City of Reyno, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF REYNO, ARKANSAS
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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 Reyno, Arkansas, as of and for the year ended December 31, 2025, and have issued our report thereon dated May 28, 2026. These procedures were not performed for the Water 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 2025:

Mayor: Rick Hudson (Appointed July 14, 2025)
Vicki Edington (Resigned June 16, 2025)
Recorder/Treasurer: Clara Luttrell

We evaluated the City'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 office of the **Mayor** and **Recorder/Treasurer**. Additionally, an issue came to our attention that would warrant disclosure in this report.

Mayor

General and Street Fund expenditures exceeded budgeted appropriations by $78,050 (59%) and $36,435 (110%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203.

Mayor and Recorder/Treasurer

On June 18, 2025, an unauthorized withdrawal of $40,000 was made from the City's bank account to a former employee's personal account, allegedly after this individual's account was compromised. This individual discovered the unauthorized withdrawal and notified the bank and the City officials. Funds were recovered from the bank on the same day.

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

Kevin William White

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 28, 2026
LOM216425

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

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	$ 169,758	$ 54,791
Receipts:		
State aid	5,810	33,040
Federal aid		146,742
Property taxes	4,340	1,099
Franchise fees	23,058	
Sales taxes	73,717	
Interest	4,010	
Insurance proceeds	77,786	
Other	3,454	20
Transfers in	75	
Total Receipts	192,250	180,901
Disbursements:		
General government	202,472	
Highways and streets	782	69,435
Public safety	3,686	
Sanitation	750	
Health	1,761	
Recreation and culture	739	
Transfers out		75
Water		146,742
Total Disbursements	210,190	216,252
Cash Balance, December 31, 2025	$ 151,818	$ 19,440

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

	Street	Volunteer Fire Department Equipment Grant	Water Rehabilitation Grant	Total
Cash Balance, January 1, 2025	$ 54,665	$ 75	$ 51	$ 54,791
Receipts:				
State aid	33,040			33,040
Federal aid			146,742	146,742
Property taxes	1,099			1,099
Other	20			20
Total Receipts	34,159		146,742	180,901
Disbursements:				
Highways and streets	69,435			69,435
Transfers out		75		75
Water			146,742	146,742
Total Disbursements	69,435	75	146,742	216,252
Cash Balance, December 31, 2025	$ 19,389	$ 0	$ 51	$ 19,440

CITY OF REYNO, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

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, 2025
Land	$ 3,600
Buildings	62,862
Equipment	388,883
Total	$ 455,345