

Town of Fulton, Arkansas

Financial and Compliance Report

December 31, 2021, 2020, and 2019

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF FULTON, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

Financial and Compliance Report

	<u>Schedule</u>
2021	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2020	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2019	
Schedule of Financial Information (Unaudited)	5
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	6
2021, 2020, and 2019	
Other Information (Unaudited)	7

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Fulton, 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 Fulton, Arkansas, as of and for the years ended December 31, 2021, 2020, and 2019, and have issued our report thereon dated December 2, 2022. These procedures were not performed for the Water and Sewer Department. 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 officials who held office during 2021, 2020, and 2019:

Mayor: Henry Hale III
Recorder/Treasurer: Frances Hendrix

We evaluated the Town's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Noncompliance with state law and accepted accounting practices was noted in the office of **Recorder/Treasurer**.

Recorder/Treasurer:

As of December 31, 2021, \$21,635 was due to the Street Fund from the General Fund for state aid for highway turnback from previous years. In a prior year, the Town agreed to pay \$200 per month until the amount is repaid. No payments were made from the General Fund to the Street Fund from March of 2015 through June of 2019. In July, 2019, the \$200 monthly payments resumed. A similar finding was issued in the previous five reports dating back to 2010.

Cash receipts and disbursements journals for the General and Street Funds were not properly classified and posted or totaled for the year as required by Ark. Code Ann. §§ 14-59-110, -111.

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 that reads "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
December 2, 2022
LOM306321

TOWN OF FULTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2021	\$ 16,710	\$ 59,594
Receipts:		
State aid	3,021	108,346
Federal aid		20,200
Property taxes	8,710	1,045
Franchise fees	2,741	
Sales taxes	28,062	
Interest	11	64
Donations	3,000	6,351
Other	200	
Transfers in		2,400
Total Receipts	<u>45,745</u>	<u>138,406</u>
Disbursements:		
General government	44,921	
Highways and streets		11,429
Public safety		23,977
Recreation and culture		61,922
Debt service	2,073	5,775
Transfers out	2,400	
Total Disbursements	<u>49,394</u>	<u>103,103</u>
Cash Balance, December 31, 2021	<u>\$ 13,061</u>	<u>\$ 94,897</u>

TOWN OF FULTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 2

	Street	Fire Protection Act 833	Volunteer Fire Department	Recreation Fun Park Grant	American Rescue Plan Act	Total
Cash Balance, January 1, 2021	\$ 48,172	\$ 7,740	\$ 3,682			\$ 59,594
Receipts:						
State aid	14,841	19,205		\$ 74,300		108,346
Federal aid					\$ 20,200	20,200
Property taxes	1,045					1,045
Interest	52	1	1	9	1	64
Donations			6,351			6,351
Transfers in	2,400					2,400
Total Receipts	18,338	19,206	6,352	74,309	20,201	138,406
Disbursements:						
Highways and streets	11,429					11,429
Public safety		15,927	8,050			23,977
Recreation and culture				61,922		61,922
Debt service		5,775				5,775
Total Disbursements	11,429	21,702	8,050	61,922		103,103
Cash Balance, December 31, 2021	\$ 55,081	\$ 5,244	\$ 1,984	\$ 12,387	\$ 20,201	\$ 94,897

TOWN OF FULTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2020	\$ 21,182	\$ 45,967
Receipts:		
State aid	2,982	34,640
Federal aid	4,822	
Property taxes	8,409	1,002
Franchise fees	2,671	
Sales taxes	28,028	
Interest	11	70
Proceeds from loan		20,000
Donations		700
Contributions from water and sewer		600
Other	1,451	46
Transfers in		2,400
Total Receipts	<u>48,374</u>	<u>59,458</u>
Disbursements:		
General government	48,373	
Highways and streets		12,648
Public safety		33,183
Debt service	2,073	
Transfers out	2,400	
Total Disbursements	<u>52,846</u>	<u>45,831</u>
Cash Balance, December 31, 2020	<u>\$ 16,710</u>	<u>\$ 59,594</u>

TOWN OF FULTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	Street	Fire Protection Act 833	Volunteer Fire Department	Total
Cash Balance, January 1, 2020	\$ 41,539	\$ 3,576	\$ 852	\$ 45,967
Receipts:				
State aid	15,174	19,466		34,640
Property taxes	1,002			1,002
Interest	64	3	3	70
Proceeds from loan			20,000	20,000
Donations			700	700
Contributions from water and sewer	600			600
Other	41		5	46
Transfers in	2,400			2,400
Total Receipts	<u>19,281</u>	<u>19,469</u>	<u>20,708</u>	<u>59,458</u>
Disbursements:				
Highways and streets	12,648			12,648
Public safety		15,305	17,878	33,183
Total Disbursements	<u>12,648</u>	<u>15,305</u>	<u>17,878</u>	<u>45,831</u>
Cash Balance, December 31, 2020	<u>\$ 48,172</u>	<u>\$ 7,740</u>	<u>\$ 3,682</u>	<u>\$ 59,594</u>

TOWN OF FULTON, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2019	\$ 16,680	\$ 42,630
Receipts:		
State aid	3,178	32,115
Property taxes	7,825	919
Franchise fees	2,469	
Sales taxes	26,907	
Interest	11	59
Donations	6,400	9,533
Contributions from water and sewer		350
Other	272	281
Transfers in		1,200
Total Receipts	<u>47,062</u>	<u>44,457</u>
Disbursements:		
General government	40,323	
Highways and streets		15,563
Public safety		15,681
Debt service	1,037	9,876
Transfers out	1,200	
Total Disbursements	<u>42,560</u>	<u>41,120</u>
Cash Balance, December 31, 2019	<u>\$ 21,182</u>	<u>\$ 45,967</u>

TOWN OF FULTON, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (UNAUDITED)

Schedule 6

	Street	Fire Protection Act 833	Volunteer Fire Department	Total
Cash Balance, January 1, 2019	\$ 40,164	\$ 2,251	\$ 215	\$ 42,630
Receipts:				
State aid	14,412	17,703		32,115
Property taxes	919			919
Interest	57	1	1	59
Donations			9,533	9,533
Contributions from water and sewer	350			350
Other		31	250	281
Transfers in	1,200			1,200
Total Receipts	<u>16,938</u>	<u>17,735</u>	<u>9,784</u>	<u>44,457</u>
Disbursements:				
Highways and streets	15,563			15,563
Public safety		6,534	9,147	15,681
Debt service		9,876		9,876
Total Disbursements	<u>15,563</u>	<u>16,410</u>	<u>9,147</u>	<u>41,120</u>
Cash Balance, December 31, 2019	<u><u>\$ 41,539</u></u>	<u><u>\$ 3,576</u></u>	<u><u>\$ 852</u></u>	<u><u>\$ 45,967</u></u>

TOWN OF FULTON, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019
(UNAUDITED)

Schedule 7

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, 2021	December 31, 2020	December 31, 2019
Buildings	\$ 252,152	\$ 252,152	\$ 252,152
Equipment	61,883	55,265	54,401
Totals	<u>\$ 314,035</u>	<u>\$ 307,417</u>	<u>\$ 306,553</u>

The Municipality's capital assets records did not contain cost amounts for land.

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

	December 31, 2021	December 31, 2020	December 31, 2019
Notes payable	<u>\$ 16,447</u>	<u>\$ 22,965</u>	<u>\$ 4,797</u>

4. The Town received federal funding in the following amounts related to COVID-19 relief:

	December 31, 2021	December 31, 2020
Coronavirus Aid, Relief and Economic Security Act (CARES)		\$ 4,822
American Rescue Plan Act (ARPA)	<u>\$ 20,200</u>	
	<u>\$ 20,200</u>	<u>\$ 4,822</u>