

Town of Fountain Lake, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF FOUNTAIN LAKE, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

Sen. Jim Petty
Senate Chair
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 year ended December 31, 2025, and have issued our report thereon dated June 25, 2026. Management of the Town 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 2025:

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

In 2024, 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 appeared to be in conflict with Ark. Const. art. 12, § 5, as interpreted by Op. Att'y Gen. no. 2000-222. Pursuant to Ark. Code Ann. § 27-70-207, the Town passed Resolution 01-2025 on May 12, 2025, to pay not less than 10% of general revenue to the Street Fund on a monthly basis until the balance is paid in full. In 2025, the General Fund paid the Street Fund \$8,640 in accordance with their Resolution, leaving a balance due of \$77,360 at December 31, 2025. A similar finding was noted in the prior report.

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 dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 25, 2026
LOM320025

TOWN OF FOUNTAIN LAKE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	\$ 34,403	\$ 103,396
Receipts:		
State aid	7,058	40,138
Sales taxes	120,365	85,975
Other	1,150	45
Transfers in	7,927	8,640
Total Receipts	<u>136,500</u>	<u>134,798</u>
Disbursements:		
General government	71,934	
Highways and streets	2,413	111,893
Recreation and culture	13,400	
Sales tax remitted to Garland County	51,512	
Transfers out	8,640	7,927
Total Disbursements	<u>147,899</u>	<u>119,820</u>
Cash Balance, December 31, 2025	<u>\$ 23,004</u>	<u>\$ 118,374</u>

TOWN OF FOUNTAIN LAKE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	Street	Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2025	\$ 94,078	\$ 1,391	\$ 7,927	\$ 103,396
Receipts:				
State aid	40,138			40,138
Sales taxes	85,975			85,975
Other	45			45
Transfers in	8,640			8,640
Total Receipts	<u>134,798</u>			<u>134,798</u>
Disbursements:				
Highways and streets	111,893			111,893
Transfers out			7,927	7,927
Total Disbursements	<u>111,893</u>		<u>7,927</u>	<u>119,820</u>
Cash Balance, December 31, 2025	<u>\$ 116,983</u>	<u>\$ 1,391</u>	<u>\$ 0</u>	<u>\$ 118,374</u>

TOWN OF FOUNTAIN LAKE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.
2. The Municipality's capital assets records are summarized below:

	December 31, 2025
Buildings	\$ 116,137
Equipment	80,993
Total	\$ 197,130