

**TOWN OF KEISER WATER AND SEWER
DEPARTMENT
Keiser, Arkansas
December 31, 2024**

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

**S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT**

**TOWN OF KEISER
WATER AND SEWER DEPARTMENT
KEISER, ARKANSAS
DECEMBER 31, 2024**

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S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

To the Mayor, Town Council and Management
of the Town of Keiser, Arkansas Water and Sewer Department
Keiser, Arkansas

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

I have performed the procedures enumerated below, which were agreed to by the Mayor, Town Council and management on the procedures specified by the Arkansas Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Town of Keiser, Arkansas, Water and Sewer Department (the Department), for the year ended December 31, 2024. The Department's management is responsible for the Department's accounting records. The sufficiency of these procedures is solely the responsibility of the Arkansas Legislative Joint Auditing Committee. 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.

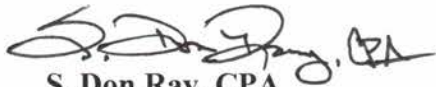
7. General

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. 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, Arkansas Department of Agriculture Natural Resources Division and the Department and is not intended to be and should not be used by anyone other than those specified parties.



S. Don Ray, CPA
Jonesboro, Arkansas
May 23, 2025

S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Mayor, Town Council and Management
of the Town of Keiser, Arkansas Water and Sewer Department
Keiser, Arkansas**

Management is responsible for the accompanying financial statements of the Town of Keiser Water and Sewer Department (the Department) 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 Department'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
May 23, 2025

TOWN OF KEISER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS		
Cash	\$	109,984
RESTRICTED ASSETS		
Cash		409,571
CAPITAL ASSETS		
Capital assets, net of accumulated depreciation		1,313,343
TOTAL ASSETS	\$	<u>1,832,898</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Customer deposits	\$	26,381
Current maturities of long-term debt		23,110
TOTAL CURRENT LIABILITIES		<u>49,491</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities		1,142,398
TOTAL LIABILITIES		<u>1,191,889</u>
NET POSITION		
Net investment in capital assets		147,835
Restricted		383,190
Unrestricted		109,984
TOTAL NET POSITION		<u>641,009</u>
TOTAL LIABILITIES AND NET POSITION	\$	<u>1,832,898</u>

TOWN OF KEISER WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2024

CASH IN BANK, JANUARY 1

Operation and Maintenance Account	\$ 30,141
Revenue Account	11,344
One-Cent Water Tax Account	136,392
One-Cent Sewer Tax Account	123,260
Debt Reserve Account	60,136
Square Account	-
Water Tank Grant Account	67,426
Lift Station Grant	66,432
Sewer Project Account	405
Meter Deposit Account	24,047
TOTAL CASH IN BANK, JANUARY 1	\$ 519,583

ADD: CASH RECEIPTS

Service Fees	\$ 150,710
Interest	2,356
Sales Tax	66,934
Proceeds from Insurance Settlement	45,020
Proceeds from Grants	368,200
Proceeds from Loan	156,758
Contribution from Town Government	61,000
Miscellaneous	542
Refunds	799
Transfers In Between Funds	148,244
Meter Deposits	6,104
TOTAL CASH RECEIPTS	\$ 1,006,667

LESS: CASH DISBURSEMENTS

Contract Labor	\$ 4,800
Postal Fees	1,779
Supplies	4,551
Electric	18,650
Transfers Out Between Funds	148,244
Laboratory Analysis	1,210
Chemicals	2,652
Water License	53
Permit Fees	3,815
Debt Service - Principle	22,357
- Interest	33,021
Professional Fees	3,463
Sales Tax	7,631
Repairs and Maintenance	301,596
Miscellaneous	1,488
Contribution to Town Government	63,473
Capital Outlay	384,107
Meter Deposit Refunds	3,805
TOTAL CASH DISBURSEMENTS	\$ 1,006,695

CASH IN BANK, DECEMBER 31

Operation and Maintenance Account	\$ 99,547
Revenue Account	9,435
One-Cent Water Tax Account	169,401
One-Cent Sewer Tax Account	151,665
Debt Reserve Account	61,945
Square Account	1,002
Water Tank Grant Account	-
Lift Station Grant	-
Sewer Project Account	179
Meter Deposit Account	26,381
TOTAL CASH IN BANK, DECEMBER 31	\$ 519,555

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

SUPPLEMENTARY
INFORMATION

TOWN OF KEISER, ARKANSAS
SCHEDULE OF WATER AND SEWER RATES
SUPPLEMENTARY INFORMATION
December 31, 2024

As of December 31, 2024, the Keiser Water and Sewer Department had 332 service connections.

WATER RATES		
Rural Water Base Rate With Sewer		
First 1,000 gallons	\$ 22.50	(minimum)
Over 1,000 gallons	\$ 1.81	(per 1,000 gallons)
Rural Water Base Rate Without Sewer		
First 1,000 gallons	\$ 32.50	(minimum)
Over 1,000 gallons	\$ 1.81	(per 1,000 gallons)
Residential Water Base Rate		
First 1,000 gallons	\$ 13.13	(minimum)
Over 1,000 gallons	\$ 1.70	(per 1,000 gallons)
Commercial Water Base Rate With Sewer		
First 1,000 gallons	\$ 22.50	(minimum)
Over 1,000 gallons	\$ 1.81	(per 1,000 gallons)
Commercial Water Base Rate Without Sewer		
First 1,000 gallons	\$ 32.50	(minimum)
Over 1,000 gallons	\$ 1.81	(per 1,000 gallons)
Keiser Apartments LTD (Bunn) Base Water Rate		
First 1,000 gallons	\$ 210.00	(minimum)
Over 1,000 gallons	\$ 1.81	(per 1,000 gallons)

SEWER RATES		
Residential Sewer Base Rate		
First 1,000 gallons	\$ 16.57	(minimum)
Over 1,000 gallons	\$ 0.90	(per 1,000 gallons)
Commercial Sewer Base Rate With Sewer		
First 1,000 gallons	\$ 21.25	(minimum)
Over 1,000 gallons	\$ 1.10	(per 1,000 gallons)
Rural Sewer Base Rate With Sewer		
First 1,000 gallons	\$ 21.25	(minimum)
Over 1,000 gallons	\$ 1.10	(per 1,000 gallons)
Keiser Apartments LTD (Bunn) Base Sewer Rate		
First 1,000 gallons	\$ 275.00	(minimum)
Over 1,000 gallons	\$ 1.10	(per 1,000 gallons)

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

TOWN OF KEISER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS - SEPARATED BY FUND
DECEMBER 31, 2024

	OPERATIONS & MAINTENANCE FUND	REVENUE FUND	ONE-CENT WATER FUND	ONE-CENT SEWER FUND	DEBT RESERVE FUND	SQUARE FUND	WATER TANK GRANT FUND	LIFT STATION FUND	SEWER PROJECT FUND	METER DEPOSIT FUND	TOTAL ALL FUNDS COMBINED
ASSETS											
CURRENT ASSETS											
Cash	\$ 99,547	\$ 9,435	-	-	-	\$ 1,002	-	-	-	-	\$ 109,984
RESTRICTED ASSETS											
Cash	-	-	\$ 169,401	\$ 151,665	\$ 61,945	-	-	-	\$ 179	\$ 26,381	409,571
CAPITAL ASSETS											
Capital assets, net of accumulated depreciation	-	1,313,343	-	-	-	-	-	-	-	-	1,313,343
TOTAL ASSETS	\$ 99,547	\$ 1,322,778	\$ 169,401	\$ 151,665	\$ 61,945	\$ 1,002	\$ -	\$ -	\$ 179	\$ 26,381	\$ 1,832,898
LIABILITIES											
CURRENT LIABILITIES											
Customer deposits	-	-	-	-	-	-	-	-	-	\$ 26,381	\$ 26,381
Current maturities of long-term debt	-	\$ 23,110	-	-	-	-	-	-	-	-	23,110
TOTAL CURRENT LIABILITIES	\$ -	\$ 23,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,381	\$ 49,491
LONG-TERM LIABILITIES											
Long-term debt - net of current maturities	-	\$ 1,142,398	-	-	-	-	-	-	-	-	\$ 1,142,398
TOTAL LONG-TERM LIABILITIES	\$ -	\$ 1,142,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,142,398
TOTAL LIABILITIES	\$ -	\$ 1,165,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,381	\$ 1,191,889
NET POSITION											
Net investment in capital assets	-	\$ 147,835	-	-	-	-	-	-	-	-	\$ 147,835
Restricted	-	-	\$ 169,401	\$ 151,665	\$ 61,945	-	-	-	\$ 179	-	383,190
Unrestricted	\$ 99,547	9,435	-	-	-	\$ 1,002	-	-	-	-	109,984
TOTAL NET POSITION	\$ 99,547	\$ 157,270	\$ 169,401	\$ 151,665	\$ 61,945	\$ 1,002	\$ -	\$ -	\$ 179	\$ -	\$ 641,009
TOTAL LIABILITIES AND NET POSITION	\$ 99,547	\$ 1,322,778	\$ 169,401	\$ 151,665	\$ 61,945	\$ 1,002	\$ -	\$ -	\$ 179	\$ 26,381	\$ 1,832,898

TOWN OF KEISER WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - SEPARATED BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	OPERATIONS & MAINTENANCE FUND	REVENUE FUND	ONE-CENT WATER FUND	ONE-CENT SEWER FUND	DEBT RESERVE FUND	SQUARE FUND	WATER TANK GRANT FUND	LIFT STATION FUND	SEWER PROJECT FUND	METER DEPOSIT FUND	TOTAL ALL FUNDS COMBINED
TOTAL CASH IN BANK, JANUARY 1	\$ 30,141	\$ 11,344	\$ 136,392	\$ 123,240	\$ 60,136	\$ -	\$ 67,426	\$ 66,432	\$ 405	\$ 24,047	\$ 519,583
CASH RECEIPTS											
Service Fees		\$ 48,469				\$ 3,650					\$ 150,710
Interest			\$ 209	\$ 201	\$ 1,809		\$ 75	\$ 27		\$ 35	2,356
Sales Tax			\$ 33,467	\$ 33,467							66,934
Proceeds from Insurance Settlement	\$ 45,020										45,020
Proceeds from Grants							\$ 184,050	\$ 184,150			368,200
Proceeds from Loan									\$ 156,758		156,758
Contribution from Town Government								\$ 45,000	\$ 16,000		61,000
Miscellaneous	\$ 542										542
Refunds			\$ 231	\$ 222			\$ 89	\$ 91	\$ 166		799
Transfers in Between Funds		\$ 5,000	\$ 59,995	\$ 249			\$ 83,000				148,244
Meter Deposits											6,104
TOTAL CASH RECEIPTS	\$ 144,153	\$ 53,469	\$ 93,902	\$ 34,139	\$ 1,809	\$ 3,650	\$ 267,214	\$ 229,268	\$ 172,924	\$ 6,139	\$ 1,006,667

	OPERATIONS & MAINTENANCE FUND	REVENUE FUND	ONE-CENT WATER FUND	ONE-CENT SEWER FUND	DEBT RESERVE FUND	SQUARE FUND	WATER TANK GRANT FUND	LIFT STATION FUND	SEWER PROJECT FUND	METER DEPOSIT FUND	TOTAL ALL FUNDS COMBINED
TOTAL CASH IN BANK, DECEMBER 31	\$ 74,747	\$ 55,378	\$ 60,893	\$ 5,734	\$ -	\$ 2,648	\$ 334,640	\$ 295,700	\$ 173,150	\$ 3,805	\$ 1,006,695
TOTAL CASH DISBURSEMENTS	\$ 99,547	\$ 9,435	\$ 169,401	\$ 151,665	\$ 61,945	\$ 1,002	\$ -	\$ -	\$ 179	\$ 26,381	\$ 519,555
CASH DISBURSEMENTS											
Contract Labor	\$ 4,800										\$ 4,800
Postal Fees	1,779										1,779
Supplies	4,551										4,551
Electric	18,650										18,650
Transfers Out Between Funds	5,000		\$ 60,000				\$ 59,995	\$ 23,249			148,244
Laboratory Analysis	1,210										1,210
Chemicals	2,652										2,652
Water License	53										53
Permit Fees	3,815										3,815
Debt Service - Principle		\$ 22,357									22,357
- Interest		\$ 33,021									33,021
Professional Fees	3,463										3,463
Sales Tax	7,631										7,631
Repairs and Maintenance	21,064		\$ 660	\$ 5,322			\$ 274,550				301,596
Miscellaneous	79		\$ 233	\$ 412		\$ 175	\$ 95	\$ 102	\$ 392		1,488
Contribution to Town Government								\$ 45,000	\$ 16,000		63,473
Capital Outlay								\$ 227,349	\$ 156,758		384,107
Meter Deposit Refunds										\$ 3,805	3,805

TOWN OF KEISER, ARKANSAS
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 (91-06)	\$ 2,239	3.75%	\$ 550,000	\$ 10,463	\$ 431,758	\$ 442,221
USDA (91-07)	2,339	2.75%	670,000	12,647	553,882	566,529
ANRC (02330-CWL)	-	1.00%	156,758	-	156,758	156,758
TOTAL COMMITMENTS	\$ 4,578		\$ 1,376,758	\$ 23,110	\$ 1,142,398	\$ 1,165,508

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT