

BATTS-LAPILE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended October 31, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



American Institute of CPAs

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**Board of Directors
Batts-Lapile Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 of Batts-Lapile Public Water Authority of the State of Arkansas for the year ended October 31, 2023. Batts-Lapile Public Water Authority of the State of Arkansas's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Batts-Lapile Public Water Authority of the State of Arkansas has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas law and lender requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

CASH

1. a. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
- b. Confirm with depository institutions the cash on deposit and investments.
- c. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

Findings: We found no exceptions as a result of the procedures.

RECEIPTS

2. a. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.
- b. Agree ten customer payments on the accounts receivable subledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Findings: We found no exceptions as a result of the procedures.

ACCOUNTS RECEIVABLE

3. a. Agree ten customer billings to the accounts receivable subledger.
- b. Determine that five customer adjustments were properly authorized.

Findings: We found no exceptions as a result of these procedures.

**Board of Directors
Batts-Lapile Public Water Authority of the State of Arkansas**

DISBURSEMENTS

4. a. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater.
- b. Analyze all property, plant and equipment disbursements.
- c. Select all disbursements paid to employees other than payroll and ten (10) other disbursements and determine if they were adequately documented.

Findings: We found no exceptions as a result of these procedures.

PROPERTY, PLANT, & EQUIPMENT

1. a. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or \$500, whichever is greater).

Findings: We found no exceptions as a result of the procedures.

LONG-TERM DEBT

2. a. Schedule long-term debt and verify changes in all balances for the year.
- b. Confirm loans, bonds, notes and contracts payable with the lender/trustee/contractor.
- c. Determine that the appropriate debt service accounts have been established and maintained.

Findings: We found no exceptions as a result of the procedures.

GENERAL

3. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes

Findings: We found no exceptions as a result of the procedures.

We were engaged by Batts-Lapile Public Water Authority of the State of Arkansas to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Batts-Lapile Public Water Authority of the State of Arkansas and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Batts-Lapile Public Water Authority of the State of Arkansas, Arkansas Natural Resources Commission, and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.



BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
October 18, 2024

BATTS-LAPILE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended October 31, 2023
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

BATTS-LAPILE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended October 31, 2023

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**Board of Directors
Batts-Lapile Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

Management is responsible for the preparation and fair presentation of the financial statements of Batts-Lapile Public Water Authority of the State of Arkansas, which comprise the statement of assets, liabilities, and net position – modified cash basis as of October 31, 2023, and the related statement of cash receipts and cash disbursements for the year then ended, and for determining that the modified-cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's assets, liabilities, net position, cash receipts and cash disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
October 18, 2024

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BATTS-LAPILE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
October 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 62,178

RESTRICTED ASSETS

Cash and cash equivalents 21,248

CAPITAL ASSETS - AT COST

Building 18,638

Tanks and wells 269,420

Water lines 473,175

Equipment 15,852

777,085

Less: Accumulated depreciation (769,458)

Net Capital Assets 7,627

TOTAL ASSETS \$ 91,053

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current maturities of long-term debt \$ 4,300

LONG-TERM DEBT, Net of Current Maturities

Arkansas Natural Resources Commission 24,836

PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits 15,523

TOTAL LIABILITIES 44,659

NET POSITION

Unrestricted 46,394

TOTAL NET POSITION 46,394

TOTAL LIABILITIES AND NET POSITION \$ 91,053

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

BATTS-LAPILE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended October 31, 2023

CASH RECEIPTS

Water revenue	\$ 94,569
Interest	228
Meter deposits	500
Service connections	100
Total Cash Receipts	<u>95,397</u>

CASH DISBURSEMENTS

Operator expense	16,011
Debt service	
Principal	4,079
Interest	1,661
Utilities and telephone	5,955
Maintenance and repairs	69,024
Professional fees	5,900
Membership fees	1,871
Insurance	6,297
Chemicals and supplies	2,210
Sales tax expense	6,747
Truck expense	4,800
Office expense	4,178
Miscellaneous expense	1,275
Total Cash Disbursements	<u>130,008</u>

DECREASE IN CASH AND CASH EQUIVALENTS (34,611)

BEGINNING CASH AND CASH EQUIVALENTS AT NOVEMBER 1, 2022 118,037

ENDING CASH AND CASH EQUIVALENTS AT OCTOBER 31, 2023 \$ 83,426

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT