

**Town of Fountain Lake, Arkansas**

**Financial and Compliance Report**

**December 31, 2024 and 2023**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

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**Sen. Jim Dotson**  
Senate Vice Chair



**Rep. Robin Lundstrum**  
House Chair  
**Rep. RJ Hawk**  
House Vice Chair

**Kevin William White, CPA, JD**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

Town of Fountain Lake, 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 Town of Fountain Lake, Arkansas, as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated June 13, 2025. Management of the Town 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 and 2023:

Mayor: Jack Fields  
Recorder/Treasurer: Tracie Taylor

We evaluated the Town'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 offices of **Mayor** and **Recorder/Treasurer**.

#### **Mayor and Recorder/Treasurer**

Restricted Street Fund monies totaling \$86,000 were improperly disbursed for street work in a private community, in noncompliance with Ark. Code Ann. §§ 26-79-104, 27-70-207. This transaction also appears to conflict with Ark. Const. art. 12, § 5, as interpreted by Op. Att'y Gen. no. 2000-222.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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".

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
June 13, 2025  
LOM320024

TOWN OF FOUNTAIN LAKE, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 (UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2024	\$ 48,600	\$ 265,226
Receipts:		
State aid	7,064	39,060
Sales taxes	120,541	86,100
Total Receipts	<u>127,605</u>	<u>125,160</u>
Disbursements:		
General government	65,525	5,100
Highways and streets	1,826	125,456
Recreation and culture	17,346	134,968
Debt service	5,400	21,466
Sales taxes remitted to Garland County	51,705	
Total Disbursements	<u>141,802</u>	<u>286,990</u>
Cash Balance, December 31, 2024	<u>\$ 34,403</u>	<u>\$ 103,396</u>

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

Schedule 2

	Street	Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2024	\$ 115,840	\$ 100,246	\$ 49,140	\$ 265,226
Receipts:				
State aid	39,060			39,060
Sales taxes	86,100			86,100
Total Receipts	125,160			125,160
Disbursements:				
General government			5,100	5,100
Highways and streets	125,456			125,456
Recreation and culture		98,855	36,113	134,968
Debt service	21,466			21,466
Total Disbursements	146,922	98,855	41,213	286,990
Cash Balance, December 31, 2024	\$ 94,078	\$ 1,391	\$ 7,927	\$ 103,396

TOWN OF FOUNTAIN LAKE, ARKANSAS  
SCHEDULE OF FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u>          </u>	<u>          </u>
Cash Balance, January 1, 2023	\$ 58,764	\$ 164,622
Receipts:		
State aid	7,222	140,069
Sales taxes	117,022	83,587
Other	177	
Transfers in		500
Total Receipts	<u>124,421</u>	<u>224,156</u>
Disbursements:		
General government	51,307	27,485
Highways and streets	11,494	95,813
Recreation and culture		254
Debt service	21,480	
Transfers out	500	
Sales taxes remitted to Garland County	49,804	
Total Disbursements	<u>134,585</u>	<u>123,552</u>
Cash Balance, December 31, 2023	<u>\$ 48,600</u>	<u>\$ 265,226</u>

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

Schedule 4

	<u>Street</u>	<u>Park Grant</u>	<u>American Rescue Plan Act</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 87,997		\$ 76,625	\$ 164,622
Receipts:				
State aid	40,069	\$ 100,000		140,069
Sales taxes	83,587			83,587
Transfers in		500		500
Total Receipts	<u>123,656</u>	<u>100,500</u>		<u>224,156</u>
Disbursements:				
General government			27,485	27,485
Highways and streets	95,813			95,813
Recreation and culture		254		254
Total Disbursements	<u>95,813</u>	<u>254</u>	<u>27,485</u>	<u>123,552</u>
Cash Balance, December 31, 2023	<u>\$ 115,840</u>	<u>\$ 100,246</u>	<u>\$ 49,140</u>	<u>\$ 265,226</u>

TOWN OF FOUNTAIN LAKE, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
 (UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts.

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

	December 31, 2024	December 31, 2023
Buildings	\$ 211,356	\$ 87,500
Equipment	83,293	83,293
Totals	\$ 294,649	\$ 170,793

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

	December 31, 2023
Financed purchases	\$ 24,060