

**City of Rector, Arkansas**

**Financial and Compliance Report**

**December 31, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF RECTOR, ARKANSAS  
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FOR THE YEAR ENDED DECEMBER 31, 2022

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# Arkansas

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Senate Vice Chair



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**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, 2022, and have issued our report thereon dated November 14, 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 2022:

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, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas  
November 14, 2023  
LOM216222

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

Schedule 1

	General Fund	Special Revenue Funds	Trust Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and Investment Balance, January 1, 2022	\$ 581,047	\$ 1,690,578	\$ 294,945
Receipts:			
State aid	54,690	194,079	
Federal aid		179,417	
Property taxes	64,067	19,221	
Franchise fees	139,310		
Sales taxes	537,955	107,509	
Fines, forfeitures, and costs	26,509	6,108	
Interest	2,366	2,077	10,560
Local permits and fees	23,105	38,626	
Donations and fundraisers	12,109	76,650	
Rental income	24,000		
Gain/(loss) on sale of investments			7,538
Other	77,742	25,569	
Total Receipts	<u>961,853</u>	<u>649,256</u>	<u>18,098</u>
Disbursements:			
General government	235,998		
Law enforcement	560,865	19,581	
Highways and streets		212,566	
Public safety	37,061	8,768	
Recreation and culture	31,263	68,719	75
Airport	2,344		
Cemetery		50,619	
Wastewater		15,850	
Debt service	23,909	5,533	
Total Disbursements	<u>891,440</u>	<u>381,636</u>	<u>75</u>
Cash and Investment Balance, December 31, 2022	<u>\$ 651,460</u>	<u>\$ 1,958,198</u>	<u>\$ 312,968</u>

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

Schedule 2

	Street	Community Center Maintenance	Youth Leadership	Special Fire (Act 833)	Court Automation	Police Depreciation	Airport	Woodland Heights Cemetery	American Rescue Act Plan	Total
Cash Balance, January 1, 2022	\$ 366,636	\$ 255,542	\$ 91	\$ 46,241	\$ 2,284	\$ 36,216	\$ 22,633	\$ 781,515	\$ 179,420	\$ 1,690,578
Receipts:										
State aid	160,759			33,320						194,079
Federal aid									179,417	179,417
Property taxes	19,221									19,221
Sales taxes	107,509									107,509
Fines, forfeitures, and costs					1,308	4,800				6,108
Interest	625	361			4	49	39	999		2,077
Local permits and fees						2,915	4,500	31,211		38,626
Donations and fundraisers			400					76,250		76,650
Other	25,516					40		13		25,569
Total Receipts	<u>313,630</u>	<u>361</u>	<u>400</u>	<u>33,320</u>	<u>1,312</u>	<u>7,804</u>	<u>4,539</u>	<u>108,473</u>	<u>179,417</u>	<u>649,256</u>
Disbursements:										
Law enforcement						19,581				19,581
Highways and streets	212,566									212,566
Public safety				8,768						8,768
Recreation and culture		30,000	491					38,228		68,719
Cemetery								50,619		50,619
Wastewater									15,850	15,850
Debt service				5,533						5,533
Total Disbursements	<u>212,566</u>	<u>30,000</u>	<u>491</u>	<u>14,301</u>		<u>19,581</u>		<u>88,847</u>	<u>15,850</u>	<u>381,636</u>
Cash Balance, December 31, 2022	<u>\$ 467,700</u>	<u>\$ 225,903</u>	<u>\$ 0</u>	<u>\$ 65,260</u>	<u>\$ 3,596</u>	<u>\$ 24,439</u>	<u>\$ 27,172</u>	<u>\$ 801,141</u>	<u>\$ 342,987</u>	<u>\$ 1,958,198</u>

CITY OF RECTOR, ARKANSAS  
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - TRUST FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (UNAUDITED)

Schedule 3

	Community Center Endowment	Woodland Heights Cemetery	Total
Cash and Investment Balance, January 1, 2022	<u>\$ 114,661</u>	<u>\$ 180,284</u>	<u>\$ 294,945</u>
Receipts:			
Interest		10,560	10,560
Gain/(loss) on sale of investments	<u>(518)</u>	<u>8,056</u>	<u>7,538</u>
Total Receipts	<u>(518)</u>	<u>18,616</u>	<u>18,098</u>
Disbursements:			
Recreation and culture	<u>75</u>		<u>75</u>
Cash and Investment Balance, December 31, 2022	<u><u>\$ 114,068</u></u>	<u><u>\$ 198,900</u></u>	<u><u>\$ 312,968</u></u>

CITY OF RECTOR, ARKANSAS  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022
Land	\$ 242,445
Buildings	6,371,626
Equipment	1,235,701
Total	<u>\$ 7,849,772</u>

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

	December 31, 2022
Financed purchases	<u>\$ 97,216</u>

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

	December 31, 2022
American Rescue Plan Act (ARPA)	<u>\$ 179,417</u>