

**LAWSON-URBANA PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
Lawson, Arkansas
For the Year Ended December 31, 2023
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**



American Institute of CPAs

Arkansas Society of CPAs

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**Board of Directors
Lawson-Urbana Public Water Authority of the State of Arkansas
Lawson, 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 Lawson-Urbana Public Water Authority of the State of Arkansas for the year ended December 31, 2023. Lawson-Urbana Public Water Authority of the State of Arkansas management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Lawson-Urbana 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 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 10 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.

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**Board of Directors
Lawson-Urbana Public Water Authority
of the State of Arkansas**

Accounts Receivable

3. a. Agree 10 customer billings to the accounts receivable subledger.
- b. Determine that 5 customer adjustments were properly authorized.

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

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 the procedures.*

Property, Plant, & Equipment

5. 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

6. 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 the following exceptions as a result of these procedures: The debt service accounts established and maintained are less than the requirement set forth by the loan agreements for multiple loans. We found no other exceptions as a result of the procedures.*

General

7. a. 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.*

**Board of Directors
Lawson-Urbana Public Water Authority
of the State of Arkansas**

We were engaged by Lawson-Urbana 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 Lawson-Urbana 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 Lawson-Urbana Public Water Authority of the State of Arkansas, Arkansas Natural Resources Commission, Arkansas Development Finance Authority, 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

Berry & Associates, PA
Little Rock, Arkansas
September 18, 2024

**LAWSON-URBANA PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**LAWSON-URBANA PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

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**Board of Directors
Lawson-Urbana Public Water Authority of the State of Arkansas
Lawson, Arkansas**

Management is responsible for the accompanying financial statements of Lawson-Urbana Public Water Authority of the State of Arkansas, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of 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, these financial statements are not designed for those who are not informed about such matters.

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

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**LAWSON-URBANA PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2023**

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 31,071
RESTRICTED ASSETS	
Restricted cash & cash equivalents	146,903
FIXED ASSETS - AT COST	
Water tanks and pumphouse	300,629
Distribution lines	628,844
Storage building	11,756
Wells	1,183,108
Well house	59,758
Equipment	103,640
Land	33,423
Total Capital Assets	<u>2,321,158</u>
Less: accumulated depreciation	<u>(1,035,387)</u>
Net Fixed Assets	<u>1,285,771</u>
TOTAL ASSETS	<u><u>\$ 1,463,745</u></u>
<u>LIABILITIES AND NET POSITION</u>	
CURRENT LIABILITIES	
Current maturities of long-term debt	\$ 70,300
LONG-TERM DEBT, Net of Current Maturities	
Arkansas Natural Resources Commission	181,691
Arkansas Development Finance Authority	<u>676,269</u>
Total Long-Term Debt	<u>857,960</u>
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	<u>21,103</u>
TOTAL LIABILITIES	<u>949,363</u>
NET POSITION	
Unrestricted	413,915
Restricted	<u>100,467</u>
TOTAL NET POSITION	<u>514,382</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,463,745</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

LAWSON-URBANA PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH RECEIPTS

Water Revenue	\$ 262,720
Service Connections	19,173
Interest	1,367
Other Income	556
Meter Deposits	1,800
Total Cash Receipts	<u>285,616</u>

CASH DISBURSEMENTS

Operator Expense	870
Debt Service	
Principal	61,464
Interest	16,835
Utilities and Telephone	24,357
Repairs and Maintenance	109,597
Accounting	12,055
Contract Services	31,974
Sales Tax	14,975
Service Connections	13,890
Dues and Fees	3,632
Truck Expense	7,750
Insurance	8,178
Office Expense	4,923
Meter Deposits Refunded	1,465
Supplies	5,319
Service Fees	7,614
Total Cash Disbursements	<u>324,899</u>

DECREASE IN CASH AND RESTRICTED CASH	(39,283)
BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2023	<u>217,257</u>
ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2023	<u><u>\$ 177,974</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT