

**Cynthia C. Bearden, CPA
9216 Miller's Pointe Court
Sherwood, Arkansas 72120**

**HACT REGIONAL WASTEWATER SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2022
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED
UPON PROCEDURES**

**Cynthia C. Bearden, CPA
Cynthia Bearden, CPA**

**8210 Windsor Valley Drive
North Little Rock, Arkansas 72116**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

Legislative Joint Auditing Committee
And Arkansas Natural Resources Commission

I have performed the procedures enumerated below with respect to the financial information and compliance with certain state laws for HACT Regional Wastewater System for the year ended December 31, 2022. HACT Regional Wastewater System is responsible for its accounting records. This report is prepared in accordance with Ark. Code Ann. 14-234-119. This engagement to apply agree-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings for the HACT Regional Wastewater System are as follows:

1. Cash and Investments

- a. Prepare 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: None

2. Receipts

- 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 amounts billed for sewer to payments remitted to HACT Regional Wastewater System.

Findings: None

3. Accounts Receivable:

- a. Agree meter readings for 10 customers to billing documents.

Findings: None

4. Disbursements:

- 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 if applicable.
- c. Select all disbursements other than payroll and 10 other disbursements and determine if they were adequately documented.

Findings: None

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

Findings: None

6. Long-Term Debt:

- 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: None

7. General

Determine that any items of significance were approved and documented in the minutes of the governing body's meeting.

8. Other

The City of Coy, City of Humnoke, and Grand Prairie Regional Water District does the billing for HACT sewer customers. These entities remit the amount billed for sewer to HACT monthly. The entities do not remit based on customers paid, and they do not adjust the remittance to HACT for customer adjustments. Based on this, there is no need to test customer payments, composition of deposits, and customer adjustments. However, I did select 10 payments from the three entities who bill for HACT Regional Wastewater and agreed these payments to the billing registers.

I was not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on HACT Regional Wastewater System's financial statements or specified elements, accounts, or items thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Cynthia Bearden

Cynthia Bearden, CPA

April 11, 2023

**HACT REGIONAL WASTEWATER SYSTEM
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors
HACT Regional Wastewater System
Humnoke, Arkansas

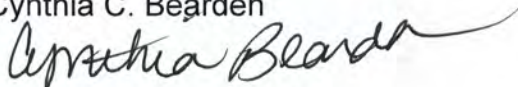
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of HACT Regional Wastewater System, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2022, and the related statement of revenues, expenses, and changes in net position – modified cash basis, and statement of cash flows - modified cash basis for the year then ended, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I 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 the 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 Organization's assets, liabilities, net position, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Cynthia C. Bearden



Cynthia C. Bearden, CPA
Sherwood, Arkansas 72120
June 26, 2024

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HACT Wastewater System
Statement of Assets, Liabilities, and Net Position - Modified Cash Basis
December 31, 2022

		Assets	
Cash & Cash Equivalents	\$		105,664
Capital Assets			2,035,655
Total Assets			2,141,319
Liabilities and Net position			
Current Liabilities			
Current portion of long-term debt	\$		13,358
Total Current Liabilities	\$		13,358
Long Term Liabilities			
Long Term Debt	\$		111,385
Total Liabilities	\$		124,743
Total Net Position	\$		2,016,576
Total Liabilities and Net Position	\$		2,141,319

See Accountant's Compilation Report

HACT Regional Wastewater System
Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis
December 31, 2022

Operating revenues		
Sewer Revenue	\$	91,544
Total operating revenues		91,544
Operating expenses		
Contract Labor	\$	10,355
Dues & Subscriptions		1,506
Insurance Expense		3,252
Legal Fees		1,500
Maintenance & Repairs		12,773
Permits		743
Professional Fees		5,155
Rent Expense		1,200
Repairs and Maintenance		3,092
Salary Expense		8,300
Sewer System Supplies		5,469
Storage Rental		600
Travel Expense		193
Utilities		11,258
Total operating expense		65,397
Non-Operating revenue/expense		
Interest Income		32
ARPA Funding		75,000
Interest Expense		-8,784
Total non-operating revenue/expense		66,248
Change in Net Position	\$	92,394
Net Position, Beginnng of Year		1,924,182
Net Position, End of Year	\$	2,016,576

See Accountant's Compilation Report

HACT Wastewater System

HACT Regional Wastewater System Statement of Cash Flow - Modified Cash Basis December 31, 2022

Cash flows from operating activities:	
Receipts from Customers	91,544
Payments to suppliers	<u>(65,397)</u>
Net cash provided by (used by) operating activities	<u>26,147</u>
Cash flows from noncapital financing activities:	
ARPA Funding	<u>75,000</u>
Cash flows from capital and related financing activities:	
Payments on long-term debt	(12,617)
Interest paid on long-term debt	(8,784)
Net cash provided by (used in) capitaland related financiing activiti	<u>(21,401)</u>
Cash flows from investing activities:	
Interest	<u>32</u>
Net Increase (Decrease) in Cash and Cash Equivalentts	<u>79,778</u>
Cash, Beginning of Year	<u>25,886</u>
Cash, End of Year	<u>105,664</u>

See Accountant's Compilation Report