

**EAST LOGAN COUNTY PUBLIC
WATER FACILITY BOARD**

**AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 AND 2021



EAST LOGAN COUNTY PUBLIC WATER FACILITY BOARD

DECEMBER 31, 2022 AND 2021

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
East Logan County Public Water Facilities Board
New Blaine, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the East Logan County Public Water Facilities Board, (the Board) as of and for the year ended December 31, 2022. The East Logan County Public Water Facilities Board's management is responsible for the financial and billing records.

The East Logan County Public Water Facilities Board has agreed to, and acknowledged that the procedures performed are appropriate to meet the intended purpose which is to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service* providers as prepared by Arkansas Legislative Audit. 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 purpose.

The procedures and associated findings are as follows:

(1) Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance. We concluded this procedure with no findings.
- B. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. The ending balances for all accounts were within these parameters.

(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. We concluded this procedure and found the deposits were within the parameters.

- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure with no findings.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.

(3) Accounts Receivable

- A. Agree ten customer billings to the accounts receivable sub-ledger. We concluded this procedure with no findings.
- B. Determine that five customer adjustments were properly authorized. We concluded this procedure with no findings.

(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. We concluded this procedure and found the disbursements to be within the parameters.
- B. Analyze all property, plant and equipment disbursements. We concluded this procedure with no findings.
- C. Select all disbursements to employees other than payroll and ten other disbursements and determine if they were adequately documented. We concluded this procedure with no findings.

(5) Property, plant and equipment

- A. Determine that additions and disposals were properly accounted for in the records. We concluded this procedure with no findings.

(6) Long-term debt

- A. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure with no findings.
- B. Confirm loans, bond, notes and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.
- C. Determine that the appropriate debt service accounts have been established and maintained. This procedure was not applicable

(7) General

- A. Determine that any items of financial significance were approved and documented in the minutes of the board meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by the East Logan County Public Water Facilities Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial and billing records. 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 the East Logan County Public Water Facilities Board and to meet our other 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 East Logan County Public Water Facilities Board and Arkansas Legislative Audit and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Przybysz & Associates". The signature is written in a cursive, flowing style.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
April 26, 2023



To the Board of Directors
East Logan County Public Water Facilities Board
New Blaine, Arkansas

Management is responsible for the accompanying financial statements of the East Logan County Public Water Facilities Board, which comprise the statements of net position as of December 31, 2022 and 2021, the related statements of revenues, expenses and changes in net position for the years then ended in accordance with accounting principles generally accepted in the United States of America. 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. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Board's financial position, results of operations, and cash flows. Accordingly, these financial statements are not for those who are not informed about such matters.

The 2021 financial statements were audited by us and, we expressed an unmodified opinion on them in our report dated June 30, 2022. We have not performed any auditing procedures since that date.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
April 26, 2023

FINANCIAL STATEMENTS

EAST LOGAN COUNTY PUBLIC WATER FACILITY BOARD

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 281,688	\$ 302,282
Restricted checking and savings accounts	324,245	312,992
Certificate of deposit	124,910	124,691
Restricted certificates of deposit	204,800	204,800
Accounts receivable, less allowance for doubtful accounts of \$25,908 and \$25,772	66,440	61,321
Prepaid expenses	2,050	1,947
Total Current Assets	1,004,133	1,008,033
Noncurrent Assets		
Capital Assets		
Water distribution system	3,960,970	3,937,095
Office building	30,640	30,640
Office furniture and equipment	17,672	17,672
Total	4,009,282	3,985,407
Less: accumulated depreciation	2,635,743	2,499,553
Net Capital Assets	1,373,539	1,485,854
Total Assets	\$ 2,377,672	\$ 2,493,887
Liabilities and Net Position		
Current Liabilities		
Trade accounts payable	\$ 20,996	\$ 21,613
Sales tax payable	3,935	3,494
Accrued interest	3,052	1,169
Customer meter deposits	92,293	90,843
Current maturity of long-term debt	15,749	15,055
Total Current Liabilities	136,025	132,174
Long-Term Debt	365,109	374,050
Total Liabilities	501,134	506,224
Net Position		
Net investment in capital assets	992,681	1,096,749
Restricted	461,193	451,822
Unrestricted	422,664	439,092
Total Net Position	1,876,538	1,987,663
Total Liabilities and Net Position	\$ 2,377,672	\$ 2,493,887

See accountant's compilation report.

EAST LOGAN COUNTY PUBLIC WATER FACILITY BOARD

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2022	2021
Operating Revenue		
Metered water sales, less bad debts	\$ 628,883	\$ 561,219
Connection fees	9,409	18,790
Turn on fees	1,245	2,265
Other income	90	-
Total Operating Revenue	639,627	582,274
Operating Expenses		
Outside labor	136,095	94,184
Water purchases	283,121	268,573
Office supplies	7,370	5,922
Operating supplies	57,557	42,358
Licenses and fees	4,083	5,013
Utilities	29,726	27,285
Telephone	5,807	3,243
Insurance	5,705	5,922
Advertising	160	1,500
Memberships and dues	3,974	4,660
Legal and accounting	37,065	34,829
Repairs and maintenance	10,177	6,452
Miscellaneous	17,072	14,640
Vehicle expense	3,079	1,446
Depreciation	136,190	134,626
Total Operating Expenses	737,181	650,653
Net Loss From Operations	(97,554)	(68,379)
Other Income (Expenses)		
Interest income	2,937	2,365
Interest expense	(16,508)	(17,263)
Total Net Other Income (Expenses)	(13,571)	(14,898)
Change in Net Position	(111,125)	(83,277)
Beginning of Year Net Position	1,987,663	2,070,940
End of Year Net Position	\$ 1,876,538	\$ 1,987,663

See accountant's compilation report.