

**City of Fouke, Arkansas**

**Financial and Compliance Report**

**December 31, 2022**

*Including Financial Information  
For  
December 31, 2021 and 2020*

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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Senate Chair  
Sen. John Payton  
Senate Vice Chair



Rep. Jimmy Gazaway  
House Chair  
Rep. Richard Womack  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Fouke, 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 Fouke, Arkansas, as of and for the years ended December 31, 2022. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2021, and 2020, and have issued our report thereon dated September 18, 2023. 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 2022, 2021, and 2020:

Mayor: Terry Purvis  
Recorder/Treasurer: Wanda Harris  
Marshal: Art Parris (July 1, 2022 through present)  
Wesley Penny (January 1, 2020 through June 30, 2022)

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 **Mayor**.

#### **Mayor**

In 2022, Street Fund disbursements exceeded budgeted appropriations by \$28,295 (33%), in noncompliance with Ark. Code Ann. § 14-58-203.

An audit or agreed-upon procedures/compilation report was not obtained for the Fouke Water and Sewer System, as required by Ark. Code Ann. § 14-234-119. A similar finding was issued in the prior four 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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas  
September 18, 2023  
LOM205922

CITY OF FOUKE, 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	\$ 458,752	\$ 241,768
Receipts:		
State aid	12,054	69,760
Federal aid		90,952
Property taxes	28,724	1,306
Franchise fees	20,122	34
Sales taxes	203,887	94,148
Fines, forfeitures, and costs	660	
Interest	629	214
Donations	50	
Rent	3,880	
Other	10,081	30
Total Receipts	<u>280,087</u>	<u>256,444</u>
Disbursements:		
General government	144,841	2,723
Law enforcement	32,902	5,446
Highways and streets		121,462
Public safety		14,302
Recreation and culture	17,643	
Contributions to water and sewer	15,117	7,079
Debt service	5,330	532
Total Disbursements	<u>215,833</u>	<u>151,544</u>
Cash Balance, December 31, 2022	<u>\$ 523,006</u>	<u>\$ 346,668</u>

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

Schedule 2

	Street	Fire Operating	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2022	\$ 132,261	\$ 10,980	\$ 7,812	\$ 90,715	\$ 241,768
Receipts:					
State aid	69,760				69,760
Federal aid				90,952	90,952
Property taxes	1,306				1,306
Franchise fees	34				34
Sales taxes	71,472	22,676			94,148
Interest	157	7	5	45	214
Other	30				30
Total Receipts	<u>142,759</u>	<u>22,683</u>	<u>5</u>	<u>90,997</u>	<u>256,444</u>
Disbursements:					
General government				2,723	2,723
Law enforcement				5,446	5,446
Highways and streets	114,383			7,079	121,462
Public safety		14,298	4		14,302
Water and sewer				7,079	7,079
Debt service	532				532
Total Disbursements	<u>114,915</u>	<u>14,298</u>	<u>4</u>	<u>22,327</u>	<u>151,544</u>
Cash Balance, December 31, 2022	<u>\$ 160,105</u>	<u>\$ 19,365</u>	<u>\$ 7,813</u>	<u>\$ 159,385</u>	<u>\$ 346,668</u>

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

Schedule 3

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2021	\$ 438,175	\$ 152,160
Receipts:		
State aid	13,825	69,782
Federal aid	238	90,715
Property taxes	27,700	1,296
Franchise fees	19,331	
Sales taxes	184,255	87,166
Fines, forfeitures, and costs	500	
Interest	915	215
Rent	2,145	
Other	715	50
Total Receipts	<u>249,624</u>	<u>249,224</u>
Disbursements:		
General government	172,155	
Law enforcement	22,548	
Highways and streets		144,686
Public safety		14,781
Recreation and culture	15,108	
Contributions to water and sewer	13,906	
Debt service	5,330	149
Total Disbursements	<u>229,047</u>	<u>159,616</u>
Cash Balance, December 31, 2021	<u>\$ 458,752</u>	<u>\$ 241,768</u>

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

Schedule 4

	Street	Fire Operating	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 139,403	\$ 4,524	\$ 8,233		\$ 152,160
Receipts:					
State aid	69,782				69,782
Federal aid				\$ 90,715	90,715
Property taxes	1,296				1,296
Sales taxes	66,361	20,805			87,166
Interest	204	5	6		215
Other	50				50
Total Receipts	<u>137,693</u>	<u>20,810</u>	<u>6</u>	<u>90,715</u>	<u>249,224</u>
Disbursements:					
Highways and streets	144,686				144,686
Public safety		14,354	427		14,781
Debt service	149				149
Total Disbursements	<u>144,835</u>	<u>14,354</u>	<u>427</u>		<u>159,616</u>
Cash Balance, December 31, 2021	<u>\$ 132,261</u>	<u>\$ 10,980</u>	<u>\$ 7,812</u>	<u>\$ 90,715</u>	<u>\$ 241,768</u>

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

Schedule 5

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2020	\$ 419,452	\$ 178,422
Receipts:		
State aid	12,745	64,847
Property taxes	24,205	2,062
Franchise fees	18,369	
Sales taxes	168,415	78,230
Fines, forfeitures, and costs	150	
Interest	1,000	291
Rent	675	
Other	67	2,350
Total Receipts	<u>225,626</u>	<u>147,780</u>
Disbursements:		
General government	162,441	
Law enforcement	20,506	
Highways and streets		143,474
Public safety		28,659
Recreation and culture	10,184	
Contributions to water and sewer	12,884	
Debt service	888	1,909
Total Disbursements	<u>206,903</u>	<u>174,042</u>
Cash Balance, December 31, 2020	<u>\$ 438,175</u>	<u>\$ 152,160</u>



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

Schedule 6

	Street	Fire Operating	Fire Equipment and Training Act 833	Total
Cash Balance, January 1, 2020	\$ 156,776	\$ 5,787	\$ 15,859	\$ 178,422
Receipts:				
State aid	64,847			64,847
Property taxes	2,062			2,062
Sales taxes	58,904	19,326		78,230
Interest	272	4	15	291
Other	1,925	425		2,350
Total Receipts	<u>128,010</u>	<u>19,755</u>	<u>15</u>	<u>147,780</u>
Disbursements:				
Highways and streets	143,474			143,474
Public safety		21,018	7,641	28,659
Debt service	1,909			1,909
Total Disbursements	<u>145,383</u>	<u>21,018</u>	<u>7,641</u>	<u>174,042</u>
Cash Balance, December 31, 2020	<u>\$ 139,403</u>	<u>\$ 4,524</u>	<u>\$ 8,233</u>	<u>\$ 152,160</u>

CITY OF FOUKE, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020  
(UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	\$ 210,400	\$ 210,400	\$ 210,400
Buildings	308,774	308,774	308,774
Improvements	21,770	21,770	21,770
Equipment	<u>581,116</u>	<u>571,244</u>	<u>571,244</u>
Totals	<u>\$ 1,122,060</u>	<u>\$ 1,112,188</u>	<u>\$ 1,112,188</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financed purchase	<u>\$ 41,608</u>	<u>\$ 19,348</u>	<u>\$ 24,667</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
American Rescue Plan Act (ARPA)	<u>\$ 90,952</u>	<u>\$ 90,953</u>	* Includes \$238 deposited in General Fund.