>104,553</u>	<u>4,036</u>	<u>22,761</u>	<u>2,117</u>	<u>10,169</u>	<u>188,057</u>
Cash Balance, December 31, 2024	<u>\$ 446</u>	<u>\$ 11,355</u>	<u>\$ 10,878</u>	<u>\$ 43,291</u>	<u>\$ 4,681</u>	<u>\$ 8,644</u>	<u>\$ 79,295</u>

CITY OF BRADLEY, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

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, 2024
District Court	\$ 13,487
Payroll	4,449

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, 2024
Land	\$ 94,749
Buildings	999,072
Equipment	570,898
Total	\$ 1,664,719

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

	December 31, 2024
Financed purchases	\$ 97,122
Bonds payable	17,117
Total	\$ 114,239

CITY OF BRADLEY, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

6. The City is obligated for the following amounts at December 31, 2024:

Years Ending December 31,	Financed Purchases	Bonds	Total
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		2,216	2,216
2030 through 2034		10,756	10,756
Total Obligations	102,807	21,836	124,643
Less Interest	5,685	4,719	10,404
Total Principal	<u>\$ 97,122</u>	<u>\$ 17,117</u>	<u>\$ 114,239</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 for the Water and Sewer Funds as provided by the City. 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, 2024	General	Street	Solid Waste	Police Equipment	* Water and Sewer
Cash balance per Schedules	\$ 14,895	\$ 446	\$ 11,355	\$ 8,644	
Cash balance per City records					\$ 351,968
Due to other funds	(98,962)				(10,843)
Due from other funds		7,349	93,256	9,200	
Restated balance as of December 31, 2024	<u>\$ (84,067)</u>	<u>\$ 7,795</u>	<u>\$ 104,611</u>	<u>\$ 17,844</u>	<u>\$ 341,125</u>

* The Water and Sewer Funds were not included in our report.