

LITTLE RIVER WATER ASSOCIATION

For the Year Ended December 31, 2024

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

S. DON RAY

CERTIFIED PUBLIC ACCOUNTANT

LITTLE RIVER WATER ASSOCIATION

DECEMBER 31, 2024

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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, in accordance with Ark. Code Ann. 14-234-119 for the Little River Water Association, for the year ended December 31, 2024. 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

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

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

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

Determine that any item of financial significance was approved and documented in the minutes of the governing body's meetings.

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

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 procedures specified by the Arkansas Code Ann. 14-234-119 and 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 blue ink, appearing to read "S. Don Ray, CPA".

S. Don Ray, CPA
Jonesboro, Arkansas
February 1, 2025

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 business-type activities, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2024 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.

Supplementary Information

The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the modified cash financial statements. I did not audit or review the supplementary information nor was I required to perform any procedures to verify the accuracy or completeness of the supplementary information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on this supplementary information.


S. Don Ray, CPA
Jonesboro, Arkansas
February 1, 2025

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash	\$	87,744
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RESTRICTED ASSETS

Cash		21,155
Certificates of deposits - Meter Deposits		12,308
Certificates of deposits - Debt Service		39,573

CAPITAL ASSETS

Capital assets, net of accumulated depreciation		266,809
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TOTAL ASSETS

	\$	<u>427,589</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Customer deposits	\$	8,131
Current maturities of long-term debt		11,354
TOTAL CURRENT LIABILITIES		<u>19,485</u>

LONG-TERM LIABILITIES

Long-term debt, net of current maturities		408,971
TOTAL LIABILITIES		<u>428,456</u>

NET POSITION

Net investment in capital assets		(153,516)
Restricted		64,905
Unrestricted		87,744
TOTAL NET POSITION		<u>(867)</u>

TOTAL LIABILITIES AND NET POSITION

	\$	<u>427,589</u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2024

CASH IN BANK, JANUARY 1

Revenue Account	\$ 21,018
Meter Deposit Account	7,519
Refurbishment Reserve Account	-
Asset Replacement Reserve Account	10,047
Certificates of Deposits	51,270
TOTAL CASH IN BANK, JANUARY 1	<u>\$ 89,854</u>

ADD: CASH RECEIPTS

Service Fees	\$ 195,951
Meter Deposits	3,250
High Cotton USA Payments	91,728
Transfers In From Other Funds	4,595
Miscellaneous	1,027
Interest	612
Sale of Fixed Assets	250
TOTAL CASH RECEIPTS	<u>\$ 297,413</u>

LESS: CASH DISBURSEMENTS

Salaries and related taxes	\$ 34,263
Contract Labor	42,290
Professional service	3,150
Miscellaneous	4,655
Insurance	10,594
Repairs and maintenance	31,602
Transfers Out From Other Funds	4,595
Chemicals and testing	6,711
Utilities	13,341
Fees	1,529
Fuel	599
Trash	290
Other business expenses	13,674
Computer Expense	6,873
Capital Outlay	8,873
Sales Tax	15,098
Debt Service - Principle	10,813
- Interest	14,903
Water deposit refunds	2,634
TOTAL CASH DISBURSEMENTS	<u>\$ 226,487</u>

CASH IN BANK, DECEMBER 31

Revenue Account	\$ 86,180
Meter Deposit Account	8,131
Refurbishment Reserve Account	1,564
Asset Replacement Reserve Account	13,024
Certificates of Deposits	51,881
TOTAL CASH IN BANK, DECEMBER 31	<u>\$ 160,780</u>

SUPPLEMENTARY
INFORMATION

**LITTLE RIVER WATER ASSOCIATION
SCHEDULE OF WATER RATES
SUPPLEMENTARY INFORMATION
December 31, 2024**

As of December 31, 2024, The Little River Water Association had 291 service connections.

WATER RATES			
First 1,000 gallons	\$	26.25	(minimum)
Over 1,000 gallons	\$	6.00	(per 1,000 gallon)

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS - SEPARATED BY FUND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

	REVENUE FUND	METER DEPOSIT FUND	REFURSHMENT RESERVE FUND	ASSET REPLACEMENT FUND	DEBT SERVICE FUND	TOTAL ALL FUNDS COMBINED
ASSETS						
CURRENT ASSETS						
Cash	\$ 86,180	-	\$ 1,564	-	-	\$ 87,744
RESTRICTED ASSETS						
Cash	-	\$ 8,131	-	\$ 13,024	-	21,155
Certificates of deposits - Meter Deposits	-	\$ 12,308	-	-	\$ 39,573	51,881
Certificates of deposits - Debt Service	-	-	-	-	-	-
CAPITAL ASSETS						
Capital assets, net of accumulated depreciation	266,809					266,809
TOTAL ASSETS	\$ 352,989	\$ 20,439	\$ 1,564	\$ 13,024	\$ 39,573	\$ 427,589
LIABILITIES						
CURRENT LIABILITIES						
Customer deposits	-	\$ 8,131	-	-	-	\$ 8,131
Current maturities of long-term debt - USDA	\$ 11,354	-	-	-	-	11,354
TOTAL CURRENT LIABILITIES	\$ 11,354	\$ 8,131	\$ -	\$ -	\$ -	\$ 19,485
LONG-TERM LIABILITIES						
Long-term debt - USDA	\$ 408,971	-	-	-	-	\$ 408,971
TOTAL LONG-TERM LIABILITIES	\$ 408,971	\$ -	\$ -	\$ -	\$ -	\$ 408,971
TOTAL LIABILITIES	\$ 420,325	\$ 8,131	\$ -	\$ -	\$ -	\$ 428,456
NET POSITION						
Net investment in capital assets	\$ (153,516)	-	-	-	-	\$ (153,516)
Restricted		\$ 12,308		13,024	\$ 39,573	\$ 64,905
Unrestricted	86,180	-	\$ 1,564	-	-	\$ 87,744
TOTAL NET POSITION	\$ (67,336)	\$ 12,308	\$ 1,564	\$ 13,024	\$ 39,573	\$ (867)
TOTAL LIABILITIES AND NET POSITION	\$ 352,989	\$ 20,439	\$ 1,564	\$ 13,024	\$ 39,573	\$ 427,589

LITTLE RIVER WATER ASSOCIATION
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - SEPARATED BY FUND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

	REVENUE FUND	METER DEPOSIT FUND	REFURSHMENT RESERVE FUND	ASSET REPLACEMENT FUND	CERTIFICATE OF DEPOSIT METER	CERTIFICATES OF DEPOSIT DEBT SERVICE	TOTAL ALL FUNDS COMBINED
TOTAL CASH IN BANK, JANUARY 1	\$ 21,018	\$ 7,519	\$ -	\$ 10,047	\$ 12,163	\$ 39,107	\$ 89,854
<u>CASH RECEIPTS</u>							
Service Fees	\$ 195,951	-	-	-	-	-	\$ 195,951
Meter Deposits	-	\$ 3,250	-	-	-	-	3,250
High Cotton USA Payments	91,728	-	-	-	-	-	91,728
Transfers In From Other Funds	-	-	\$ 1,595	\$ 3,000	-	-	4,595
Miscellaneous	1,027	-	-	-	-	-	1,027
Interest	-	-	1	-	\$ 145	\$ 466	612
Sale of Fixed Assets	250	-	-	-	-	-	250
TOTAL CASH RECEIPTS	\$ 288,956	\$ 3,250	\$ 1,596	\$ 3,000	\$ 145	\$ 466	\$ 297,413
<u>CASH DISBURSEMENTS</u>							
Salaries and related taxes	\$ 34,263	-	-	-	-	-	\$ 34,263
Contract Labor	42,290	-	-	-	-	-	42,290
Professional service	3,150	-	-	-	-	-	3,150
Miscellaneous	4,655	-	-	-	-	-	4,655
Insurance	10,594	-	-	-	-	-	10,594
Repairs and maintenance	31,602	-	-	-	-	-	31,602
Transfers Out From Other Funds	4,595	-	-	-	-	-	4,595
Chemicals and testing	6,711	-	-	-	-	-	6,711
Utilities	13,341	-	-	-	-	-	13,341
Fees	1,529	-	-	-	-	-	1,529
Fuel	599	-	-	-	-	-	599
Trash	290	-	-	-	-	-	290
Other business expenses	13,615	\$ 4	32	\$ 23	-	-	13,674
Computer Expense	6,873	-	-	-	-	-	6,873
Capital Outlay	8,873	-	-	-	-	-	8,873
Sales Tax	15,098	-	-	-	-	-	15,098
Debt Service - Principle	10,813	-	-	-	-	-	10,813
- Interest	14,903	-	-	-	-	-	14,903
Water deposit refunds	-	2,634	-	-	-	-	2,634
TOTAL CASH DISBURSEMENTS	\$ 223,794	\$ 2,638	\$ 32	\$ 23	\$ -	\$ -	\$ 226,487
TOTAL CASH IN BANK, DECEMBER 31	\$ 86,180	\$ 8,131	\$ 1,564	\$ 13,024	\$ 12,308	\$ 39,573	\$ 160,780

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

LITTLE RIVER WATER ASSOCIATION
SCHEDULE OF COMMITMENTS
SUPPLEMENTARY INFORMATION
December 31, 2024

ISSUER	ANNUAL PAYMENT	RATE OF INTEREST	AMOUNT AUTHORIZED AND ISSUED	CURRENT PORTION OF DEBT OUTSTANDING	LONG-TERM PORTION OF DEBT OUTSTANDING	TOTAL DEBT OUTSTANDING
USDA	\$ 8,952	4.50%	\$ 164,100	\$ 3,740	\$ 109,936	\$ 113,676
USDA	6,120	3.50%	130,000	2,566	98,269	100,835
USDA	10,644	2.75%	254,000	5,048	200,766	205,814
TOTAL COMMITMENTS	\$ 25,716		\$ 548,100	\$ 11,354	\$ 408,971	\$ 420,325