

City of Rector, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF RECTOR, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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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, 2023, and have issued our report thereon dated July 24, 2024. 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 findings contained in this section relate to the following officials who held office during 2023:

Mayor: Shawn Brandon
Recorder/Treasurer: Debi Boyd
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, an issue came to our attention that would warrant disclosure in this report.

Other Issue

Four unauthorized withdrawals totaling \$2,504 were made from a City Bank account between April and May 2023. City personnel discovered the unauthorized withdrawals upon review of the affected bank account. All funds were recovered from the bank on May 30, 2023.

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 black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 24, 2024
LOM216223

CITY OF RECTOR, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds	Trust Funds
Cash and Investment Balance, January 1, 2023	\$ 651,460	\$ 1,958,198	\$ 312,968
Receipts:			
State aid	33,693	199,832	
Federal aid		23,000	
Property taxes	73,217	21,964	
Franchise fees	152,019		
Sales taxes	574,984	116,365	
Fines, forfeitures, and costs	38,725	17,947	
Interest and dividends	2,436	3,532	12,125
Local permits and fees	28,730	47,132	
Donations and fundraisers	6,542	72,309	
Rental income	24,000		
Insurance proceeds		3,589	
Gain/(loss) on sale of investments			12,426
Other	38,439	19,504	
Transfers in		45,200	
Total Receipts	<u>972,785</u>	<u>570,374</u>	<u>24,551</u>
Disbursements:			
General government	274,420		
Law enforcement	623,924		
Highways and streets		381,048	
Public safety	90,024	46,291	
Recreation and culture	25,215	217,172	75
Airport	2,048		
Cemetery		54,961	
Wastewater		7,900	
Debt service	11,652	11,652	
Transfers out	45,200		
Total Disbursements	<u>1,072,483</u>	<u>719,024</u>	<u>75</u>
Cash and Investment Balance, December 31, 2023	<u>\$ 551,762</u>	<u>\$ 1,809,548</u>	<u>\$ 337,444</u>

CITY OF RECTOR, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Street	Community Center Maintenance	Special Fire (Act 833)	Court Automation	Police Depreciation	Airport	Woodland Heights Cemetery	American Rescue Act Plan	USDA Street Grant	Total
Cash Balance, January 1, 2023	\$ 467,700	\$ 225,903	\$ 65,260	\$ 3,596	\$ 24,439	\$ 27,172	\$ 801,141	\$ 342,987		\$ 1,958,198
Receipts:										
State aid	163,184		36,648							199,832
Federal aid									\$ 23,000	23,000
Property taxes	21,964									21,964
Sales taxes	116,365									116,365
Fines, forfeitures, and costs				2,627	15,320					17,947
Interest and dividends	772	255		7	169	45	2,284			3,532
Local permits and fees					3,357	4,500	39,275			47,132
Donations and fundraisers							72,309			72,309
Insurance proceeds		3,589								3,589
Other	19,304						200			19,504
Transfers in									45,200	45,200
Total Receipts	<u>321,589</u>	<u>3,844</u>	<u>36,648</u>	<u>2,634</u>	<u>18,846</u>	<u>4,545</u>	<u>114,068</u>		<u>68,200</u>	<u>570,374</u>
Disbursements:										
Highways and streets	312,848								68,200	381,048
Public safety			46,291							46,291
Recreation and culture		103,403					41,131	72,638		217,172
Cemetery							54,961			54,961
Wastewater								7,900		7,900
Debt service			11,652							11,652
Total Disbursements	<u>312,848</u>	<u>103,403</u>	<u>57,943</u>				<u>96,092</u>	<u>80,538</u>	<u>68,200</u>	<u>719,024</u>
Cash Balance, December 31, 2023	<u>\$ 476,441</u>	<u>\$ 126,344</u>	<u>\$ 43,965</u>	<u>\$ 6,230</u>	<u>\$ 43,285</u>	<u>\$ 31,717</u>	<u>\$ 819,117</u>	<u>\$ 262,449</u>	<u>\$ 0</u>	<u>\$ 1,809,548</u>

CITY OF RECTOR, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

	Community Center Endowment	Woodland Heights Cemetery	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and Investment Balance, January 1, 2023	\$ 114,068	\$ 198,900	\$ 312,968
Receipts:			
Interest and dividends	88	12,037	12,125
Gain/(loss) on sale of investments	7,671	4,755	12,426
Total Receipts	<u>7,759</u>	<u>16,792</u>	<u>24,551</u>
Disbursements:			
Recreation and culture	<u>75</u>		<u>75</u>
Cash and Investment Balance, December 31, 2023	<u>\$ 121,752</u>	<u>\$ 215,692</u>	<u>\$ 337,444</u>

CITY OF RECTOR, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

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, 2023
Land	\$ 242,445
Buildings	6,371,626
Equipment	1,534,688
Total	\$ 8,148,759

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

	December 31, 2023
Financed purchases	\$ 77,987