

City of Rector, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF RECTOR, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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Kevin William White, CPA, JD
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, 2025, and have issued our report thereon dated September 15, 2026. 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 2025:

Mayor: Shawn Brandon
Recorder/Treasurer: Debi Boyd
Police Chief: Kelly Baker

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 dark ink, appearing to read "Kevin White", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 15, 2026
LOM216225

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

Schedule 1

	General Fund	Special Revenue Funds	Trust Funds
Cash and Investment Balance, January 1, 2025	\$ 781,822	\$ 1,628,635	\$ 401,691
Receipts:			
State aid	61,675	203,466	
Property taxes	74,373	22,313	
Franchise fees	153,671		
Sales taxes	635,801	116,765	
Fines, forfeitures, and costs	45,087	13,375	
Interest	19,047	27,839	19,138
Local permits and fees	19,338	35,764	
Donations and fundraisers	7,625	120,316	
Rental income	140,000		
Sale of fixed assets	24,750		
Gain/(loss) on sale of investments			49,020
Other	26,487	5,635	
Total Receipts	<u>1,207,854</u>	<u>545,473</u>	<u>68,158</u>
Disbursements:			
General government	356,409		
Law enforcement	738,182	63,181	
Highways and streets	3,338	404,266	
Public safety	60,109	23,084	
Recreation and culture	62,980	91,854	75
Cemetery	24,750	81,718	
Debt service	11,652	11,652	
Contribution to water department	155,000	40,000	
Total Disbursements	<u>1,412,420</u>	<u>715,755</u>	<u>75</u>
Cash and Investment Balance, December 31, 2025	<u>\$ 577,256</u>	<u>\$ 1,458,353</u>	<u>\$ 469,774</u>

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

Schedule 2

	Street	Community Center Maintenance	Special Fire (Act 833)	Court Automation	Police Depreciation	Airport	Woodland Heights Cemetery	Total
Cash Balance, January 1, 2025	\$ 543,631	\$ 103,488	\$ 21,398	\$ 8,746	\$ 62,207	\$ 36,436	\$ 852,729	\$ 1,628,635
Receipts:								
State aid	157,339		46,127					203,466
Property taxes	22,313							22,313
Sales taxes	116,765							116,765
Fines, forfeitures, and costs				2,198	11,177			13,375
Interest	9,959	2,835		199	1,418	794	12,634	27,839
Local permits and fees					1,709	4,500	29,555	35,764
Donations and fundraisers					15,140		105,176	120,316
Other	5,604				25		6	5,635
Total Receipts	311,980	2,835	46,127	2,397	29,469	5,294	147,371	545,473
Disbursements:								
Law enforcement					63,181			63,181
Highways and streets	404,266							404,266
Public safety			23,084					23,084
Recreation and culture		50,030					41,824	91,854
Cemetery							81,718	81,718
Debt service			11,652					11,652
Contribution to water department	40,000							40,000
Total Disbursements	444,266	50,030	34,736		63,181		123,542	715,755
Cash Balance, December 31, 2025	\$ 411,345	\$ 56,293	\$ 32,789	\$ 11,143	\$ 28,495	\$ 41,730	\$ 876,558	\$ 1,458,353

CITY OF RECTOR, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - PENSION TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 3

	Community Center Endowment	Woodland Heights Cemetery	Total
Cash and Investment Balance, January 1, 2025	\$ 134,153	\$ 267,538	\$ 401,691
Receipts:			
Interest	6	19,132	19,138
Gain/(loss) on sale of investments	16,665	32,355	49,020
Total Receipts	<u>16,671</u>	<u>51,487</u>	<u>68,158</u>
Disbursements:			
Recreation and culture	<u>75</u>		<u>75</u>
Cash and Investment Balance, December 31, 2025	<u><u>\$ 150,749</u></u>	<u><u>\$ 319,025</u></u>	<u><u>\$ 469,774</u></u>

CITY OF RECTOR, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(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 cash balance at year-end in the custodial fund is as follows:

	December 31, 2025
Square Credit Card	\$ 115

This balance represents credit card receipts that have not been transferred to the appropriate entities.

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

	December 31, 2025
Land	\$ 250,208
Buildings	6,170,571
Equipment	1,828,189
Total	\$ 8,248,968

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

	December 31, 2025
Financed purchases	\$ 37,050