

**LISBON PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended December 31, 2025**

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



**Board of Directors
Lisbon 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 - 14-234-122 of Lisbon Public Water Authority of the State of Arkansas for the year ended December 31, 2025. Lisbon 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 - 14-234-122.

Lisbon 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 AND INVESTMENTS

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 sub ledger 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 sub ledger.
- B. Determine that five customer adjustments were properly authorized.

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

**Board of Directors
Lisbon 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 other disbursements and determine if they were adequately documented.

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

PROPERTY, PLANT AND 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 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 the procedures: The appropriate debt service account has not been established and maintained. No other exceptions were found as a result of applying 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.

We were engaged by Lisbon 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 - 14-234-122. 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 Lisbon 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 Lisbon Public Water Authority of the State of Arkansas, Natural Resources Division, 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, PA
Little Rock, Arkansas
July 31, 2026

**LISBON PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2025
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**LISBON PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended December 31, 2025**

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Berry & Associates

CERTIFIED PUBLIC ACCOUNTANTS

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Board of Directors
Lisbon Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of Lisbon 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, 2025, 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 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
July 31, 2026

**LISBON PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2025**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 104,657
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RESTRICTED ASSETS

Cash and cash equivalents	103,667
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FIXED ASSETS - AT COST

Distribution lines	1,115,695
Land	5,880
Improvements	5,650
	1,127,225

Less: accumulated depreciation	(592,355)
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Net Fixed Assets	534,870
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TOTAL ASSETS	\$ 743,194
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 500
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PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits	12,005
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LONG TERM DEBT, Net of Current Maturities

Natural Resources Division	46,023
Total Long-Term Debt	46,023

TOTAL LIABILITIES	58,528
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NET POSITION

Unrestricted	684,666
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TOTAL NET POSITION	684,666
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TOTAL LIABILITIES AND NET POSITION	\$ 743,194
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**LISBON PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2025**

CASH RECEIPTS

Water revenue	\$ 145,117
Meter deposits	675
Interest income	1,544
Other income	30
Total Cash Receipts	<u>147,366</u>

CASH DISBURSEMENTS

Operator salary	15,617
Operator expenses	860
Debt service	
Principal	56,794
Interest	3,198
Utilities and telephone	13,866
Repairs and maintenance	20,269
Professional fees	8,190
Chemicals	1,181
Dues and fees	2,340
Sales tax	10,534
Insurance	5,451
Office expense	3,651
Truck expense	7,200
Service connections	214
Meter deposit refunds	225
Total Cash Disbursements	<u>149,590</u>

DECREASE IN CASH AND RESTRICTED CASH

(2,224)

BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2025210,548**ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2025**\$ 208,324

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT