

City of Stephens, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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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 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, 2024, and have issued our report thereon dated September 15, 2025. 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 2024:

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

On August 28, 2024, the City initiated an ACH transaction totaling \$29,999 for an online purchase from what appeared to be an out-of-state vendor selling heavy equipment. The City discovered the sale and vendor were fraudulent when the equipment was not delivered and reported the incident to the Ouachita County Sheriff's Office. As of report date, the City had not recovered the funds.

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", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 15, 2025
LOM217624

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2024	\$ 222,758	\$ 166,858
Receipts:		
State aid	11,451	63,318
Property taxes	28,718	13,778
Franchise fees	44,373	
Sales taxes	210,392	
Fines, forfeitures, and costs	12,253	5,476
Interest	448	86
Local permits and fees	6,077	
Sanitation fees	770	
Sale of capital assets	35,500	
Other	28,808	3,340
Transfers in	300	6,091
Total Receipts	<u>379,090</u>	<u>92,089</u>
Disbursements:		
General government	218,700	
Law enforcement	16,312	5,343
Highways and streets		93,815
Public safety	34,636	25,594
Sanitation	46,980	
Recreation and culture	15,990	
Water and sewer	6,000	
Debt service	27,238	
Transfers out	6,091	300
Total Disbursements	<u>371,947</u>	<u>125,052</u>
Cash Balance, December 31, 2024	<u>\$ 229,901</u>	<u>\$ 133,895</u>

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

Schedule 2

	Street	Court Automation	Fire Equipment & Training - Act 833	Criminal Justice	Local Police and Fire Retirement (LOPFI)	Fire Covid Relief	Total
Cash Balance, January 1, 2024	\$ 33,853	\$ 19,772	\$ 48,529	\$ 875	\$ 38,235	\$ 25,594	\$ 166,858
Receipts:							
State aid	63,318						63,318
Property taxes	8,267				5,511		13,778
Fines, forfeitures, and costs		400		5,076			5,476
Interest	86						86
Other	3,340						3,340
Transfers in	6,091						6,091
Total Receipts	<u>81,102</u>	<u>400</u>		<u>5,076</u>	<u>5,511</u>		<u>92,089</u>
Disbursements:							
Law enforcement				4,550	793		5,343
Highways and streets	93,815						93,815
Public safety						25,594	25,594
Transfers out	300						300
Total Disbursements	<u>94,115</u>			<u>4,550</u>	<u>793</u>	<u>25,594</u>	<u>125,052</u>
Cash Balance, December 31, 2024	<u>\$ 20,840</u>	<u>\$ 20,172</u>	<u>\$ 48,529</u>	<u>\$ 1,401</u>	<u>\$ 42,953</u>	<u>\$ 0</u>	<u>\$ 133,895</u>

CITY OF STEPHENS, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(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, Special Police, Solid Waste, 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, 2024
Police Bond and Fine	\$ 477
District Court	6,680
Administration of Justice	2,280

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, 2024
Land	\$ 273,148
Buildings	846,174
Equipment	821,572
Total	<u>\$ 1,940,894</u>

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2024
Financed purchases	<u>\$ 210,020</u>