

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

December 31, 2023

**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, 2023**

Table of Contents

	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	3
Independent Accountant's Compilation Report	6
Financial Statements – (Unaudited)	
Statement of Assets, Liabilities, and Net Position – Modified Cash Basis	7
Statement of Cash Receipts and Cash Disbursements	8
Supplementary Information – (Unaudited)	
Schedule of Water and Sewer Rates	9
Statement of Assets, Liabilities, and Net Position – Modified Cash Basis- Separated by Fund	10
Statement of Cash Receipts and Cash Disbursements – Separated by Fund	11
Schedule of Commitments	12

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, 2023. 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, 2023 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, 2023

ASSETS

CURRENT ASSETS	
Cash	\$ 53,701
RESTRICTED ASSETS	
Cash	243,975
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	2,998,062
TOTAL ASSETS	<u>\$ 3,295,738</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Customer deposits	\$ 21,173
Current maturities of long-term debt	108,535
TOTAL CURRENT LIABILITIES	<u>129,708</u>
LONG-TERM LIABILITIES	
Long-term debt, net of current maturities	1,701,552
TOTAL LIABILITIES	<u>1,831,260</u>
NET POSITION	
Net investment in capital assets	1,187,975
Restricted	222,802
Unrestricted	53,701
TOTAL NET POSITION	<u>1,464,478</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,295,738</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, 2023

CASH IN BANK, JANUARY 1	
Operations and Maintenance Fund	\$ 10,139
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	33,520
TOTAL CASH IN BANK, JANUARY 1	<u>\$ 281,577</u>

ADD: CASH RECEIPTS	
Service Fees and Taxes	\$ 811,993
Interest	783
Transfers Between Funds (In)	480,400
Miscellaneous	6,087
Meter Deposits	7,647
TOTAL CASH RECEIPTS	<u>\$ 1,306,910</u>

LESS: CASH DISBURSEMENTS	
Salaries	\$ 99,906
Payroll Taxes	7,667
Health Insurance	24,032
Unemployment Tax	105
Utilities	58,692
Supplies	27,924
Office equipment and supplies	4,257
Postage	3,938
Federal Water Act	4,512
Property and Vehicle Insurance	1,175
USDA Debt Service - Principle	27,108
- Interest	26,352
ARNC Debt Service - Principle	58,027
- Interest	18,438
US Bank Debt Service - Principle	19,872
- Interest	908
Contribution to City Government	7,695
Supplies - Pipes	42,078
Transfers Between Funds (Out)	480,400
Transfer to ADFA for Debt Service	1,108
Sales Tax	39,456
Sanitation Fees	154,297
Building Maintenance	7,843
Chemicals	27,876
Equipment Maintenance	101,031
Capital Outlay	4,170
Fuel	4,309
Lab Testing	5,934
License	7,311
Uniforms	399
Vehicle Repairs	6,502
Legal and Accounting	5,315
Miscellaneous	5,534
Meter Deposit Refunds	6,640
TOTAL CASH DISBURSEMENTS	<u>\$ 1,290,811</u>

CASH IN BANK, DECEMBER 31	
Operations and Maintenance Fund	\$ 3,346
Tower Reserve Fund	63,578
Revenue Fund	50,355
Meter Deposit Fund	21,173
Reserve Savings Fund	2,935
Reserve Checking Fund	110,671
Depreciation Fund	45,618
TOTAL CASH IN BANK, DECEMBER 31	<u>\$ 297,676</u>

SUPPLEMENTARY
INFORMATION

**CITY OF LEACHVILLE, ARKANSAS
SCHEDULE OF WATER AND SEWER RATES
SUPPLEMENTARY INFORMATION
December 31, 2023**

As of December 31, 2023, The Leachville Water and Sewer Department had 765 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, 2023

	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	3,346	-	50,355	-	-	-	-	53,701
RESTRICTED ASSETS								
Cash	-	63,578	-	21,173	2,935	110,671	45,618	243,975
CAPITAL ASSETS								
Capital assets, net of accumulated depreciation	2,998,062	-	-	-	-	-	-	2,998,062
TOTAL ASSETS	\$ 3,001,408	\$ 63,578	\$ 50,355	\$ 21,173	\$ 2,935	\$ 110,671	\$ 45,618	\$ 3,295,738
LIABILITIES								
CURRENT LIABILITIES								
Customer deposits	-	-	-	21,173	-	-	-	21,173
Current maturities of long-term debt - USDA	27,620	-	-	-	-	-	-	27,620
Current maturities of long-term debt - ANRD	60,542	-	-	-	-	-	-	60,542
Current maturities of long-term debt - US BANK	20,373	-	-	-	-	-	-	20,373
TOTAL CURRENT LIABILITIES	\$ 108,535	\$ -	\$ -	\$ 21,173	\$ -	\$ -	\$ -	\$ 129,708
LONG-TERM LIABILITIES								
Long-term debt - USDA	1,363,111	-	-	-	-	-	-	1,363,111
Long-term debt - ANRD	332,502	-	-	-	-	-	-	332,502
Long-term debt - US BANK	5,939	-	-	-	-	-	-	5,939
TOTAL LONG-TERM LIABILITIES	\$ 1,701,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,701,552
TOTAL LIABILITIES	\$ 1,810,087	\$ -	\$ -	\$ 21,173	\$ -	\$ -	\$ -	\$ 1,831,260
NET POSITION								
Net investment in capital assets	1,187,975	-	-	-	-	-	-	1,187,975
Restricted	-	63,578	-	-	2,935	110,671	45,618	222,802
Unrestricted	3,346	-	50,355	-	-	-	-	53,701
TOTAL NET POSITION	\$ 1,191,321	\$ 63,578	\$ 50,355	\$ -	\$ 2,935	\$ 110,671	\$ 45,618	\$ 1,464,478
TOTAL LIABILITIES AND NET POSITION	\$ 3,001,408	\$ 63,578	\$ 50,355	\$ 21,173	\$ 2,935	\$ 110,671	\$ 45,618	\$ 3,295,738

CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - SEPARATED BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	OPERATIONS & MAINTENANCE 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	\$ 10,139	\$ 48,419	\$ 86,161	\$ 20,166	\$ 2,928	\$ 80,244	\$ 33,520	\$ 281,577
CASH RECEIPTS								
Service Fees and Taxes	\$ 10,948	\$ 6,527	\$ 794,518	-	-	-	-	\$ 811,993
Interest	17	234	-	-	7	427	98	783
Transfer Between Funds (In)	430,000	8,400	-	-	-	30,000	12,000	480,400
Miscellaneous	6,087	-	-	-	-	-	-	6,087
Meter Deposits	-	-	-	7,647	-	-	-	7,647
TOTAL CASH RECEIPTS	\$ 447,052	\$ 15,161	\$ 794,518	\$ 7,647	\$ 7	\$ 30,427	\$ 12,098	\$ 1,306,910
CASH DISBURSEMENTS								
Salaries	99,906	-	-	-	-	-	-	99,906
Payroll Taxes	7,667	-	-	-	-	-	-	7,667
Health Insurance	24,032	-	-	-	-	-	-	24,032
Unemployment Tax	105	-	-	-	-	-	-	105
Utilities	58,692	-	-	-	-	-	-	58,692
Supplies	27,924	-	-	-	-	-	-	27,924
Office equipment and supplies	4,257	-	-	-	-	-	-	4,257
Postage	3,938	-	-	-	-	-	-	3,938
Federal Water Act	4,512	-	-	-	-	-	-	4,512
Property and Vehicle Insurance	1,175	-	-	-	-	-	-	1,175
USDA Debt Service - Principle	-	-	27,108	-	-	-	-	27,108
- Interest	-	-	26,352	-	-	-	-	26,352
ARNC Debt Service - Principle	-	-	58,027	-	-	-	-	58,027
- Interest	-	-	18,438	-	-	-	-	18,438
US Bank Debt Service - Principle	19,872	-	-	-	-	-	-	19,872
- Interest	908	-	-	-	-	-	-	908
Contribution to City Government	42,078	-	7,695	-	-	-	-	49,773
Supplies - Pipes	-	-	-	-	-	-	-	-
Transfer Between Funds (Out)	-	-	480,400	-	-	-	-	480,400
Transfer to ADFA for Debt Service	-	-	1,108	-	-	-	-	1,108
Sales Tax	39,456	-	-	-	-	-	-	39,456
Sanitation Fees	2,282	-	152,015	-	-	-	-	154,297
Building Maintenance	7,843	-	-	-	-	-	-	7,843
Chemicals	27,876	-	-	-	-	-	-	27,876
Equipment Maintenance	41,995	-	59,036	-	-	-	-	101,031
Capital Outlay	4,170	-	-	-	-	-	-	4,170
Fuel	4,309	-	-	-	-	-	-	4,309
Lab Testing	5,934	-	-	-	-	-	-	5,934
License	7,311	-	-	-	-	-	-	7,311
Uniforms	399	-	-	-	-	-	-	399
Vehicle Repairs	6,502	-	-	-	-	-	-	6,502
Legal and Accounting	5,315	-	-	-	-	-	-	5,315
Miscellaneous	5,388	-	146	-	-	-	-	5,534
Meter Deposit Refunds	-	-	-	6,640	-	-	-	6,640
TOTAL CASH DISBURSEMENTS	\$ 453,846	\$ -	\$ 830,325	\$ 6,640	\$ -	\$ -	\$ -	\$ 1,290,811
TOTAL CASH IN BANK, DECEMBER 31	\$ 3,345	\$ 63,580	\$ 50,354	\$ 21,173	\$ 2,935	\$ 110,671	\$ 45,618	\$ 297,676

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
PAGE 11

CITY OF LEACHVILLE, ARKANSAS
SCHEDULE OF COMMITMENTS
SUPPLEMENTARY INFORMATION
December 31, 2023

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	\$ 32,001	\$ 50,642	\$ 82,643
ANRD	45,990	2.50%	654,789	28,541	281,860	310,401
USDA	53,460	1.88%	1,500,000	27,620	1,363,111	1,390,731
US BANK	20,779	2.496%	60,766	20,373	5,939	26,312
TOTAL COMMITMENTS	<u>\$ 155,967</u>		<u>\$ 2,718,134</u>	<u>\$ 108,535</u>	<u>\$ 1,701,552</u>	<u>\$ 1,810,087</u>