

**CITY OF ST FRANCIS WATER AND SEWER DEPARTMENT  
ST FRANCIS, ARKANSAS**

**For the Year Ended December 31, 2023**

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

**CITY OF ST FRANCIS  
WATER AND SEWER DEPARTMENT  
ST FRANCIS, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

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

**To the Mayor, City Council and Management  
of City of St Francis, Arkansas Water & Sewer Department**

We have performed the procedures enumerated below, which were agreed to by the members of the City Council on the procedures specified by Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 4-234-119 for the St Francis Water and Sewer Department (the Department), for the year ended December 31, 2023. The Department's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119-122. The sufficiency of these procedures is solely the responsibility of the members of the City Council. Consequently, we 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.

The procedures and findings are as follows:

1. Cash and Investments

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

**We 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 ten deposits, agree the cash/check composition of the deposits with the receipt information.

**We found no exceptions as a result of the above procedures.**

3. Accounts Receivable

- A. Agree ten customer billings to the accounts receivable subledger.
- B. Determine five customer adjustments were properly authorized.

**We found no exceptions as a result of the above procedure.**

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 properly documented.

**We found no exceptions as a result of the above procedures.**

5. Property, Plant & Equipment

- A. Determine that additions and disposals were properly accounted for in the records within 5% of total equipment or \$500, whichever is greater.

**We found no exception 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 appropriate debt service accounts have been established and maintained.

**We found no exceptions as a result of the above procedures.**

7. General

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

**We found no exceptions as a result of the above procedures.**

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were 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 Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. 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.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, USDA Rural Development and City of St Francis Water and Sewer Department and is not intended to be and should not be used by anyone other than those specified parties.

Smith & Davis, CPA's  
Kennett, MO 63857

May 17, 2024

**SMITH & DAVIS**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**To the Mayor, City Council and Management  
of City of St Francis, Arkansas Water & Sewer Department**

Management is responsible for the accompanying financial statements of the City of St Francis Water & Sewer Department's business-type activities, which comprise the statement of assets, liabilities, and net position as of December 31, 2023 and the related statement of revenues, expenses and changes in net position for the year then ended, 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, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and statement of cash flows 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 Company's financial position, results of operations, and cash flows. 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 financial statements. We did not audit or review the supplementary information nor were we required to perform any procedures to verify the accuracy or completeness of the supplementary information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this supplementary information.

Smith & Davis, CPA's  
Kennett, MO 63857

May 17, 2024

**CITY OF ST FRANCIS WATER AND  
SEWER DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION  
DECEMBER 31, 2023  
(UNAUDITED)**

**ASSETS**

Current assets:	
Cash, including time deposits	\$ 39,998
Accounts receivable, net	<u>1,222</u>
Total current assets	41,220
Noncurrent assets:	
Restricted assets:	
Cash, including time deposits	125,450
Capital assets (net)	<u>1,191,556</u>
Total assets	<u>\$ 1,358,226</u>

**LIABILITIES & NET POSITION**

Current liabilities:	
Accrued expenses	\$ 960
Bonds payable	<u>15,004</u>
Total current liabilities	<u>15,964</u>
Noncurrent liabilities:	
Customer deposits payable	7,465
Bonds payable	<u>273,219</u>
Total noncurrent liabilities	<u>280,684</u>
Total liabilities	<u>296,648</u>

**NET POSITION**

Net invested in capital assets	893,237
Restricted	125,450
Unrestricted	<u>42,891</u>
Total net position	<u>1,061,578</u>
Total Liabilities and Net Position	<u>\$ 1,358,226</u>

See Independent Accountant's Compilation Report

**CITY OF ST FRANCIS WATER AND  
SEWER DEPARTMENT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

**OPERATING REVENUES**

Charges for services	\$ 78,972
Miscellaneous	0
<b>TOTAL OPERATING REVENUES</b>	<u>78,972</u>

**OPERATING EXPENSES**

Wages	15,704
Taxes	6,907
Repairs & Maintenance	5,155
Sanitation	17,151
Office Supplies	993
Utilities	5,668
Software Lease	600
Testing Fees	1,396
Licenses and Fees	4,365
Accounting	12,000
Other	533
Depreciation	<u>47,468</u>

<b>TOTAL OPERATING EXPENSES</b>	<u>117,940</u>
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<b>NET OPERATING INCOME (LOSS)</b>	<u>(38,968)</u>
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**NONOPERATING INCOME AND EXPENSES**

Interest Income	1,851
Interest Expense	<u>(4,740)</u>

<b>TOTAL NONOPERATING INCOME AND (EXPENSES)</b>	<u>(2,889)</u>
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<b>Change in net position</b>	(41,857)
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<b>Total net position, beginning of year</b>	<u>1,103,435</u>
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<b>Total net position, end of year</b>	<u><u>\$ 1,061,578</u></u>
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See Independent Accountant's Compilation Report

**CITY OF ST FRANCIS WATER AND SEWER DEPARTMENT  
WATER AND SEWER RATES  
SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2023**

**WATER RATES**

First 1,000 gallons	18.00 (minimum)
Over 1,000 gallons	0.40 (per 100 gallons)

**SEWER RATES**

First 2,900 gallons	12.00 (minimum)
From 2,901 to 5,900 gallons	2.00 (per 1,000 gallons)
Over 5,901 gallons	1.00 (per 1,000 gallons)

See Independent Accountant's Compilation Report