CITY OF GRADY, ARKANSAS

WATER AND SEWER SYSTEMS

ACCOUNTANT'S AGREED UPON PROCEDURES REPORT

COMPILATION REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2024

DECEMBER 31, 2023

DECEMBER 31, 2022

ALAN K. MINOR
CERTIFIED PUBLIC ACCOUNTANT
16437 STATE HIGHWAY 114 E
GOULD, ARKANSAS 71643

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Independent Accountant's Report
On Applying Agreed-Upon Procedures

Board of Directors
City of Grady, Arkansas Water and Sewer Systems

I have performed the procedures enumerated below, which were agreed to by the management of the City of Grady, Arkansas Water and Sewer Systems, solely to assist you in complying with your requirements with respect to the statement of assets, including composition of cash – cash basis, and statement of cash receipts and disbursements – cash basis certain transactions and financial statements for the years ended December 31, 2022, December 31, 2023, and December 31, 2024. City of Grady, Arkansas Water and Sewer Systems management is responsible for these transactions and financial statements. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this 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.

My procedures and findings are as follows:

(A) Cash and Investments
1. Perform a proof of cash for the years and reconcile year-end bank balances to book balances. I concluded this procedure with no findings.
2. Agree the deposits per the proof of cash for the years with the deposits per the general ledger. I concluded this procedure with no findings.
3. Agree the proof of cash ending balances to the book balances within 5% or $500, whichever is greater. I concluded this procedure with no findings.

(B) Receipts
1 Agree the deposits per the proof of cash for the year with the deposits per the general ledger within 5% or $500, whichever is greater. I concluded this procedure with no findings.
2 Agree 10 customer payments on the accounts receivable sub ledger to deposits and billing documents. I concluded this procedure with no findings.

(C) Accounts Receivable

1. Agree ten customer billings on the accounts receivable sub ledger. I concluded this procedure with no findings.
2. Determine that five customer adjustments were properly authorized. I concluded this procedure with no findings.

(D) Disbursements

1. Agree the disbursements per the proof of cash for the year with the disbursements per the general ledger within 5% or $500, whichever is greater. I concluded this procedure with no findings.
2. Analyze all property, plant, and equipment disbursements. I concluded this procedure with no findings.
3. Select all disbursements to employees other than payroll and ten other disbursements and determine if they were adequately documented. I concluded this procedure with no findings.

(E) Property, plant, and equipment

1. Determine that the additions and disposals were properly accounted for in the records. I concluded this procedure with no findings.

(F) Long term debt

1. Schedule long term debt and verified changes in all balances for the years. I concluded this procedure with no findings.

2. Confirm loans, bonds, notes, and contracts payable with lenders, trustees, or contractors. I concluded this procedure with no findings.

3. Determine that the appropriate debt service accounts have been established and are being maintained. I concluded this procedure with no findings.

I was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, I do not express such an opinion. 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 Mayor and City Council, Water and Sewer Systems management, and the Legislative Joint Auditing Committee and is not intended to be used by anyone other than these specified parties.

Alan K. Minor
Certified Public Accountant

July 4, 2026

ALAN K. MINOR
CERTIFIED PUBLIC ACCOUNTANT
16437 STATE HIGHWAY 114 E
GOULD, ARKANSAS 71643
(501) 519-4747

Board of Directors
City of Grady, Arkansas Water and Sewer Systems

Independent Accountant's Compilation Report

Management is responsible for the accompanying financial statements of the City of Grady, Arkansas Water and Sewer Systems, which comprise statements of assets and liabilities, including composition of cash, and cash receipts and cash disbursements for the years ended December 31, 2024, December 31, 2023, and December 31, 2022. I have performed the 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 the financial statements.

The accompanying financial statements were prepared using the cash basis of accounting method, 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 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 cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Alan K. Minor
Certified Public Accountant

July 4, 2026

CITY OF GRADY, ARKANSAS
WATER AND SEWER SYSTEMS
STATEMENT OF ASSETS AND LIABILITIES - CASH BASIS
AS OF DECEMBER 31, 2024

ASSETS

CURRENT ASSETS		
CASH IN BANK		
WATER SYSTEM CHECKING	6,147	
SEWER SYSTEM CHECKING	200	
TOTAL CURRENT ASSETS		6,347
RESTRICTED ASSETS		
SEWER DEPRECIATION FUND CHECKING	2,739	
SEWER REVENUE BOND FUND CHECKING	5,870	
WATER DEPOSIT REFUND ACCOUNT CHECKING	16,317	
TOTAL RESTRICTED ASSETS		24,926
FIXED ASSETS		
LAND - SEWER SYSTEM	16,178	
UTILITY PLANTS - SEWER SYSTEM	1,201,011	
EQUIPMENT - SEWER SYSTEM	56,027	
	1,273,216	
LESS: ACCUMULATED DEPRECIATION	-1,273,216	
TOTAL FIXED ASSETS		0
TOTAL ASSETS	$	31,273

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
CURRENT PORTION OF LONG TERM DEBT	4,291	
TOTAL CURRENT LIABILITIES		4,291
LONG TERM DEBT		
NOTE PAYABLE - USDA	38,772	
TOTAL LONG TERM DEBT		38,772
NET ASSETS		
RESTRICTED	24,926	
UNRESTRICTED	-36,716	
TOTAL NET ASSETS		-11,790
TOTAL LIABILITIES AND NET ASSETS	$	31,273

SEE ACCOMPANYING INDEPENDENT ACCOUNTANT'S REPORT

CITY OF GRADY, ARKANSAS
WATER AND SEWER SYSTEMS
STATEMENT OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
YEAR ENDED DECEMBER 31, 2024

CASH RECEIPTS		
WATER SYSTEM COLLECTIONS	66,230	
SEWER SYSTEM COLLECTIONS	35,273	
TOTAL CASH RECEIPTS	$	101,503
CASH DISBIRSEMENTS		
SALARIES & WAGES	53,556	
PAYROLL TAXES	4,161	
ONE CALL SERVICE	169	
GAS & OIL	293	
LICENSES	2,304	
UTILITIES	11,735	
MEMBERSHIP FEES	790	
REPAIRS & MAINTENANCE	7,054	
SALES TAX	6,700	
SOFTWARE SUPPORT	1,400	
SUPPLIES	1,910	
INSURANCE	1,920	
TESTING	585	
INTEREST	2,050	
TOTAL CASH DISBURSMENTS	$	94,627
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	$	6,876

SEE ACCOMPANYING INDEPENDENT ACCOUNTANT'S REPORT

CITY OF GRADY, ARKANSAS
WATER AND SEWER SYSTEMS
STATEMENT OF ASSETS AND LIABILITIES - CASH BASIS
AS OF DECEMBER 31, 2023

ASSETS

CURRENT ASSETS		
CASH IN BANK		
WATER SYSTEM CHECKING	7,292	
SEWER SYSTEM CHECKING	2,467	
TOTAL CURRENT ASSETS		9,759
RESTRICTED ASSETS		
SEWER DEPRECIATION FUND CHECKING	2,739	
SEWER REVENUE BOND FUND CHECKING	5,869	
WATER DEPOSIT REFUND ACCOUNT CHECKING	16,553	
TOTAL RESTRICTED ASSETS		25,161
FIXED ASSETS		
LAND - SEWER SYSTEM	16,178	
UTILITY PLANTS - SEWER SYSTEM	1,201,011	
EQUIPMENT - SEWER SYSTEM	56,027	
	1,273,216	
LESS: ACCUMULATED DEPRECIATION	-1,273,216	
TOTAL FIXED ASSETS		0
TOTAL ASSETS	$	34,920

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
CURRENT PORTION OF LONG TERM DEBT	4,082	
TOTAL CURRENT LIABILITIES		4,082
LONG TERM DEBT		
NOTE PAYABLE - USDA	42,855	
TOTAL LONG TERM DEBT		42,855
NET ASSETS		
RESTRICTED	25,161	
UNRESTRICTED	-37,178	
TOTAL NET ASSETS		-12,017
TOTAL LIABILITIES AND NET ASSETS	$	34,920

SEE ACCOMPANYING INDEPENDENT ACCOUNTANT'S REPORT

CITY OF GRADY, ARKANSAS
WATER AND SEWER SYSTEMS
STATEMENT OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
YEAR ENDED DECEMBER 31, 2023

CASH RECEIPTS		
WATER SYSTEM COLLECTIONS	74,038	
SEWER SYSTEM COLLECTIONS	34,985	
TOTAL CASH RECEIPTS	$	109,023
CASH DISBIRSEMENTS		
SALARIES & WAGES	47,938	
PAYROLL TAXES	3,517	
ONE CALL SERVICE	125	
GAS & OIL	944	
LICENSES	1,882	
MEETINGS	1,715	
MEMBERSHIP FEES	744	
REPAIRS & MAINTENANCE	17,351	
SALES TAX	7,164	
UTILITIES	22,095	
SUPPLIES	1,968	
INSURANCE	1,447	
TESTING	540	
INTEREST EXPENSE - USDA	2,248	
TOTAL CASH DISBURSMENTS	$	109,678
EXCESS OF CASH DISBURSEMENTS OVER CASH RECEIPTS	$	-655

SEE ACCOMPANYING INDEPENDENT ACCOUNTANT'S REPORT

CITY OF GRADY, ARKANSAS
WATER AND SEWER SYSTEMS
STATEMENT OF ASSETS AND LIABILITIES - CASH BASIS
AS OF DECEMBER 31, 2022

ASSETS

CURRENT ASSETS		
CASH IN BANK		
WATER SYSTEM CHECKING	13,329	
SEWER SYSTEM CHECKING	1,497	
TOTAL CURRENT ASSETS		14,826
RESTRICTED ASSETS		
SEWER DEPRECIATION FUND CHECKING	2,738	
SEWER REVENUE BOND FUND CHECKING	6,379	
WATER DEPOSIT REFUND ACCOUNT CHECKING	16,053	
TOTAL RESTRICTED ASSETS		25,170
FIXED ASSETS		
LAND - SEWER SYSTEM	16,178	
UTILITY PLANTS - SEWER SYSTEM	1,201,011	
EQUIPMENT - SEWER SYSTEM	56,027	
	1,273,216	
LESS: ACCUMULATED DEPRECIATION	-1,273,216	
TOTAL FIXED ASSETS		0
TOTAL ASSETS	$	39,996

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
CURRENT PORTION OF LONG TERM DEBT	3,883	
TOTAL CURRENT LIABILITIES		3,883
LONG TERM DEBT		
NOTE PAYABLE - USDA	42,855	
TOTAL LONG TERM DEBT		42,855
NET ASSETS		
RESTRICTED	25,170	
UNRESTRICTED	-31,912	
TOTAL NET ASSETS		-6,742
TOTAL LIABILITIES AND NET ASSETS	$	39,996

SEE ACCOMPANYING INDEPENDENT ACCOUNTANT'S REPORT

CITY OF GRADY, ARKANSAS
WATER AND SEWER SYSTEMS
STATEMENT OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
YEAR ENDED DECEMBER 31, 2022

CASH RECEIPTS		
WATER SYSTEM COLLECTIONS	65,119	
SEWER SYSTEM COLLECTIONS	36,674	
TOTAL CASH RECEIPTS	$	101,793
CASH DISBIRSEMENTS		
SALARIES & WAGES	45,127	
PAYROLL TAXES	3,355	
ONE CALL SERVICE	137	
GAS & OIL	3,409	
LICENSES	1,585	
MEETINGS	2,246	
MEMBERSHIP FEES	500	
REPAIRS & MAINTENANCE	13,907	
SALES TAX	6,839	
SOFTWARE SUPPORT	581	
SUPPLIES	20,252	
WORKMAN'S COMP	365	
TESTING	495	
INTEREST	2,438	
TOTAL CASH DISBURSMENTS	$	101,236
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	$	557

SEE ACCOMPANYING INDEPENDENT ACCOUNTANT'S REPORT