

City of Stephens, Arkansas

Financial Information Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF STEPHENS, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Financial Information Report

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Arkansas

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Senate Vice Chair



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial Information 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 requested certain cash basis financial information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the City of Stephens, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated December 8, 2022. This information was not requested 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 commentary contained in this section relates to the following officials who held office during 2021 and 2020:

Mayor: Harry Brown
Recorder/Treasurer: Marlene Fulkroad
District Court Clerk: Vickie Gamblin
Police Chief: Parker Cox (Resigned April 12, 2021)

No issues 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 cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
December 8, 2022
LOM217621

CITY OF STEPHENS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 245,367	\$ 99,440
Receipts:		
State aid	14,143	102,206
Federal aid		81,526
Property taxes	23,238	11,524
Franchise fees	41,162	
Sales taxes	201,941	
Fines, forfeitures, and costs	5,826	5,557
Interest	275	96
Local permits and fees	4,949	
Sanitation fees	940	
Insurance premiums	22,578	
Loan proceeds	42,581	
Other	39,477	6,442
Transfers in		6,997
Total Receipts	<u>397,110</u>	<u>214,348</u>
Disbursements:		
General government	217,741	19,565
Law enforcement	37,668	6,558
Highways and streets		82,926
Public safety	53,531	31,454
Sanitation	62,612	
Recreation and culture	12,559	
Debt service	4,364	7,991
Transfers out	6,997	
Contributions to water department		1,346
Total Disbursements	<u>395,472</u>	<u>149,840</u>
Cash Balance, December 31, 2021	<u>\$ 247,005</u>	<u>\$ 163,948</u>

CITY OF STEPHENS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Court Automation	Fire Equipment and Training - Act 833	Criminal Justice	Local Police and Fire Retirement (LOPFI)	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 31,821	\$ 20,456	\$ 20,377	\$ 1,375	\$ 25,411		\$ 99,440
Receipts:							
State aid	71,015		31,191				102,206
Federal aid						\$ 81,526	81,526
Property taxes	6,919				4,605		11,524
Fines, forfeitures, and costs		890		4,667			5,557
Interest	96						96
Other	6,442						6,442
Transfers in	6,997						6,997
Total Receipts	91,469	890	31,191	4,667	4,605	81,526	214,348
Disbursements:							
General government						19,565	19,565
Law enforcement				5,479	1,079		6,558
Highways and streets	82,926						82,926
Public safety			31,454				31,454
Debt service	7,991						7,991
Contributions to water department						1,346	1,346
Total Disbursements	90,917		31,454	5,479	1,079	20,911	149,840
Cash Balance, December 31, 2021	\$ 32,373	\$ 21,346	\$ 20,114	\$ 563	\$ 28,937	\$ 60,615	\$ 163,948

CITY OF STEPHENS, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 209,596	\$ 100,725
Receipts:		
State aid	13,220	67,262
Federal aid	30,046	71,895
Property taxes	23,948	11,864
Franchise fees	40,073	
Sales taxes	194,469	
Fines, forfeitures, and costs	12,113	5,578
Interest	367	170
Local permits and fees	3,432	
Sanitation fees	1,531	
Insurance premiums	18,827	
Loan proceeds		4,200
Other	41,288	1,827
Transfers in		5,722
Unclassified		2,837
Total Receipts	<u>379,314</u>	<u>171,355</u>
Disbursements:		
General government	146,636	
Law enforcement	81,581	4,752
Highways and streets		84,380
Public safety	33,303	7,112
Sanitation	48,591	
Recreation and culture	23,885	71,895
Debt service	3,825	4,501
Transfers out	5,722	
Total Disbursements	<u>343,543</u>	<u>172,640</u>
Cash Balance, December 31, 2020	<u>\$ 245,367</u>	<u>\$ 99,440</u>

CITY OF STEPHENS, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	Street	Court Automation	Fire Equipment and Training - Act 833	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Community Center Grant	Total
Cash Balance, January 1, 2020	\$ 34,402	\$ 19,973	\$ 27,489	\$ 1,032	\$ 17,829		\$ 100,725
Receipts:							
State aid	67,262						67,262
Federal aid						\$ 71,895	71,895
Property taxes	7,119				4,745		11,864
Fines, forfeitures, and costs		483		5,095			5,578
Interest	170						170
Loan proceeds	4,200						4,200
Other	1,827						1,827
Transfers in	5,722						5,722
Unclassified					2,837		2,837
Total Receipts	<u>86,300</u>	<u>483</u>		<u>5,095</u>	<u>7,582</u>	<u>71,895</u>	<u>171,355</u>
Disbursements:							
Law enforcement				4,752			4,752
Highways and streets	84,380						84,380
Public safety			7,112				7,112
Recreation and culture						71,895	71,895
Debt service	4,501						4,501
Total Disbursements	<u>88,881</u>		<u>7,112</u>	<u>4,752</u>		<u>71,895</u>	<u>172,640</u>
Cash Balance, December 31, 2020	<u>\$ 31,821</u>	<u>\$ 20,456</u>	<u>\$ 20,377</u>	<u>\$ 1,375</u>	<u>\$ 25,411</u>	<u>\$ 0</u>	<u>\$ 99,440</u>

CITY OF STEPHENS, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)

Schedule 5

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, Special Police, Solid Waste, Parks and Recreation, Fire and Emergency
Community Projects, Community Museum, and New City Hall
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2021	December 31, 2020
Police Bond and Fine	\$ 100	\$ 100
District Court	3,663	1,566
Administration of Justice	605	

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, 2021	December 31, 2020
Land	\$ 887,528	\$ 887,528
Buildings	1,296,574	1,298,574
Equipment	797,656	746,201
Totals	<u>\$ 2,981,758</u>	<u>\$ 2,932,303</u>

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

	December 31, 2021	December 31, 2020
Notes payable	<u>\$ 54,545</u>	<u>\$ 21,946</u>

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

	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)		\$ 30,046
American Rescue Plan Act (ARPA)	\$ 81,526	
Totals	<u>\$ 81,526</u>	<u>\$ 30,046</u>