

Town of Reed, Arkansas

Financial Information Report

December 31, 2021 and 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF REED, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Financial Information Report

	<u>Schedule</u>
2021	
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
2020	
Schedule of Financial Information (Unaudited)	3
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	4
2021 and 2020	
Other Information (Unaudited)	5

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

Financial Information Report

Town of Reed, 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 requested certain cash basis financial information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the Town of Reed, Arkansas, as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated February 26, 2024. This information was not requested for the Water and Sewer Funds. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

No issues 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 Town 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 that reads "Roger A. Norman".

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

Little Rock, Arkansas
February 26, 2024
LOM313821

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

Schedule 1

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2021	\$ 6,608	\$ 11,051
Receipts:		
State aid	2,676	13,335
Federal aid	15,228	
Property taxes	5,274	307
Franchise fees	4,708	
Sales taxes	26,751	
Fines, forfeitures, and costs	739	
Sanitation fees	2,211	
Other	4,636	1,669
Transfers in		600
Total Receipts	<u>62,223</u>	<u>15,911</u>
Disbursements:		
General government	48,791	
Law enforcement	5,023	
Highways and streets		10,817
Public safety		3,858
Transfers out	600	
Total Disbursements	<u>54,414</u>	<u>14,675</u>
Cash Balance, December 31, 2021	<u>\$ 14,417</u>	<u>\$ 12,287</u>

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

Schedule 2

	<u>Street</u>	<u>Volunteer Fire</u>	<u>Total</u>
Cash Balance, January 1, 2021	<u>\$ 8,091</u>	<u>\$ 2,960</u>	<u>\$ 11,051</u>
Receipts:			
State aid	13,335		13,335
Property taxes	307		307
Other	291	1,378	1,669
Transfers in	600		600
Total Receipts	<u>14,533</u>	<u>1,378</u>	<u>15,911</u>
Disbursements:			
Highways and streets	10,817		10,817
Public safety		3,858	3,858
Total Disbursements	<u>10,817</u>	<u>3,858</u>	<u>14,675</u>
Cash Balance, December 31, 2021	<u><u>\$ 11,807</u></u>	<u><u>\$ 480</u></u>	<u><u>\$ 12,287</u></u>

TOWN OF REED, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Fund (Street)
Cash Balance, January 1, 2020	\$ 3,360	\$ 7,811
Receipts:		
State aid	2,552	12,985
Property taxes	4,208	745
Franchise fees	5,757	
Sales taxes	25,411	
Fines, forfeitures, and costs	2,731	
Sanitation fees	8,903	
Other	553	2,590
Transfers in	231	
Total Receipts	<u>50,346</u>	<u>16,320</u>
Disbursements:		
General government	42,912	
Law enforcement	4,186	
Highways and streets		10,966
Public safety		1,883
Transfers out		231
Total Disbursements	<u>47,098</u>	<u>13,080</u>
Cash Balance, December 31, 2020	<u>\$ 6,608</u>	<u>\$ 11,051</u>

TOWN OF REED, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)

Schedule 4

	<u>Street</u>	<u>Volunteer Fire</u>	<u>Total</u>
Cash Balance, January 1, 2020	<u>\$ 5,558</u>	<u>\$ 2,253</u>	<u>\$ 7,811</u>
Receipts:			
State aid	12,985		12,985
Property taxes	514	231	745
Other		2,590	2,590
Total Receipts	<u>13,499</u>	<u>2,821</u>	<u>16,320</u>
Disbursements:			
Highways and streets	10,966		10,966
Public safety		1,883	1,883
Transfers out		231	231
Total Disbursements	<u>10,966</u>	<u>2,114</u>	<u>13,080</u>
Cash Balance, December 31, 2020	<u><u>\$ 8,091</u></u>	<u><u>\$ 2,960</u></u>	<u><u>\$ 11,051</u></u>

TOWN OF REED, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)

Schedule 5

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General Fund and General Fund II Police
3. The Municipality's capital assets records are summarized below:

	December 31, 2021	December 31, 2020
Land	\$ 46,000	\$ 46,000
Buildings	174,000	174,000
Equipment	204,889	204,889
	<u>204,889</u>	<u>204,889</u>
Totals	<u>\$ 424,889</u>	<u>\$ 424,889</u>

4. The Town received federal funding in the following amount related to COVID-19 relief in General fund:

	December 31, 2021
American Rescue Plan Act (ARPA)	<u>\$ 15,228</u>