

City of Stephens, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF STEPHENS, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Stephens, 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 Stephens, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated March 6, 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 finding contained in this section relates to the following officials who held office during 2022:

Mayor: Harry Brown
Recorder/Treasurer: Marlene Fulkroad
District Court Clerk: Vickie Gamblin

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 office of the **Mayor**.

Mayor

Total disbursements for the General Fund exceeded total appropriations by \$309,209 (75%), in noncompliance with Ark. Code Ann. § 14-58-203

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
March 6, 2024
LOM217622

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 247,005	\$ 162,672
Receipts:		
State aid	11,487	83,915
Federal aid		111,525
Property taxes	24,247	12,256
Franchise fees	42,777	
Sales taxes	206,330	
Fines, forfeitures, and costs	9,617	5,345
Interest	282	90
Local permits and fees	13,658	
Sanitation fees	1,112	
Contribution from water department	110	
Loan proceeds	200,046	
Insurance proceeds	158,048	
Other	66,238	680
Transfers in		10,398
Total Receipts	<u>733,952</u>	<u>224,209</u>
Disbursements:		
General government	367,173	61,625
Law enforcement	8,865	7,199
Highways and streets		63,618
Public safety	55,438	10,698
Sanitation	119,192	
Recreation and culture	145,796	
Debt service	19,860	2,711
Transfers out	10,398	
Unclassified		46
Total Disbursements	<u>726,722</u>	<u>145,897</u>
Cash Balance, December 31, 2022	<u>\$ 254,235</u>	<u>\$ 240,984</u>

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

Schedule 2

	Street	Court Automation	Fire Equipment & Training - Act 833	Criminal Justice	Local Police and Fire Retirement (LOPFI)	American Rescue Plan Act	Fire Covid Relief	Total
Cash Balance, January 1, 2022	\$ 31,097	\$ 21,346	\$ 20,114	\$ 563	\$ 28,937	\$ 60,615		\$ 162,672
Receipts:								
State aid	66,479		17,436					83,915
Federal aid						81,525	\$ 30,000	111,525
Property taxes	7,359				4,897			12,256
Fines, forfeitures, and costs		524		4,821				5,345
Interest	90							90
Other	680							680
Transfers in	6,398					4,000		10,398
Total Receipts	81,006	524	17,436	4,821	4,897	85,525	30,000	224,209
Disbursements:								
General government						61,625		61,625
Law enforcement		2,565		3,855	779			7,199
Highways and streets	63,618							63,618
Public safety			8,199				2,499	10,698
Debt service	2,711							2,711
Unclassified	46							46
Total Disbursements	66,375	2,565	8,199	3,855	779	61,625	2,499	145,897
Cash Balance, December 31, 2022	\$ 45,728	\$ 19,305	\$ 29,351	\$ 1,529	\$ 33,055	\$ 84,515	\$ 27,501	\$ 240,984

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, General Savings, New City Hall, Special Police, Solid Waste, New Garbage, Fire and Emergency,
Community Projects, Community Museum, and Parks and Recreation.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2022
Police Bond and Fine	\$ 100
District Court	2,759
Administration of Justice	1,059

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

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

	December 31, 2022
Land	\$ 273,148
Buildings	849,674
Equipment	733,127
Total	<u>\$ 1,855,949</u>

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

	December 31, 2022
Financed purchases	<u>\$ 219,052</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA) - pass through from Ouachita County	\$ 30,000
American Rescue Plan Act (ARPA)	81,525
	<u>\$ 111,525</u>