

**Cash Water Works**

**(A Component Unit of the City of Cash, Arkansas)**

**Agreed-Upon Procedures Report**

**For the Year Ended December 31, 2023**

**Thomas, Speight & Noble  
Certified Public Accountants**

1120 Windover Road  
Jonesboro, AR 72401  
(870) 932-5858



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor and  
Members of the City Council  
City of Cash  
Cash, AR 72421

We have performed the procedures enumerated below with respect to the accrual basis financial information and compliance with certain state laws for Cash Water Works, a component unit of the City of Cash, Arkansas, for the year ended December 31, 2023. Cash Water Works' management is responsible for the accrual basis financial information and compliance with certain state laws.

Cash Water Works has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with certain state laws. 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 purposes.

The procedures and the 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
- B. Confirm with depository institutions the cash on deposits and investments
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater

We noted no exceptions as a result of these 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 10 customer payments in the accounts receivable sub ledger to deposit and billing documents
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information

We noted no exceptions as a result of these procedures.

### **3. Accounts Receivable**

- A. Agree 10 customer billings to the accounts receivable sub ledger
- B. Determine that five customer adjustments were properly authorized

We noted no exceptions as a result of these 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

We noted no exceptions as a result of these procedures.

### **5. Property, Plant and Equipment**

- A. Determine the additions and disposals were properly accounted for in the records (Materiality level – 5% of the equipment or \$500, whichever is greater)

We noted no exceptions as a result of these 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 lender/trustee/contractor
- C. Determine that the appropriate debt service accounts have been established and maintained

We noted no exceptions as a result of these procedures.

### **7. General**

- A. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings

We noted no exceptions as a result of these procedures.

We were engaged by Cash Water Works 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 accrual basis information and compliance with certain state laws. 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 Cash Water Works 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 Division of Legislative Audit for the State of Arkansas and the City Council of Cash Water Works and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully,

*Thomas, Speight and Noble, CPAs*

Thomas, Speight and Noble, CPAs  
Jonesboro, Arkansas  
June 7, 2024

**Cash Water Works**

**(A Component Unit of the City of Cash, Arkansas)**

**Compiled Financial Statements**

**For the Year Ended December 31, 2023**

**Thomas, Speight & Noble  
Certified Public Accountants**

1120 Windover Road  
Jonesboro, AR 72401  
(870) 932-5858

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## ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Cash  
P.O. Box 14  
Cash, Arkansas 72421

Management is responsible for the accompanying financial statement of Cash Water Works, which comprise the statement of assets, liabilities & net position as of December 31, 2023, and the related statement of revenues, expenses and changes in net position for the year then ended and for determining that the accrual basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with the Statements of Standards for 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. Accordingly, 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 disclosures ordinarily included in financial statements prepared in accordance with the 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 assets, liabilities, net positions, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Respectfully,

*Thomas, Speight & Noble, CPAs*

Thomas, Speight & Noble, CPAs  
Jonesboro, Arkansas  
June 7, 2024

**Cash Water Works**  
**Statement of Assets, Liabilities and Net Position**  
**December 31, 2023**

Assets	Water	Sewer	Total
Current assets			
Cash in bank	\$ 2,893	\$ 1,518	\$ 4,411
Total current assets	<u>2,893</u>	<u>1,518</u>	<u>4,411</u>
Plant, Property and Equipment			
Lift stations	-	74,160	74,160
Waste water plant and buildings	-	100,843	100,843
Sewer improvements	-	250,039	250,039
Water tank	146,751	-	146,751
Less: accumulated depreciation	<u>(11,006)</u>	<u>(31,878)</u>	<u>(42,884)</u>
Total plant, property and equipment	135,745	393,164	528,909
Non-current assets			
Restricted for debt service depreciation	<u>-</u>	<u>5,212</u>	<u>5,212</u>
Total assets	<u><u>\$ 138,638</u></u>	<u><u>\$ 399,894</u></u>	<u><u>\$ 538,532</u></u>
Liabilities and Net Position			
Current Liabilities			
Current portion of long-term debt	<u>\$ -</u>	<u>\$ 15,087</u>	<u>\$ 15,087</u>
Total current liabilities	-	15,087	15,087
Long-term debt, net of current portion	<u>-</u>	<u>240,407</u>	<u>240,407</u>
Total liabilities	-	255,494	255,494
Net Position			
Net investment in capital assets	135,745	137,670	273,415
Restricted	-	5,212	5,212
Unrestricted	<u>2,893</u>	<u>1,518</u>	<u>4,411</u>
Total net position	<u>138,638</u>	<u>144,400</u>	<u>283,038</u>
Total liabilities and net position	<u><u>\$ 138,638</u></u>	<u><u>\$ 399,894</u></u>	<u><u>\$ 538,532</u></u>

*See accountants' compilation report.*



**Cash Water Works**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**December 31, 2023**

	Water	Sewer	Total
Operating Revenues:			
Revenue	\$ 34,437	\$ 35,965	\$ 70,402
Service deposits collected	2,625	-	2,625
Reconnect fees	725	-	725
Other income	1,411	775	2,186
Interest earned	4	5	9
Total operating revenues	<u>39,202</u>	<u>36,745</u>	<u>75,947</u>
Operating Expenses			
Taxes	3,713	782	4,495
Repairs & maintenance	917	7,763	8,680
Utilities	-	5,960	5,960
Refund	1,535	-	1,535
CWL	35,065	-	35,065
Insurance/annual dues	25	669	694
Legal & professional	-	-	-
Bond fees interest	-	7,780	7,780
Miscellaneous	36	36	72
Depreciation	3,669	10,626	14,295
Sewer loan interest	-	2,020	2,020
Total operating expenses	<u>44,960</u>	<u>35,636</u>	<u>80,596</u>
Change in net position	(5,758)	1,109	(4,649)
Beginning net position, at January 1, 2023	<u>144,396</u>	<u>143,291</u>	<u>287,687</u>
Ending net position, at December 31, 2023	<u>\$ 138,638</u>	<u>\$ 144,400</u>	<u>\$ 283,038</u>

*See accountants' compilation report.*