

**Town of Fulton, Arkansas**

**Financial and Compliance Report**

**December 31, 2025 and 2024**

LEGISLATIVE JOINT AUDITING COMMITTEE

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TOWN OF FULTON, 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 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, 2025 and 2024, and have issued our report thereon dated August 5, 2026. These procedures were not performed for the Water 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 2025 and 2024:

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 offices of **Mayor** and **Recorder/Treasurer**.

#### **Mayor**

Street Fund expenditures for 2024 exceeded budgeted appropriations by \$5,513 (79%) in noncompliance with Ark. Code Ann. § 14-58-203.

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

As of December 31, 2025, \$11,835 was due to the Street Fund from the General Fund for state aid for highway turnback from previous years. On September 7, 2023, the Legislative Joint Auditing Committee approved the Town's request to repay \$200 per month rather than 10% of general revenues, as required by Ark. Code Ann. § 27-70-207, for monies owed from the General Fund to the Street Fund. The Town made payments totaling \$2,400 and \$2,400, for the years 2025 and 2024, respectively. A similar finding was issued in the previous seven reports dating back to 2010.

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", written over a light blue horizontal line.

Kevin William White, CPA, JD  
Legislative Auditor

Little Rock, Arkansas  
August 5, 2026  
LOM306325

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

Schedule 1

|                                 | General<br>Fund  | Special<br>Revenue<br>Funds |
|---------------------------------|------------------|-----------------------------|
| Cash Balance, January 1, 2025   | \$ 13,865        | \$ 71,143                   |
| Receipts:                       |                  |                             |
| State aid                       | 1,709            | 36,925                      |
| Property taxes                  | 11,401           | 3,409                       |
| Franchise fees                  | 2,778            |                             |
| Sales taxes                     | 22,519           |                             |
| Interest                        | 10               | 926                         |
| Donations                       |                  | 7,600                       |
| Other                           | 1,939            | 3,726                       |
| Transfers in                    |                  | 6,000                       |
| Unclassified                    |                  | 209                         |
| Total Receipts                  | <u>40,356</u>    | <u>58,795</u>               |
| Disbursements:                  |                  |                             |
| General government              | 18,691           | 108                         |
| Highways and streets            |                  | 9,897                       |
| Public safety                   |                  | 23,993                      |
| Sanitation                      | 22,319           |                             |
| Recreation and culture          |                  | 361                         |
| Debt service                    |                  | 7,206                       |
| Transfers out                   | 2,400            | 3,600                       |
| Unclassified                    |                  | 997                         |
| Total Disbursements             | <u>43,410</u>    | <u>46,162</u>               |
| Cash Balance, December 31, 2025 | <u>\$ 10,811</u> | <u>\$ 83,776</u>            |

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

Schedule 2

|                                 | Street           | Fire Protection<br>Act 833 | Volunteer<br>Fire Department | Recreation Fun<br>Park Grant | American Rescue<br>Plan Act | Total            |
|---------------------------------|------------------|----------------------------|------------------------------|------------------------------|-----------------------------|------------------|
| Cash Balance, January 1, 2025   | \$ 62,131        | \$ 643                     | \$ 6,032                     | \$ 2,239                     | \$ 98                       | \$ 71,143        |
| Receipts:                       |                  |                            |                              |                              |                             |                  |
| State aid                       | 9,717            | 22,976                     | 4,232                        |                              |                             | 36,925           |
| Property taxes                  | 3,409            |                            |                              |                              |                             | 3,409            |
| Interest                        | 916              | 7                          |                              | 3                            |                             | 926              |
| Donations                       |                  |                            | 7,600                        |                              |                             | 7,600            |
| Other                           |                  | 3,500                      | 216                          |                              | 10                          | 3,726            |
| Transfers in                    | 2,400            | 3,600                      |                              |                              |                             | 6,000            |
| Unclassified                    |                  |                            | 209                          |                              |                             | 209              |
| Total Receipts                  | <u>16,442</u>    | <u>30,083</u>              | <u>12,257</u>                | <u>3</u>                     | <u>10</u>                   | <u>58,795</u>    |
| Disbursements:                  |                  |                            |                              |                              |                             |                  |
| General government              |                  |                            |                              |                              | 108                         | 108              |
| Highways and streets            | 9,897            |                            |                              |                              |                             | 9,897            |
| Public safety                   |                  | 13,228                     | 10,765                       |                              |                             | 23,993           |
| Recreation and culture          |                  |                            |                              | 361                          |                             | 361              |
| Debt service                    |                  | 7,206                      |                              |                              |                             | 7,206            |
| Transfers out                   |                  |                            | 3,600                        |                              |                             | 3,600            |
| Unclassified                    |                  | 643                        | 354                          |                              |                             | 997              |
| Total Disbursements             | <u>9,897</u>     | <u>21,077</u>              | <u>14,719</u>                | <u>361</u>                   | <u>108</u>                  | <u>46,162</u>    |
| Cash Balance, December 31, 2025 | <u>\$ 68,676</u> | <u>\$ 9,649</u>            | <u>\$ 3,570</u>              | <u>\$ 1,881</u>              | <u>\$ 0</u>                 | <u>\$ 83,776</u> |

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

Schedule 3

|                                 | General<br>Fund   | Special<br>Revenue<br>Funds |
|---------------------------------|-------------------|-----------------------------|
|                                 | <u>          </u> | <u>          </u>           |
| Cash Balance, January 1, 2024   | \$ 8,392          | \$ 70,172                   |
| Receipts:                       |                   |                             |
| State aid                       | 1,710             | 34,263                      |
| Property taxes                  | 21,292            | 4,229                       |
| Franchise fees                  | 2,752             |                             |
| Sales taxes                     | 22,403            |                             |
| Interest                        | 3                 | 242                         |
| Donations                       | 2,000             | 13,486                      |
| Other                           | 618               | 5,693                       |
| Transfers in                    |                   | 2,400                       |
| Unclassified                    | 1,211             | 73                          |
| Total Receipts                  | <u>51,989</u>     | <u>60,386</u>               |
| Disbursements:                  |                   |                             |
| General government              | 21,597            | 100                         |
| Highways and streets            |                   | 12,487                      |
| Public safety                   |                   | 35,200                      |
| Sanitation                      | 22,519            |                             |
| Recreation and culture          |                   | 1,425                       |
| Debt service                    |                   | 7,206                       |
| Transfers out                   | 2,400             |                             |
| Unclassified                    |                   | 2,997                       |
| Total Disbursements             | <u>46,516</u>     | <u>59,415</u>               |
| Cash Balance, December 31, 2024 | <u>\$ 13,865</u>  | <u>\$ 71,143</u>            |

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

Schedule 4

|                                 | Street    | Fire Protection<br>Act 833 | Volunteer<br>Fire Department | Recreation Fun<br>Park Grant | American Rescue<br>Plan Act | Total     |
|---------------------------------|-----------|----------------------------|------------------------------|------------------------------|-----------------------------|-----------|
| Cash Balance, January 1, 2024   | \$ 58,250 | \$ 11,127                  | \$ 286                       | \$ 321                       | \$ 188                      | \$ 70,172 |
| Receipts:                       |           |                            |                              |                              |                             |           |
| State aid                       | 9,456     | 24,807                     |                              |                              |                             | 34,263    |
| Property taxes                  | 4,229     |                            |                              |                              |                             | 4,229     |
| Interest                        | 223       | 18                         |                              | 1                            |                             | 242       |
| Donations                       |           |                            | 10,217                       | 3,269                        |                             | 13,486    |
| Other                           | 60        | 2,623                      | 3,000                        |                              | 10                          | 5,693     |
| Transfers in                    | 2,400     |                            |                              |                              |                             | 2,400     |
| Unclassified                    |           |                            |                              | 73                           |                             | 73        |
| Total Receipts                  | 16,368    | 27,448                     | 13,217                       | 3,343                        | 10                          | 60,386    |
| Disbursements:                  |           |                            |                              |                              |                             |           |
| General government              |           |                            |                              |                              | 100                         | 100       |
| Highways and streets            | 12,487    |                            |                              |                              |                             | 12,487    |
| Public safety                   |           | 30,726                     | 4,474                        |                              |                             | 35,200    |
| Recreation and culture          |           |                            |                              | 1,425                        |                             | 1,425     |
| Debt service                    |           | 7,206                      |                              |                              |                             | 7,206     |
| Unclassified                    |           |                            | 2,997                        |                              |                             | 2,997     |
| Total Disbursements             | 12,487    | 37,932                     | 7,471                        | 1,425                        | 100                         | 59,415    |
| Cash Balance, December 31, 2024 | \$ 62,131 | \$ 643                     | \$ 6,032                     | \$ 2,239                     | \$ 98                       | \$ 71,143 |

TOWN OF FULTON, ARKANSAS  
OTHER INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(UNAUDITED)

Schedule 5

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,<br>2025     | December 31,<br>2024     |
|-----------|--------------------------|--------------------------|
|           | <u>          </u>        | <u>          </u>        |
| Buildings | \$ 252,152               | \$ 252,152               |
| Equipment | <u>98,633</u>            | <u>98,633</u>            |
| Totals    | <u><u>\$ 350,785</u></u> | <u><u>\$ 350,785</u></u> |

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

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

|                    | December 31,<br>2025   | December 31,<br>2024    |
|--------------------|------------------------|-------------------------|
|                    | <u>          </u>      | <u>          </u>       |
| Financed purchases | <u><u>\$ 6,889</u></u> | <u><u>\$ 13,476</u></u> |