

City of Fouke, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF FOUKE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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Arkansas



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House Vice Chair

Kevin William White, CPA, JD
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 year ended December 31, 2023, and have issued our report thereon dated March 27, 2025. 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 2023:

Mayor: Terry Purvis
Recorder/Treasurer: Wanda Harris
Police Chief/Marshal: Art Parrish

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

An annual audit or agreed-upon procedures report has not been completed for the City's Water and Sewer System since 2014, as required by Ark. Code Ann. § 14-234-119. The City signed an engagement letter on December 6, 2023, for the 2022, 2021, and 2020 years, however, the City has not received the reports and, as of the report date, the mayor has indicated they do not plan to honor the engagement letters. A similar finding was issued in the prior five reports dating back to 2015.

Street Fund disbursements exceeded budgeted appropriations by \$40,517 (44%), in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was issued in the prior report.

The governing body did not document the review of the prior report and accompanying comments at the first regularly scheduled meeting following receipt of the report, as required by Ark. Code Ann. § 10-4-418.

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 dark ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
March 27, 2025
LOM205923

CITY OF FOUKE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2023	\$ 523,006	\$ 346,668
Receipts:		
State aid	12,598	68,160
Property taxes	35,282	1,625
Franchise fees	22,749	
Sales taxes	201,860	96,249
Fines, forfeitures, and costs	1,370	
Interest	10,380	811
Rent	3,865	
Other	3,918	8,441
Total Receipts	<u>292,022</u>	<u>175,286</u>
Disbursements:		
General government	197,916	
Law enforcement	21,137	
Highways and streets		129,587
Public safety		34,701
Recreation and culture	13,565	
Contributions to water and sewer	70,511	
Debt service	5,330	2,130
Total Disbursements	<u>308,459</u>	<u>166,418</u>
Cash Balance, December 31, 2023	<u>\$ 506,569</u>	<u>\$ 355,536</u>

CITY OF FOUKE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street	Fire Operating Operating	Fire Equipment and Training Act 833	American Rescue Plan Act	Total
Cash Balance, January 1, 2023	\$ 160,105	\$ 19,365	\$ 7,813	\$ 159,385	\$ 346,668
Receipts:					
State aid	68,160				68,160
Property taxes	1,625				1,625
Sales taxes	73,618	22,631			96,249
Interest	720	9	3	79	811
Other	6,604	1,837			8,441
Total Receipts	150,727	24,477	3	79	175,286
Disbursements:					
Highways and streets	129,587				129,587
Public safety		29,322	5,361	18	34,701
Debt service	2,130				2,130
Total Disbursements	131,717	29,322	5,361	18	166,418
Cash Balance, December 31, 2023	\$ 179,115	\$ 14,520	\$ 2,455	\$ 159,446	\$ 355,536

CITY OF FOUKE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 3

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

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

	December 31, 2023
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Land	\$ 210,400
Buildings	308,774
Improvements	21,770
Equipment	<hr/> 541,477
Total	<hr/> <hr/> \$ 1,082,421

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

	December 31, 2023
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Financed purchases	<hr/> <hr/> \$ 31,210