

**CITY OF LEACHVILLE WATER AND SEWER
DEPARTMENT
Leachville, Arkansas**

December 31, 2022

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

S. DON RAY

CERTIFIED PUBLIC ACCOUNTANT

**CITY OF LEACHVILLE
WATER AND SEWER DEPARTMENT
LEACHVILLE, ARKANSAS
DECEMBER 31, 2022**

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S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

**To the Mayor, City Council and Management
of the City of Leachville, Arkansas Water and Sewer Department
Leachville, Arkansas**

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

I have performed the procedures enumerated below, which were agreed to by the Mayor, City 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 City of Leachville, Arkansas, Water and Sewer Department (the Department), for the year ended December 31, 2022. 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 Natural Resources Department 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
October 25, 2024

S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Mayor, City Council and Management
of the City of Leachville, Arkansas Water and Sewer Department
Leachville, Arkansas**

Management is responsible for the accompanying financial statements of the City of Leachville 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, 2022 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
October 25, 2024**

CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS	
Cash	\$ 96,300
RESTRICTED ASSETS	
Cash	185,276
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	3,080,270
TOTAL ASSETS	<u>\$ 3,361,846</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Customer deposits	\$ 20,166
Current maturities of long-term debt	105,006
TOTAL CURRENT LIABILITIES	<u>125,172</u>
LONG-TERM LIABILITIES	
Long-term debt, net of current maturities	1,810,090
TOTAL LIABILITIES	<u>1,935,262</u>
NET POSITION	
Net investment in capital assets	1,165,174
Restricted	165,110
Unrestricted	96,300
TOTAL NET POSITION	<u>1,426,584</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,361,846</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2022

CASH IN BANK, JANUARY 1

Operations and Maintenance Fund	\$ 19,641
Water Construction Fund	40
Tower Reserve Fund	51,418
Revenue Fund	74,494
Meter Deposit Fund	15,812
Reserve Savings Fund	2,920
Reserve Checking Fund	50,059
Depreciation Fund	21,475
TOTAL CASH IN BANK, JANUARY 1	\$ 235,859

ADD: CASH RECEIPTS

Service Fees and Taxes	\$ 744,476
Interest	352
Transfers Between Funds (In)	450,400
Proceeds from Loan	46,820
Meter Deposits	9,700
TOTAL CASH RECEIPTS	\$ 1,251,748

LESS: CASH DISBURSEMENTS

Salaries	\$ 130,333
Payroll Taxes	9,955
Health Insurance	24,719
Unemployment Tax	168
Utilities	34,784
Supplies	20,296
Office equipment and supplies	5,386
Postage	3,134
Federal Water Act	3,384
Property and Vehicle Insurance	1,265
USDA Debt Service - Principle	27,019
- Interest	26,441
ARNC Debt Service - Principle	55,619
- Interest	20,577
US Bank Debt Service - Principle	14,582
- Interest	1,002
Contribution to City Government	7,375
Supplies - Pipes	24,169
Transfers Between Funds (Out)	450,400
Transfer to ADFA for Debt Service	5,503
Sales Tax	29,799
Sanitation Fees	135,501
Building Maintenance	14,286
Chemicals	19,197
Equipment Maintenance	53,073
Capital Outlay	52,619
Fuel	6,457
Lab Testing	6,155
License	3,895
Uniforms	1,446
Vehicle Repairs	8,323
Legal and Accounting	2,124
Miscellaneous	1,699
Meter Deposit Refunds	5,346
TOTAL CASH DISBURSEMENTS	\$ 1,206,031

CASH IN BANK, DECEMBER 31

Operations and Maintenance Fund	\$ 10,139
Water Construction Fund	-
Tower Reserve Fund	48,419
Revenue Fund	86,161
Meter Deposit Fund	20,166
Reserve Savings Fund	2,928
Reserve Checking Fund	80,244
Depreciation Fund	33,519
TOTAL CASH IN BANK, DECEMBER 31	\$ 281,576

SUPPLEMENTARY
INFORMATION

CITY OF LEACHVILLE, ARKANSAS
SCHEDULE OF WATER AND SEWER RATES
SUPPLEMENTARY INFORMATION
December 31, 2022

As of December 31, 2022, The Leachville Water and Sewer Department had 750 service connections.

WATER RATES			
First 1,000 gallons	\$	12.85	(minimum)
Over 1,000 gallons	\$	2.35	(per 1,000 gallon)

SEWER RATES			
First 1,000 gallons	\$	15.25	(minimum)
Over 1,000 gallons	\$	2.75	(per 1,000 gallon)

CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS - SEPARATED BY FUND
DECEMBER 31, 2022

	OPERATIONS & MAINTENANCE FUND	TOWER RESERVE FUND	REVENUE FUND	METER DEPOSIT FUND	RESERVE SAVINGS FUND	RESERVE CHECKING FUND	DEPRECIATION FUND	TOTAL ALL FUNDS COMBINED
ASSETS								
CURRENT ASSETS								
Cash	\$ 10,139	-	\$ 86,161	-	-	-	-	\$ 96,300
RESTRICTED ASSETS								
Cash	-	\$ 48,419	-	\$ 20,166	\$ 2,928	\$ 80,244	\$ 33,519	185,276
CAPITAL ASSETS								
Capital assets, net of accumulated depreciation	3,080,270	-	-	-	-	-	-	3,080,270
TOTAL ASSETS	\$ 3,090,409	\$ 48,419	\$ 86,161	\$ 20,166	\$ 2,928	\$ 80,244	\$ 33,519	\$ 3,361,846
LIABILITIES								
CURRENT LIABILITIES								
Customer deposits	-	-	-	\$ 20,166	-	-	-	\$ 20,166
Current maturities of long-term debt - USDA	27,107	-	-	-	-	-	-	27,107
Current maturities of long-term debt - ANRD	58,027	-	-	-	-	-	-	58,027
Current maturities of long-term debt - US BANK	19,872	-	-	-	-	-	-	19,872
TOTAL CURRENT LIABILITIES	\$ 105,006	\$ -	\$ -	\$ 20,166	\$ -	\$ -	\$ -	\$ 125,172
LONG-TERM LIABILITIES								
Long-term debt - USDA	\$ 1,390,732	-	-	-	-	-	-	\$ 1,390,732
Long-term debt - ANRD	393,045	-	-	-	-	-	-	393,045
Long-term debt - US BANK	26,313	-	-	-	-	-	-	26,313
TOTAL LONG-TERM LIABILITIES	\$ 1,810,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,810,090
TOTAL LIABILITIES	\$ 1,915,096	\$ -	\$ -	\$ 20,166	\$ -	\$ -	\$ -	\$ 1,935,262
NET POSITION								
Net investment in capital assets	\$ 1,165,174	-	-	-	-	-	-	\$ 1,165,174
Restricted	-	\$ 48,419	-	-	\$ 2,928	\$ 80,244	\$ 33,519	165,110
Unrestricted	10,139	-	\$ 86,161	-	-	-	-	96,300
TOTAL NET POSITION	\$ 1,175,313	\$ 48,419	\$ 86,161	\$ -	\$ 2,928	\$ 80,244	\$ 33,519	\$ 1,426,584
TOTAL LIABILITIES AND NET POSITION	\$ 3,090,409	\$ 48,419	\$ 86,161	\$ 20,166	\$ 2,928	\$ 80,244	\$ 33,519	\$ 3,361,846

CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - SEPARATED BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERATIONS & MAINTENANCE FUND	WASTEWATER CONSTRUCTION FUND	TOWER RESERVE FUND	REVENUE FUND	METER DEPOSIT FUND	RESERVE SAVINGS FUND	RESERVE CHECKING FUND	DEPRECIATION FUND	TOTAL ALL FUNDS COMBINED
TOTAL CASH IN BANK, JANUARY 1	\$ 19,641	\$ 40	\$ 51,418	\$ 74,494	\$ 15,812	\$ 2,920	\$ 50,059	\$ 21,475	\$ 235,859
CASH RECEIPTS									
Service Fees and Taxes	6,302	-	-	738,174	-	-	-	-	744,476
Interest	17	-	98	-	-	7	185	45	352
Proceeds from Loan	-	46,820.00	-	-	-	-	-	-	46,820
Transfer Between Funds (In)	400,000	-	8,400	-	-	-	30,000	12,000	450,400
Meter Deposits	-	-	-	-	9,700	-	-	-	9,700
TOTAL CASH RECEIPTS	\$ 406,319	\$ 46,820	\$ 8,498	\$ 738,174	\$ 9,700	\$ 7	\$ 30,185	\$ 12,045	\$ 1,251,748
CASH DISBURSEMENTS									
Salaries	130,333	-	-	-	-	-	-	-	130,333
Payroll Taxes	9,955	-	-	-	-	-	-	-	9,955
Health Insurance	24,719	-	-	-	-	-	-	-	24,719
Unemployment Tax	168	-	-	-	-	-	-	-	168
Utilities	34,784	-	-	-	-	-	-	-	34,784
Supplies	20,296	-	-	-	-	-	-	-	20,296
Office equipment and supplies	5,386	-	-	-	-	-	-	-	5,386
Postage	3,134	-	-	-	-	-	-	-	3,134
Federal Water Act	3,384	-	-	-	-	-	-	-	3,384
Property and Vehicle Insurance	1,265	-	-	-	-	-	-	-	1,265
USDA Debt Service - Principle	-	-	-	27,019	-	-	-	-	27,019
- Interest	-	-	-	26,441	-	-	-	-	26,441
ARNC Debt Service - Principle	-	-	-	55,619	-	-	-	-	55,619
- Interest	-	-	-	20,577	-	-	-	-	20,577
US Bank Debt Service - Principle	14,582	-	-	-	-	-	-	-	14,582
- Interest	1,002	-	-	-	-	-	-	-	1,002
Contribution to City Government	-	40.00	-	7,335	-	-	-	-	7,375
Supplies - Pipes	24,169	-	-	-	-	-	-	-	24,169
Transfer Between Funds (Out)	-	-	-	450,400	-	-	-	-	450,400
Transfer to ADFA for Debt Service	-	-	-	5,503	-	-	-	-	5,503
Sales Tax	29,799	-	-	-	-	-	-	-	29,799
Sanitation Fees	2,288	-	-	-	-	-	-	-	2,288
Building Maintenance	2,790	-	11,496	-	-	-	-	-	14,286
Chemicals	19,197	-	-	133,213	-	-	-	-	152,410
Equipment Maintenance	53,073	-	-	-	-	-	-	-	53,073
Capital Outlay	5,799	46,820	-	-	-	-	-	-	52,619
Fuel	6,457	-	-	-	-	-	-	-	6,457
Lab Testing	6,155	-	-	-	-	-	-	-	6,155
License	3,895	-	-	-	-	-	-	-	3,895
Uniforms	1,446	-	-	-	-	-	-	-	1,446
Vehicle Repairs	8,323	-	-	-	-	-	-	-	8,323
Legal and Accounting	2,124	-	-	-	-	-	-	-	2,124
Miscellaneous	1,298	-	-	401	-	-	-	-	1,699
Meter Deposit Refunds	-	-	-	-	5,346	-	-	-	5,346
TOTAL CASH DISBURSEMENTS	\$ 415,821	\$ 46,860	\$ 11,496	\$ 726,508	\$ 5,346	\$ -	\$ -	\$ -	\$ 1,206,031
TOTAL CASH IN BANK, DECEMBER 31	\$ 10,139	\$ -	\$ 48,420	\$ 86,160	\$ 20,166	\$ 2,927	\$ 80,244	\$ 33,520	\$ 281,576

CITY OF LEACHVILLE, ARKANSAS
SCHEDULE OF COMMITMENTS
SUPPLEMENTARY INFORMATION
December 31, 2022

ISSUER	ANNUAL PAYMENT	RATE OF INTEREST	AMOUNT AUTHORIZED AND ISSUED	CURRENT PORTION OF DEBT OUTSTANDING	LONG-TERM PORTION OF DEBT OUTSTANDING	TOTAL DEBT OUTSTANDING
ANRD	\$ 35,738	5 - 5.85%	\$ 502,579	\$ 30,459	\$ 82,643	\$ 113,102
ANRD	45,990	2.50%	654,789	27,568	310,402	337,970
USDA	53,460	1.88%	1,500,000	27,107	1,390,732	1,417,839
US BANK	20,779	2.496%	60,766	19,872	26,313	46,185
TOTAL COMMITMENTS	<u>\$ 155,967</u>		<u>\$ 2,718,134</u>	<u>\$ 105,006</u>	<u>\$ 1,810,090</u>	<u>\$ 1,915,096</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT