

KINGSLAND WATER & SEWER DEPARTMENT
FINANCIAL STATEMENTS
DECEMBER 31, 2024

TABLE OF CONTENTS

	Page
INDEPENDENT ACCOUNTANT'S REPORT	
Applying Agreed Upon Procedures	1
Compilation Report	4
FINANCIAL STATEMENTS	
Statement of Net Position	5
Statement of Revenues, Expenses and Changes in Net Position	6
Statement of Cash Flows	7

SEARCY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.
CHARLES SEARCY, C.P.A.
TINA MARTIN, C.P.A.

POST OFFICE BOX 418
MONTICELLO, ARKANSAS 71657
(870) 367-3580 or (870) 367-3467
FAX (870) 367-2154
searcyco@searcy-cpa.com

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

To the Board of Directors of
Kingsland Water & Sewer Department

We have performed the procedures enumerated below for the Kingsland Water & Sewer Department, ("the Organization"), the year ended December 31, 2024. The Organization's management is responsible for accounting records.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying annual reporting requirements of the Arkansas Division of Legislative Audit. Additionally, the Arkansas Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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 associated findings are as follows:

Cash and Investments

1. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
2. Confirm with depository institutions the cash on deposit and investments.
3. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

Finding: No findings identified.

Receipts

1. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.
2. Agree 10 customer payments on the accounts receivable sub-ledger to deposit and billing documents.
3. For one deposit, agree the cash/check composition of the deposit with receipt information.

Findings: No findings identified.

Accounts Receivable

1. Agree 10 customer billings to the accounts receivable sub-ledger.
2. Determine that five (5) customer adjustments were properly authorized.

Findings: *No findings identified.*

Disbursements

1. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$ 500, whichever is greater.
2. Analyze all property, plant, and equipment disbursements.
3. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

Findings: *No findings identified.*

Property, Plant, and Equipment

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

Findings: *No findings identified.*

Long-Term Debt

2. Schedule long-term debt and verify changes in all balances for the year.
3. Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.
4. Determine that the appropriate debt service accounts have been established and maintained.

Findings: *No findings identified.*

General

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

Findings: *No findings identified.*

We were engaged by the Organization 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 accounting 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 Organization 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 Organization, Arkansas Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than those specified parties.

Searcy & Associates LLC

Monticello, Arkansas
April 15, 2025

SEARCY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.
CHARLES SEARCY, C.P.A.
TINA MARTIN, C.P.A.

POST OFFICE BOX 418
MONTICELLO, ARKANSAS 71657
(870) 367-3580 or (870) 367-3467
FAX (870) 367-2154
searcyco@searcy-cpa.com

To the Board of Directors of
Kingsland Water & Sewer Department

Management is responsible for the accompanying financial statements of the Kingsland Water & Sewer Department, ("the Organization"), a component unit of the City of Kingsland, Arkansas, which comprised the statement of net position as of December 31, 2024 and the related statement of revenue, expenses, and changes in net position, and cash flows as of and for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents, 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, no provide any assurance on these financial statements.

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

Management has omitted the Management's Discussion and Analysis and Budget to Actual Comparison required by accounting principles generally accepted in the United States of America to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context.



Searcy & Associates, LLC
Monticello, Arkansas
April 15, 2025

KINGSLAND WATER & SEWER DEPARTMENT
STATEMENT OF FINANCIAL POSITION
December 31, 2024

	2024
<u>Assets</u>	
<u>Current assets</u>	
Cash	\$ 131,144
Certificates of deposit	18,472
Accounts receivable (net of allowance for doubtful accounts)	34,353
Total current assets	183,969
<u>Restricted funds</u>	
Reserve accounts	20,675
Meter deposits	29,230
Construction account	1,032
Short lived asset reserve	12,847
Debt service reserve	5,752
Total restricted funds	69,536
<u>Property, Plant and Equipment</u>	
Property, plant and equipment	2,214,472
Less: Accumulated depreciation	(1,008,966)
Total property, plant and equipment	1,205,506
Total assets	\$ 1,459,011
<u>Liabilities and Net Position</u>	
<u>Current liabilities</u>	
Accounts payable	\$ 4,566
Accrued expenses	619
Meter deposit payable	14,458
Current portion of bonds payable	17,753
Total current liabilities	37,396
<u>Long term liabilities</u>	
Notes payable, net of current position	407,474
Total liabilities	444,870
<u>Net position</u>	
Invested in capital assets, net of related debt	780,279
Restricted	69,536
Unrestricted	164,326
Total net position	1,014,141
Total liabilities and net position	\$ 1,459,011

See Independent Accountant's Compilation Report.

KINGSLAND WATER & SEWER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2024

	2024
<u>Operating revenues</u>	
Revenue	\$ 237,598
Grant revenue	239,581
Net operating revenues	477,179
 <u>Operating expenses</u>	
Salaries	43,875
Depreciation	42,220
Utilities	8,889
Contract labor	22,725
Auto expense	3,677
Repairs and maintenance	1,589
Dues and subscriptions	3,921
Operating supplies	10,542
Insurance	100
Office supplies	1,731
Legal and accounting	5,000
Miscellaneous	0
Telephone	1,276
Total operating expenses	145,545
 Net operating income / (loss)	 331,634
 <u>Other revenue / (expenses)</u>	
Interest income	358
Miscellaneous income	2,541
Transfer from/(to) City	1,000
Gain / (loss) on disposal of fixed assets	0
Intererst expense	(8,080)
Total other revenue / (expenses)	(4,181)
 <u>Net increase/(decrease) in net position</u>	 <u>\$ 327,453</u>
 Beginning net position	 686,688
Ending net position	\$ 1,014,141

See Independent Accountant's Compilation Report.

KINGSLAND WATER & SEWER DEPARTMENT
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024
<u>Cash flows from operating activities</u>	
Increase / (decrease) in net assets	\$ 327,453
Adjustments to reconcile change in net position to net cash from operating activities	
Depreciation	42,220
Changes in assets and liabilities:	
Accounts receivable	(12,874)
Accounts payable	(3)
Meter deposits	1,520
Accrued expenses	-
Total adjustments	30,863
Net cash provided (used) by operating activities	358,316
<u>Cash flow from investing activities</u>	
Purchases of capital assets	(241,256)
Net cash provided (used) by investing activities	(241,256)
<u>Cash flows from financing activities</u>	
Principal paid on long term debt	(17,180)
Net cash provided (used) by financing activities	(17,180)
<u>Increase (decrease) in cash and cash equivalents</u>	99,880
<u>Cash and cash equivalents, beginning of year</u>	119,272
<u>Cash and cash equivalents, end of year</u>	\$ 219,152
<u>Supplementary Disclosures</u>	
Interest expense	\$ 8,080
Sales tax expense	\$ 13,761

See Independent Accountant's Compilation Report.