

**City of Rector, Arkansas**

**Financial and Compliance Report**

**December 31, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

---



CITY OF RECTOR, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Financial and Compliance Report

	<u>Schedule</u>
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Combining Schedule of Financial Information – Trust Funds (Unaudited)	3
Other Information (Unaudited)	4

# Arkansas

**Sen. David Wallace**  
Senate Chair  
**Sen. John Payton**  
Senate Vice Chair



**Rep. Jimmy Gazaway**  
House Chair  
**Rep. Richard Womack**  
House Vice Chair

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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### Financial and Compliance Report

City of Rector, 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 Rector, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated March 24, 2023. These procedures were not performed for the Water and Sewer Department. Management of the City 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 2021:

Mayor: Teresa Roofe  
Recorder/Treasurer: Sheila Dale  
Police Chief: Allen Haywood

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this 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

A handwritten signature in cursive script, reading "Roger A. Norman".

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

Little Rock, Arkansas  
March 24, 2023  
LOM216221

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

Schedule 1

	General Fund	Special Revenue Funds	Trust Funds
Cash and Investment Balance, January 1, 2021	\$ 554,664	\$ 1,425,578	\$ 254,795
Receipts:			
State aid	31,826	191,228	
Federal aid		193,420	
Property taxes	66,214	19,864	
Franchise fees	129,468		
Sales taxes	500,981	101,487	
Fines, forfeitures, and costs	24,447	3,495	
Interest and dividends	2,351	1,819	10,817
Local permits and fees	26,874	53,391	
Donations and fundraisers	2,220	69,997	
Rental income	24,000		
Gain/(loss) on sale of investments			29,333
Other	14,517	4,468	
Transfers in		26,168	
Total Receipts	<u>822,898</u>	<u>665,337</u>	<u>40,150</u>
Disbursements:			
General government	213,089		
Law enforcement	438,018	40,244	
Highways and streets		218,688	
Public safety	42,987	2,687	
Recreation and culture	22,329	67,455	
Airport	1,984		
Cemetery		55,740	
Debt service	51,940	15,523	
Transfers out	26,168		
Total Disbursements	<u>796,515</u>	<u>400,337</u>	
Cash and Investment Balance, December 31, 2021	<u>\$ 581,047</u>	<u>\$ 1,690,578</u>	<u>\$ 294,945</u>

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

Schedule 2

	Street	Community Center Maintenance	Youth Leadership	Special Fire (Act 833)	Court Automation	Police Depreciation	Airport	Woodland Heights Cemetery	USDA Police Grant	American Rescue Act Plan	Total
Cash Balance, January 1, 2021	\$ 298,915	\$ 284,442	\$ 101	\$ 33,791	\$ 1,158	\$ 31,317	\$ 18,101	\$ 757,753			\$ 1,425,578
Receipts:											
State aid	160,653			30,575							191,228
Federal aid									\$ 14,000	\$ 179,420	193,420
Property taxes	19,864										19,864
Sales taxes	101,487										101,487
Fines, forfeitures, and costs					1,200	2,295					3,495
Interest and dividends	520	406			2	17	32	842			1,819
Local permits and fees						2,587	4,500	46,304			53,391
Donations and fundraisers			1,825					68,172			69,997
Other	3,885			85				498			4,468
Transfers in									26,168		26,168
Total Receipts	286,409	406	1,825	30,660	1,202	4,899	4,532	115,816	40,168	179,420	665,337
Disbursements:											
Law enforcement					76				40,168		40,244
Highways and streets	218,688										218,688
Public safety				2,687							2,687
Recreation and culture		29,306	1,835					36,314			67,455
Cemetery								55,740			55,740
Debt service				15,523							15,523
Total Disbursements	218,688	29,306	1,835	18,210	76			92,054	40,168		400,337
Cash Balance, December 31, 2021	\$ 366,636	\$ 255,542	\$ 91	\$ 46,241	\$ 2,284	\$ 36,216	\$ 22,633	\$ 781,515	\$ 0	\$ 179,420	\$ 1,690,578

CITY OF RECTOR, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - TRUST FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (UNAUDITED)

Schedule 3

	Community Center Endowment	Woodland Heights Cemetery	Total
Cash and Investment Balance, January 1, 2021	\$ 105,133	\$ 149,662	\$ 254,795
Receipts:			
Interest and dividends	470	10,347	10,817
Gain/(loss) on sale of investments	9,058	20,275	29,333
Total Receipts	9,528	30,622	40,150
Cash and Investment Balance, December 31, 2021	\$ 114,661	\$ 180,284	\$ 294,945

CITY OF RECTOR, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Schedule 4

1. Cash balances on the Financial Schedules include demand and savings accounts, certificates of deposit and mutual funds. (Investments are recorded at cost.)

2. The General Fund column on the Financial Schedules includes the following bank accounts:  
General, Community Center and General Depreciation

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

	December 31, 2021
	<u>                    </u>
Land	\$ 242,445
Buildings	6,371,626
Equipment	<u>1,190,534</u>
Total	<u><u>\$ 7,804,605</u></u>

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

	December 31, 2021
	<u>                    </u>
Notes payable	<u><u>\$ 46,017</u></u>

5. The City received federal funding of the following amount related to COVID-19 relief:

	December 31, 2021
	<u>                    </u>
American Rescue Plan Act (ARPA)	<u><u>\$ 179,420</u></u>