

LITTLE RIVER WATER ASSOCIATION

For the Year Ended December 31, 2023

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

S. DON RAY

CERTIFIED PUBLIC ACCOUNTANT

**LITTLE RIVER WATER ASSOCIATION
DECEMBER 31, 2023**

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, 2023. 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.


S. Don Ray, CPA
Jonesboro, Arkansas
February 28, 2024

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, 2023 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 28, 2024**

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS	\$	21,018
Cash		
RESTRICTED ASSETS		
Cash		17,566
Certificate of deposits-Meter Deposit		12,163
Certificate of deposits-Debt Service		39,107
TOTAL RESTRICTED ASSETS		<u>68,836</u>
CAPITAL ASSETS		
Capital assets, net of accumulated depreciation		300,654
TOTAL ASSETS	\$	<u>390,508</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Customer deposits	\$	19,682
Current maturities of long-term debt		11,007
TOTAL CURRENT LIABILITIES		<u>30,689</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities		419,621
TOTAL LIABILITIES		<u>450,310</u>
NET POSITION		
Net investment in capital assets		(129,975)
Restricted		49,154
Unrestricted		21,019
TOTAL NET POSITION		<u>(59,802)</u>
TOTAL LIABILITIES AND NET POSITION	\$	<u>390,508</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH IN BANK, JANUARY 1

Revenue Account	\$ 12,836
Meter Deposit Account	7,198
Asset Replacement Reserve Account	12,322
Certificates of Deposits	50,666
TOTAL CASH IN BANK, JANUARY 1	\$ 83,022

ADD: CASH RECEIPTS

Service Fees	\$ 168,267
Meter Deposits	3,150
Miscellaneous	100
Interest	603
Refunds	525
TOTAL CASH RECEIPTS	\$ 172,645

LESS: CASH DISBURSEMENTS

Salaries and related taxes	\$ 36,302
Contract Labor	26,857
Professional service	2,850
Insurance	12,825
Repairs and maintenance	9,958
Chemicals and testing	6,801
Utilities	13,961
Fees	3,337
Trash	279
Other business expenses	10,535
Security	1,160
Sales Tax	12,403
Debt Service - Principle	10,813
- Interest	14,903
Water deposit refunds	2,829
TOTAL CASH DISBURSEMENTS	\$ 165,813

CASH IN BANK, DECEMBER 31

Revenue Account	\$ 21,018
Meter Deposit Account	7,519
Asset Replacement Reserve Account	10,047
Certificates of Deposits	51,270
TOTAL CASH IN BANK, DECEMBER 31	\$ 89,854