

LOST BRIDGE VILLAGE WATER & SEWER IMPROVEMENT DISTRICTS 1 & 2
Garfield, Arkansas
For the Year Ended December 31, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



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**Members of the Board
Lost Bridge Village Water & Sewer Improvement Districts 1 & 2
Garfield, 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 for the Lost Bridge Village Water & Sewer Improvement Districts 1 & 2 for the year ended December 31, 2023. Lost Bridge Village Water & Sewer Improvement Districts 1 & 2's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Lost Bridge Village Water & Sewer Improvement Districts 1 & 2 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 the following exceptions as a result of the procedures: Customer adjustments were not properly authorized. We found no other exceptions as a result of the procedures.

Members of the Board
Lost Bridge Village Water & Sewer Improvement Districts 1 & 2

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 no exceptions as a result of these procedures.

GENERAL

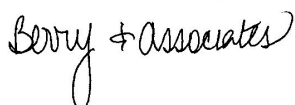
7. A. Determine that any items of financial significance were approved and documented in the minutes of governing body minutes.

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

We were engaged by Lost Bridge Village Water & Sewer Improvement Districts 1 & 2 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 Lost Bridge Village Water & Sewer Improvement Districts 1 & 2 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 Lost Bridge Village Water & Sewer Improvement Districts 1 & 2, 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, PA
Little Rock, Arkansas
November 11, 2024

LOST BRIDGE VILLAGE WATER & SEWER IMPROVEMENT DISTRICTS 1 & 2
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
and
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

LOST BRIDGE VILLAGE WATER & SEWER IMPROVEMENT DISTRICTS 1 & 2
Garfield, Arkansas
For the Year Ended December 31, 2023

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**Members of the Board
Lost Bridge Village Water & Sewer Improvement Districts 1 & 2
Garfield, Arkansas**

Management is responsible for the accompanying financial statements of Lost Bridge Village Water & Sewer Improvement Districts 1 & 2, 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 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 District'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
November 11, 2024

LOST BRIDGE VILLAGE WATER & SEWER IMPROVEMENT DISTRICTS 1 & 2
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 328,637
Inventory	40,629
Total Current Assets	<u>369,266</u>

NON-CURRENT ASSETS

Restricted cash and cash equivalents	<u>528,973</u>
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FIXED ASSETS - AT COST

Capital assets	6,712,643
Less: accumulated depreciation	<u>(3,156,154)</u>
Net Fixed Assets	<u>3,556,489</u>

TOTAL ASSETS	\$ <u>4,454,728</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 71,200
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LONG-TERM DEBT, Net of Current Maturities	1,574,619
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PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits	<u>42,774</u>
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TOTAL LIABILITIES	<u>1,688,593</u>
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NET POSITION

Unrestricted	2,693,449
Temporarily restricted	<u>72,686</u>

TOTAL NET POSITION	<u>2,766,135</u>
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TOTAL LIABILITIES AND NET POSITION	\$ <u>4,454,728</u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

LOST BRIDGE VILLAGE WATER & SEWER IMPROVEMENT DISTRICTS 1 & 2
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH RECEIPTS

Water revenue	\$ 235,900
Interest income	14,162
Sewer revenue	234,397
Other revenue	143,104
Meter deposits received	5,100
Service connections	3,170
Loan proceeds	847,008
Total Cash Receipts	<u>1,482,841</u>

CASH DISBURSEMENTS

Salaries	100,154
Construction in progress payments	594,482
Debt service	
Principal	35,529
Interest	7,203
Utilities and telephone	41,782
Supplies	36,166
Repairs & maintenance	131,732
Professional fees	21,061
Dues and subscriptions	4,804
Insurance	23,166
Office expense	4,955
Payroll taxes	7,707
Auto expense	3,643
Water purchases	103,737
Licenses and permits	3,431
Meter deposit refunds	1,725
Employee benefits	2,025
Contract labor	35,375
Miscellaneous	20,568
Total Cash Disbursements	<u>1,179,245</u>

INCREASE IN CASH AND RESTRICTED CASH	<u>303,596</u>
BEGINNING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2022	<u>554,014</u>
ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2023	<u><u>\$ 857,610</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT