

TOAD SUCK PUBLIC FACILITIES BOARD
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

TOAD SUCK PUBLIC FACILITIES BOARD

DECEMBER 31, 2022 AND 2021

C O N T E N T S

	<u>Page No.</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis – December 31, 2022	4 - 5
Management's Discussion and Analysis – December 31, 2021	6 - 7
FINANCIAL STATEMENTS:	
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11 - 16
NON-FINANCIAL SECTION:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> <i>Standards</i>	17 - 18
Supplemental Information	19- 20

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Toad Suck Public Facilities Board
Bigelow, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Toad Suck Public Facilities Board, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Toad Suck Public Facilities Board, of December 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with account principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Toad Suck Public Facilities Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Toad Suck Public Facilities Board's, ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Toad Suck Public Facilities Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Toad Suck Public Facilities Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the

basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Toad Suck Public Facilities Board's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, on our consideration of the Toad Suck Public Facilities Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Toad Suck Public Facilities Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Toad Suck Public Facilities Board's internal control over financial reporting and compliance.



Conway, Arkansas
March 6, 2023

**Toad Suck Public Facilities Board
4108 Hwy 60 East
Bigelow, Arkansas 72016**

**Management's Discussion and Analysis
For the year ended December 31, 2022**

The Toad Suck Public Facilities Board's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Board's financial activity, (c) identify changes in the Board's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify individual fund issues or concerns.

Overview of the Financial Statements

The financial statements report information about the Board using accounting methods similar to those used by private-sector companies. The statements provide both short-term and long-term information about the Board's overall financial status. The basic financial statements are comprised of only two components: 1) enterprise or proprietary fund financial statements and 2) notes to the financial statements.

The Statements of Net Position present information comprising all of the Board's assets and liabilities with the difference being the fund balances, reported as net position. The Statements of Net Position provide for a way to measure the financial health of the Board by providing a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the entity.

The Statements of Revenues, Expenses, and Changes in Net Position report information regarding the change in net position during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of the cash flows.

The Statements of Cash Flows report cash receipts and expenditures that result from operating, investing, and financing activities. The Statements of Cash Flows explain how cash is managed, received, and used.

The notes to the financial statements are essential to developing a full understanding of the data provided in the financial statements.

Financial Analysis of the Board

The assets of the Board exceeded its liabilities as of December 31, 2022 by \$663,255 (net position). \$130,399 of this amount (unrestricted fund balance) would be required from the Restricted Funds to meet the system's ongoing obligations to customers and creditors.

Total assets amounted to \$1,488,316, consisting primarily of capital assets in the amount of \$1,057,754. Total assets decreased during 2022 by \$38,135, primarily as a result of depreciation of fixed assets amounting to \$992,598, and by a decrease in restricted cash amounting to \$70,838.

Total liabilities amounted to \$825,061 consisting primarily of outstanding debt obligations of \$723,333. The Board's total debt decreased \$38,957 during 2022.

Total net position amounted to \$663,255 consisting of net assets invested in capital assets, net of related debt amounting to \$295,464 and unrestricted net assets amounting to \$130,399. The Board's total net position decreased \$2,206 during 2022.

**Toad Suck Public Facilities Board
Management's Discussion and Analysis (Continued)
For the year ended December 31, 2022**

Financial Analysis of the Board (Continued)

The Board's total revenues were \$300,343 amounting to an increase of \$1,856 or .62% increase from the prior year. Operating expenses amounted to \$273,929, which was a increase of \$33,672 or 14.01% from the prior year. Other income and expenses amounted to a net expense of \$28,620 consisting of mostly interest expense amounting to \$39,062, netted by interest income of \$5,712. Other income and expense had a decrease of the net expenses of \$7,435 or 2.06% decrease from the prior year. The overall change in net position for the year was a decrease of \$2,260. This amounts to a decrease of .33% from the prior year deficit. This results in an ending net position of \$663,255.

Economic Factors

The operating revenues and expenditures for the year ended December 31, 2022 were consistent with the prior year and met management's expectations. As a result, no extraordinary economic factors were noted.

Requests for Information

This financial report is designed to provide a general overview of the Toad Suck Public Facilities Board's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Toad Suck Public Facilities Board
4108 Hwy 60 East
Bigelow, Arkansas 72016

**Toad Suck Public Facilities Board
4108 Hwy 60 East
Bigelow, Arkansas 72016**

**Management's Discussion and Analysis
For the year ended December 31, 2021**

The Toad Suck Public Facilities Board's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Board's financial activity, (c) identify changes in the Board's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify individual fund issues or concerns.

Overview of the Financial Statements

The financial statements report information about the Board using accounting methods similar to those used by private-sector companies. The statements provide both short-term and long-term information about the Board's overall financial status. The basic financial statements are comprised of only two components: 1) enterprise or proprietary fund financial statements and 2) notes to the financial statements.

The Statements of Net Position present information comprising all of the Board's assets and liabilities with the difference being the fund balances, reported as net position. The Statements of Net Position provide for a way to measure the financial health of the Board by providing a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the entity.

The Statements of Revenues, Expenses, and Changes in Net Position report information regarding the change in net position during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of the cash flows.

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The notes to the financial statements are essential to developing a full understanding of the data provided in the financial statements.

Financial Analysis of the Board

The assets of the Board exceeded its liabilities as of December 31, 2021 by \$665,461 (net position). \$48,691 of this amount (unrestricted fund balance) would be required from the Restricted Funds to meet the system's ongoing obligations to customers and creditors.

Total assets amounted to \$1,526,451, consisting primarily of capital assets in the amount of \$1,107,893. Total assets decreased during 2021 by \$7,689, primarily as a result of depreciation of fixed assets amounting to \$942,459, netted by additions of fixed assets amounting to \$6,479 and by an increase in restricted cash amounting to \$33,571.

Total liabilities amounted to \$860,990 consisting primarily of outstanding debt obligations of \$762,290. The Board's total debt decreased \$37,111 during 2021.

Total net position amounted to \$665,461 consisting of net assets invested in capital assets, net of related debt amounting to \$308,492 and unrestricted net assets amounting to \$48,691. The Board's total net position increased \$22,175 during 2021.

**Toad Suck Public Facilities Board
Management's Discussion and Analysis (Continued)
For the year ended December 31, 2021**

Financial Analysis of the Board (Continued)

The Board's total revenues were \$298,487 amounting to an increase of \$1,965 or .66% increase from the prior year. Operating expenses amounted to \$240,257, which was a decrease of \$1,229 or -.51% from the prior year. Other income and expenses amounted to a net expense of \$36,055 consisting of mostly interest expense amounting to \$40,829, netted by interest income of \$350. Other income and expense had a decrease of the net expenses of \$2,128 or 3.65% decrease from the prior year. The overall change in net position for the year was an increase of \$22,175. This amounts to an increase of 46.4% from the prior year deficit. This results in an ending net position of \$665,461.

Economic Factors

The operating revenues and expenditures for the year ended December 31, 2021 were consistent with the prior year and met management's expectations. As a result, no extraordinary economic factors were noted.

Requests for Information

This financial report is designed to provide a general overview of the Toad Suck Public Facilities Board's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Toad Suck Public Facilities Board
4108 Hwy 60 East
Bigelow, Arkansas 72016

FINANCIAL STATEMENTS

TOAD SUCK PUBLIC FACILITIES BOARD

STATEMENTS OF NET POSITION

DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets:</u>		
Cash - Operating account (Note 2)	\$ 66,877	\$ 87,456
Cash - Certificate of Deposit	100,000	-
Accounts receivable - net	19,577	15,643
	<u>186,454</u>	<u>103,099</u>
<u>Total Current Assets</u>		
	186,454	103,099
<u>Property, Plant, and Equipment - at cost:</u>		
Water system	1,987,412	1,987,412
Buildings	13,456	13,456
Office equipment and furniture	21,206	21,206
Easements	28,278	28,278
	<u>2,050,352</u>	<u>2,050,352</u>
Less: Accumulated depreciation	(992,598)	(942,459)
	<u>1,057,754</u>	<u>1,107,893</u>
<u>Total Property, Plant, and Equipment</u>		
	1,057,754	1,107,893
<u>Other Assets:</u>		
Cash and cash equivalents - restricted (Note 2)	237,440	308,278
Bond costs - net of amortization	6,668	7,181
	<u>244,108</u>	<u>315,459</u>
<u>Total Other Assets</u>		
	244,108	315,459
<u>Total Assets</u>	<u>\$ 1,488,316</u>	<u>\$ 1,526,451</u>

TOAD SUCK PUBLIC FACILITIES BOARD

STATEMENTS OF NET POSITION

DECEMBER 31, 2022 AND 2021

LIABILITIES AND NET POSITION

	<u>2022</u>	<u>2021</u>
<u>Current Liabilities:</u>		
Accounts payable	\$ 10,938	\$ 13,243
Accrued interest payable	3,138	3,291
Current maturities of long-term debt (Note 4)	38,957	37,111
Total Current Liabilities	53,033	53,645
<u>Long-Term Debt (Note 4):</u>	723,333	762,290
<u>Other Liabilities:</u>		
Customer deposits	48,695	45,055
Total Other Liabilities	48,695	45,055
Total Liabilities	825,061	860,990
<u>Net Position:</u>		
Invested in capital assets, net of related debt	295,464	308,492
Restricted for:		
Debt service and depreciation	185,273	259,480
Meter deposits	52,119	48,798
Unrestricted	130,399	48,691
Total Net Position	\$ 663,255	\$ 665,461

The accompanying notes are an integral part of the financial statements.

TOAD SUCK PUBLIC FACILITIES BOARD
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Revenues:</u>		
Water sales and services	\$ 300,343	\$ 298,487
<u>Expenses:</u>		
Water purchases	69,106	72,702
Salaries	26,460	24,900
Contract labor	48,219	33,237
Utilities	10,623	10,851
Insurance	3,807	3,694
Office supplies and postage	6,839	4,601
Payroll taxes	2,054	1,934
Sales tax	24,745	23,911
Depreciation and amortization	50,653	50,660
Legal and accounting	10,697	1,292
Repairs and maintenance	16,721	9,228
Travel	78	-
Automobile	-	77
Returned checks	740	190
Bank charges	40	10
Rents	2,647	2,445
Dues and licenses	500	525
Total Expenses	<u>273,929</u>	<u>240,257</u>
<u>Income from Operations:</u>	<u>26,414</u>	<u>58,230</u>
<u>Other Expense:</u>		
Other income	2,365	2,442
Interest income	5,712	350
Meter deposit	2,365	1,982
Interest expense	<u>(39,062)</u>	<u>(40,829)</u>
Total Other Expenses	<u>(28,620)</u>	<u>(36,055)</u>
Increase in Net Position	(2,206)	22,175
Net Position, Beginning of Year	<u>665,461</u>	<u>643,286</u>
Net Position, End of Year	<u><u>\$ 663,255</u></u>	<u><u>\$ 665,461</u></u>

The accompanying notes are an integral part of the financial statements.

TOAD SUCK PUBLIC FACILITIES BOARD
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 296,409	\$ 297,218
Payments to suppliers	(250,715)	(220,164)
Net Cash Provided by Operating Activities	45,694	77,054
Cash Flows from Capital and Related Financing Activities:		
Principal paid on capital debt	(37,111)	(35,352)
Net Cash Used by Capital and Related Financing Activities	(37,111)	(35,352)
Cash Flows from Investing Activities:		
(Increase) decrease in restricted funds/liabilities	70,838	(33,571)
Purchase of capital assets	-	(6,479)
Net Cash Used by Investing Activities	70,838	(40,050)
Net Increase in Cash and Cash Equivalents	79,421	1,652
Cash and cash equivalents - Beginning of year	87,456	85,804
Cash and cash equivalents - End of year	\$ 166,877	\$ 87,456
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 26,414	\$ 58,230
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	50,653	50,660
(Increase) decrease in receivables	(3,934)	(1,269)
Increase (decrease) in payables	(2,459)	5,068
Other income (expense)	10,442	4,774
Interest expense	(39,062)	(40,829)
Customer deposits	3,640	420
Total Adjustments	19,280	18,824
Net Cash Provided By Operating Activities	\$ 45,694	\$ 77,054

The accompanying notes are an integral part of the financial statements.

TOAD SUCK PUBLIC FACILITIES BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Revenue Recognition

The Company's revenue recognition policies follow the guidance of the Financial Accounting Standards Board (FASB) Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Nature of Activities

The Toad Suck Public Facilities Board, a municipal utility, extends water service from the City of Perryville into an area of Perry County, Arkansas. It is non-taxable for federal and state income tax purposes under the Internal Revenue Code Section 501(c)12 and was created in accordance with the provisions of Act 142 of the Acts of Arkansas of 1975.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis, which records revenues as earned and expenses as incurred, in accordance with generally accepted accounting principles.

Depreciation and Amortization

Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

	<u>Years</u>
Water system	40
Buildings	40
Office equipment	5 - 7

Inventories

Inventories are stated at cost, using the first-in and first-out method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOAD SUCK PUBLIC FACILITIES BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):**

Accounts Receivable

The Board considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

Cash Equivalents

The Board considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents for the statement of cash flows.

The Organization's cash accounts are federally insured under the FDIC up to \$250,000 per banking institution. The carrying amounts of cash balances as of December 31, 2022 were as follows:

	<u>2022</u>
Cash in Centennial Bank, Fully Insured by FDIC	\$ 151,988
Cash in First Security Bank, Fully Insured by FDIC	142,337
Cash in First Service Bank, Fully Insured by FDIC	100,000
Cash in Bank, Uninsured, Uncollateralized	<u>-</u>
	<u>\$ 394,325</u>

TOAD SUCK PUBLIC FACILITIES BOARD

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 – RESTRICTED CASH AND CASH EQUIVALENTS:

The cash balance is composed of unrestricted and restricted funds as follows:

	<u>2022</u>	<u>2021</u>
Unrestricted		
Water system operating funds	\$ 66,877	\$ 87,456
Certificate of Deposit	<u>100,000</u>	<u>-</u>
	<u>166,877</u>	<u>87,456</u>
Restricted		
Depreciation reserve fund	142,337	139,322
Debt service reserve fund	32,941	110,460
Meter deposit fund	52,067	48,798
Advance bond payments	<u>10,095</u>	<u>9,698</u>
	<u>237,440</u>	<u>308,278</u>
	<u>\$ 404,317</u>	<u>\$ 395,734</u>

TOAD SUCK PUBLIC FACILITIES BOARD

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 - PROPERTY, PLANT, AND EQUIPMENT:

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022
Capital assets, being depreciated:				
Water system	1,987,412	-	-	1,987,412
Buildings	13,456	-	-	13,456
Office equipment & furniture	21,206	-	-	21,206
Easements	28,278	-	-	28,278
Total Capital Assets, being Depreciated	<u>2,050,352</u>	<u>-</u>	<u>-</u>	<u>2,050,352</u>
Less accumulated depreciation for:				
Water system	(913,351)	(49,343)	-	(962,694)
Buildings	(9,472)	(324)	-	(9,796)
Office equipment & furniture	(19,636)	(472)	-	(20,108)
Total accumulated depreciation	<u>(942,459)</u>	<u>(50,139)</u>	<u>-</u>	<u>(992,598)</u>
Total Capital Assets, being Depreciated, Net	<u>\$ 1,107,893</u>	<u>\$ (50,139)</u>	<u>\$ -</u>	<u>\$ 1,057,754</u>
Total Capital Assets, Net	<u>\$ 1,107,893</u>	<u>\$ (50,139)</u>	<u>\$ -</u>	<u>\$ 1,057,754</u>

TOAD SUCK PUBLIC FACILITIES BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 - LONG TERM DEBT:

Long-term debt at December 31, 2022 and 2021 consists of the following:

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022	Due Within One Year
4.90% bond payable for Waterworks Revenue Capital Improvement Bonds, Series 2006- CGO, payable beginning December 1, 2008, with semi- annual payments of \$22,917 including interest, secured by a pledge of revenues, maturing December 1, 2036	482,902	-	22,444	460,458	23,557
5.00% bond payable for Waterworks Revenue Capital Improvement Bonds, Series 2006- WSSW, with a 10 year deferral period, payable beginning December 1, 2017, annual payments of \$30,492, secured by a pledge of revenues, maturing December 1, 2036	316,499	-	14,667	301,832	15,400
Total Long-Term Debt	\$ 799,401	\$ -	\$ 37,111	\$ 762,290	\$ 38,957

TOAD SUCK PUBLIC FACILITIES BOARD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 - LONG TERM DEBT (CONTINUED):

The aggregate maturities of long-term debt are as follows:

2023	38,957
2024	40,895
2025	42,931
2026	45,067
2027	47,309
Thereafter	547,131
Total	<u>\$ 762,290</u>

NOTE 5 - LEASES AND RENTAL AGREEMENTS:

The Board entered into an agreement in June 1994 to lease the land where its plant facilities and office are located. The term of the lease is 100 years and the annual amount is \$1.

The Board entered into a license agreement in December 2005 with Little Rock and Western Railway for pipeline occupation on a section of railway located in the vicinity of Arkansas Highway 113, near Houston, in Perry County. The occupation was necessary for the Perryville connection project. The base rent was set at \$1,200 per year and will be adjusted annually, using the *Consumer Price Index for Urban Wage Earners and Clerical Workers*, but will not go below the original amount of \$1,200. Termination of the agreement is subject to removal of the pipeline from the property. Rent expense paid for this pipeline occupation for the years ended December 31, 2022 and 2021 was \$2,647 and \$2,445, respectively.

NOTE 6 - SUBSEQUENT EVENTS:

No events occurring subsequent to year end, having a direct and material effect on the financial statements for the year ended December 31, 2022, have been determined as of the date of the audit report.

NON-FINANCIAL SECTION

Conner & Sartain

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Toad Suck Public Facilities Board
Bigelow, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Toad Suck Public Facilities Board as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Toad Suck Public Facilities Board's basic financial statements, and have issued our report thereon dated March 6, 2023.

Report Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Toad Suck Public Facilities Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Toad Suck Public Facilities Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Toad Suck Public Facilities Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

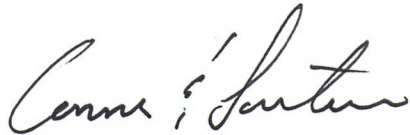
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Toad Suck Public Facilities Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, reading "Conner & Sartain".

Conway, Arkansas
March 6, 2023

SUPPLEMENTAL INFORMATION

TOAD SUCK PUBLIC FACILITIES BOARD

SUPPLEMENTAL INFORMATION

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
SCHEDULE OF RATES CHARGED:		
WATER - Basic Residential		
First 1,000 gallons	\$ 22.50	\$ 22.50
Any additional 1,000 gallons	5.75	5.75
WATER - Corps of Engineers		
First 1,000 gallons	220.00	220.00
Any additional 1,000 gallons	5.50	5.50
WATER - Multi-Hookup		
First 1,000 gallons	38.00	38.00
Any additional 2,000 gallons	5.50	5.50
Any additional 4,000 gallons	5.00	5.00
GROSS REVENUE RECEIVED:		
Gross Water Revenue	\$ <u>300,343</u>	\$ <u>298,487</u>
Number of Connections	<u>562</u>	<u>555</u>
Number of Gallons Bought	<u>28,100,000</u>	<u>28,868,000</u>
Number of Gallons Sold	<u>26,158,940</u>	<u>25,783,180</u>

NAMES AND TITLES OF COMMISSIONERS:

<u>Name</u>	<u>Title</u>
Joe Jones	Chairman
Troy Fulfer	Vice Chairman
Louise Neale-Saxton	Secretary
Davie Buie	Treasurer
Jason Trantina	Board Member
Benjamin Lee	Water Operator
Shelly Ashcraft	System Manager

See accountants' report on supplemental information.

TOAD SUCK PUBLIC FACILITIES BOARD

SUPPLEMENTAL INFORMATION

DECEMBER 31, 2022 AND 2021

INSURANCE COVERAGE:

Company: Cincinnati Insurance Company
Policy No: ETD 051 59 95
Expiration: 02-01-2023
Coverage Commercial Property and Equipment

Company: Cincinnati Insurance Company
Policy No: ETD 051 59 95
Expiration: 02-01-2023
Coverage General Liability

Company: Cincinnati Insurance Company
Policy No: ETD 051 59 95
Expiration: 02-01-2023
Coverage Employee Benefit Liability

Company: Cincinnati Insurance Company
Policy No: ETD 051 59 95
Expiration: 02-01-2023
Coverage Commercial Umbrella

Company: Cincinnati Insurance Company
Policy No: ETD 051 59 95
Expiration: 02-01-2023
Coverage Crime and Fidelity

Company: Cincinnati Insurance Company
Policy No: ETD 051 59 95
Expiration: 02-01-2023
Coverage Data Defender

Company: Cincinnati Insurance Company
Policy No: EWC 037 29 42-03
Expiration: 02-01-2023
Coverage Worker's Compensation

See accountants' report on supplemental information.