

City of Fouke, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF FOUKE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2017

Financial and Compliance Report

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Arkansas



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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, 2017, and have issued our report thereon dated July 16, 2018. These procedures were not performed for the Water and Sewer System Fund. 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 2017:

Mayor: Terry Purvis
Recorder/Treasurer: Wanda Harris
Marshal: Wesley Penny

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.

Our procedures indicated that the above office of **Marshal** and **Recorder/Treasurer** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

Street Fund total disbursements exceeded total appropriations by \$28,164 (36%), in noncompliance with Ark. Code Ann. § 14-58-203.

The minutes of the governing body did not document the review of the findings and recommendations and the action taken by the governing body for the prior report, as required by Ark. Code Ann. § 10-4-418.

An audit or agreed-upon procedures report was not obtained for the Fouke Water and Sewer system, as required by Ark. Code Ann. § 14-234-119. 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 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
July 16, 2018
LOM205917

CITY OF FOUKE, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2017	\$ 552,769	\$ 103,225
Receipts:		
State aid	13,624	170,453
Federal aid		9,402
Property taxes	30,026	1,251
Franchise fees	15,030	
Sales taxes	152,307	68,631
Fines, forfeitures, and costs	620	
Interest	2,731	354
Rent	1,750	
Donations	25	
Other	1,118	456
Transfers in		142,349
Total Receipts	<u>217,231</u>	<u>392,896</u>
Disbursements:		
General government	177,786	
Law enforcement	21,256	
Highways and streets		103,304
Public safety		81,631
Recreation and culture	14,429	9,402
Debt service		1,750
Transfers out	142,349	
Contributions to water and sewer	10,919	
Unclassified	1,034	
Total Disbursements	<u>367,773</u>	<u>196,087</u>
Cash Balance, December 31, 2017	<u>\$ 402,227</u>	<u>\$ 300,034</u>

CITY OF FOUKE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

	Street	Fire Operating	Fire Equipment and Training Act 833	Community Center Grant	Total
Cash Balance, January 1, 2017	\$ 96,606	\$ 6,344	\$ 275		\$ 103,225
Receipts:					
State aid	59,092		111,361		170,453
Federal aid				\$ 9,402	9,402
Property taxes	1,251				1,251
Sales taxes	50,701	17,930			68,631
Interest	294	4	56		354
Other	135	321			456
Transfers in	142,349				142,349
Total Receipts	<u>253,822</u>	<u>18,255</u>	<u>111,417</u>	<u>9,402</u>	<u>392,896</u>
Disbursements:					
Highways and streets	103,304				103,304
Public safety		20,523	61,108		81,631
Recreation and culture				9,402	9,402
Debt service	1,750				1,750
Total Disbursements	<u>105,054</u>	<u>20,523</u>	<u>61,108</u>	<u>9,402</u>	<u>196,087</u>
Cash Balance, December 31, 2017	<u>\$ 245,374</u>	<u>\$ 4,076</u>	<u>\$ 50,584</u>	<u>\$ 0</u>	<u>\$ 300,034</u>

CITY OF FOUKE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 3

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

2. The cash balance at year-end in the agency funds is as follows:

	<u>December 31, 2017</u>
Restitution Fund	<u>\$ 5,089</u>

This balance represents court ordered restitution collections due to the Water Department.

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

	<u>December 31, 2017</u>
Land	\$ 210,400
Buildings	308,774
Improvements	21,770
Equipment	<u>525,339</u>
Total	<u>\$ 1,066,283</u>

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

	<u>December 31, 2017</u>
Notes payable	<u>\$ 22,511</u>

Note: The Street Fund is paying 25% of this obligation and the remainder is being paid out of the Water and Sewer Department.