

Town of Fargo, Arkansas

Financial and Compliance Report

December 31, 2024, 2023, and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF FARGO, ARKANSAS
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Arkansas

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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 Fargo, 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 Fargo, Arkansas, as of and for the years ended December 31, 2024, 2023, and 2022, and have issued our report thereon dated November 13, 2025. Management of the Town 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 official who held office during 2024, 2023, and 2022:

Mayor: Derrick Young

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 office of the **Mayor**.

Mayor

Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 – 14-59-119. The Town was not in compliance with these codes and other proper accounting procedures as noted below:

- A budget was not adopted and maintained.
- Bank reconciliations were not prepared monthly for the General, Street, and Community Center Funds.
- Financial statements were not provided to the Town Council members on a monthly basis.
- An annual financial statement was not prepared and published.
- Town Council minutes were not maintained.
- Prenumbered receipts were not issued for General, Street, or Community Center Funds.
- Receipt Journals were not prepared.
- Disbursement Journals were not prepared.
- A fixed asset listing was not provided.
- Invoices or supporting documentation was not provided.
- All disbursements were not made by utilizing prenumbered checks or approved electronic fund transfers.
- Checks were not issued in sequential order.

A similar finding was noted in the previous report.

The governing body did not document the review of the prior report and accompanying comments, or action taken by the governing body, 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 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
November 13, 2025
LOM318424

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	\$ 3,083	\$ 54,712
Receipts:		
State aid	672	4,687
Interest		55
Unclassified	3,426	270
Total Receipts	4,098	5,012
Disbursements:		
Unclassified	5,879	1,900
Cash Balance, December 31, 2024	\$ 1,302	\$ 57,824

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

Schedule 2

	<u>Street</u>	<u>Community Center</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 51,685	\$ 3,027	\$ 54,712
Receipts:			
State aid	4,687		4,687
Interest	55		55
Unclassified		270	270
Total Receipts	<u>4,742</u>	<u>270</u>	<u>5,012</u>
Disbursements:			
Unclassified	<u>700</u>	<u>1,200</u>	<u>1,900</u>
Cash Balance, December 31, 2024	<u>\$ 55,727</u>	<u>\$ 2,097</u>	<u>\$ 57,824</u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	<u>\$ 7,001</u>	<u>\$ 49,998</u>
Receipts:		
State aid	867	4,808
Interest		49
Unclassified	<u>3,260</u>	<u>622</u>
Total Receipts	<u>4,127</u>	<u>5,479</u>
Disbursements:		
Unclassified	<u>8,045</u>	<u>765</u>
Cash Balance, December 31, 2023	<u><u>\$ 3,083</u></u>	<u><u>\$ 54,712</u></u>

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

Schedule 4

	Street	Community Center	Total
Cash Balance, January 1, 2023	\$ 47,046	\$ 2,952	\$ 49,998
Receipts:			
State aid	4,808		4,808
Interest	49		49
Unclassified		622	622
Total Receipts	4,857	622	5,479
Disbursements:			
Unclassified	218	547	765
Cash Balance, December 31, 2023	\$ 51,685	\$ 3,027	\$ 54,712

TOWN OF FARGO, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 3,788	\$ 45,421
Receipts:		
State aid	850	4,921
Interest		45
Unclassified	2,483	
Total Receipts	3,333	4,966
Disbursements:		
Unclassified	120	389
Cash Balance, December 31, 2022	\$ 7,001	\$ 49,998

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

Schedule 6

	Street	Community Center	Total
Cash Balance, January 1, 2022	\$ 42,113	\$ 3,308	\$ 45,421
Receipts:			
State aid	4,921		4,921
Interest	45		45
Total Receipts	4,966		4,966
Disbursements:			
Unclassified	33	356	389
Cash Balance, December 31, 2022	\$ 47,046	\$ 2,952	\$ 49,998

TOWN OF FARGO, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(UNAUDITED)

Schedule 7

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

2. The Municipality's capital assets records were not available.