

LITTLE RIVER WATER ASSOCIATION

For the Year Ended December 31, 2022

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

S. DON RAY

CERTIFIED PUBLIC ACCOUNTANT

**LITTLE RIVER WATER ASSOCIATION
DECEMBER 31, 2022**

Table of Contents

	Page
Independent Accountant's Report on Applying Agreed-Upon Procedures	3
Independent Accountant's Compilation Report	6
Financial Statements – (Unaudited)	
Statement of Assets, Liabilities, and Net Position – Modified Cash Basis	7
Statement of Cash Receipts and Cash Disbursements	8

S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors
Little River Water Association
Osceola, Arkansas 72370-5510

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

I have performed the procedures enumerated below, which were agreed to by the Little River Water Association management on the procedures specified by the Arkansas Legislative Joint Auditing Committee for the year ended December 31, 2022. The water association board of directors is responsible for the company's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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.

1. Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balances.
- 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: I found no exceptions as a result of the above procedures.

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 ten customer payments on the accounts receivable subsidiary ledger to deposit and billing documents.
- C. For one deposit, agree the cash/check composition of the deposit with receipt information.

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

3. Accounts Receivable

- A. Agree ten customer billings to the accounts receivable sub ledger.
- B. Determine that five customer adjustments were properly authorized.

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

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.
- C. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

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

5. Property, Plant & Equipment

- A. Determine that additions and disposals were properly accounted for in the records.

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

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 the lender/trustee/contractor.
- C. Determine that the appropriate debt service accounts have been established and maintained.

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

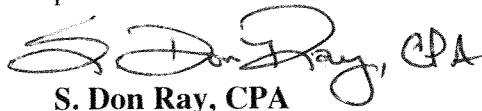
7. General

- A. Determine that any item of financial significance were approved and documented in the minutes of the board meetings.

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

This engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, USDA Rural Development, and the Little River Water Association and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, reading "S. Don Ray, CPA". The signature is stylized, with the first name "S." and last name "Ray" clearly visible, followed by "CPA".

S. Don Ray, CPA
Jonesboro, Arkansas
February 20, 2023

S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Board of Directors
Little River Water Association
Osceola, Arkansas 72370-5510**

Management is responsible for the accompanying financial statements of the Little River Water Association, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2022 and the related statement of cash receipts and cash disbursements for the year then ended, and for determining 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 of the disclosures ordinarily required 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 Company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.



**S. Don Ray, CPA
Jonesboro, Arkansas
February 20, 2023**

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 12,836
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RESTRICTED ASSETS

Cash	19,520
Certificate of deposits-Meter Deposit	12,020
Certificate of deposits-Debt Service	38,646
TOTAL RESTRICTED ASSETS	<u>70,186</u>

CAPITAL ASSETS

Capital assets, net of accumulated depreciation	343,112
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TOTAL ASSETS

<u><u>\$ 426,134</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Customer deposits	\$ 19,218
Current maturities of long-term debt	10,614
TOTAL CURRENT LIABILITIES	<u>29,832</u>

LONG-TERM LIABILITIES

Long-term debt, net of current maturities	431,723
TOTAL LIABILITIES	<u>461,555</u>

NET POSITION

Net investment in capital assets	(99,225)
Restricted	38,646
Unrestricted	25,158
TOTAL NET POSITION	<u>(35,421)</u>

TOTAL LIABILITIES AND NET POSITION

<u><u>\$ 426,134</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2022

CASH IN BANK, JANUARY 1

Revenue Account	\$ 4,148
Meter Deposit Account	5,479
Asset Replacement Reserve Account	14,834
Certificates of Deposits	50,540
TOTAL CASH IN BANK, JANUARY 1	\$ 75,001

ADD: CASH RECEIPTS

Service Fees	\$ 159,337
Meter Deposits	4,850
Utility Relocation State Aid	79,772
Interest	126
Refunds	459
TOTAL CASH RECEIPTS	\$ 244,544

LESS: CASH DISBURSEMENTS

Salaries and related taxes	\$ 32,147
Contract Labor	31,370
Professional service	2,800
Insurance	10,712
Supplies	6,634
Repairs and maintenance	5,318
Chemicals and testing	7,303
Utilities	13,618
Fuel	
Trash	264
Other business expenses	883
Fees	4,310
Utility Line Relocation	79,089
Security	967
Refunds	73
Sales Tax	12,388
Debt Service - Principle	15,274
- Interest	10,442
Water deposit refunds	2,931
TOTAL CASH DISBURSEMENTS	\$ 236,523

CASH IN BANK, DECEMBER 31

Revenue Account	\$ 12,836
Meter Deposit Account	7,198
Asset Replacement Reserve Account	12,322
Certificates of Deposits	50,666
TOTAL CASH IN BANK, DECEMBER 31	\$ 83,022

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT