

**TOWN OF BURDETTE WATER AND SEWER  
DEPARTMENT  
Burdette, Arkansas**

**December 31, 2021**

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

---

**S. DON RAY  
CERTIFIED PUBLIC ACCOUNTANT**

**TOWN OF BURDETTE  
WATER AND SEWER DEPARTMENT  
BURDETTE, ARKANSAS  
DECEMBER 31, 2021**

**Table of Contents**

	Page
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

**S. DON RAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

**To the Mayor, Town Council and Management  
of the Town of Burdette, Arkansas Water and Sewer Department  
Burdette, 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 Burdette, Arkansas, Water and Sewer Department (the "Department"), for the year ended December 31, 2021. 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**

- A. Determine that additions and disposals were properly accounted for in the records.

**Findings:** I found no exceptions as a result of the above procedures.

### **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**

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

**Findings:** I found no exceptions as a result of the above procedures.

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 Commission 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**  
**June 30, 2022**

**S. DON RAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

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

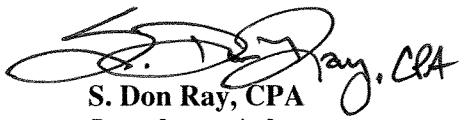
Management is responsible for the accompanying financial statements of the Town of Burdette Water and Sewer Department (the "Department") business-type activities, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2021 and the related statement 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**  
**June 30, 2022**

**TOWN OF BURDETTE WATER AND SEWER DEPARTMENT**  
**STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS**  
**DECEMBER 31, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 59,033
------	-----------

**RESTRICTED ASSETS**

Cash	424,410
Cash with fiscal agent	34,781
Certificate of deposit	4,193
Total Restricted Assets	<u>463,384</u>

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation	2,330,370
---	-----------

**TOTAL ASSETS**

<b><u>\$ 2,852,787</u></b>
----------------------------

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Customer deposits	\$ 16,107
Current maturities of long-term debt	32,699
<b>TOTAL CURRENT LIABILITIES</b>	<u>48,806</u>

**LONG-TERM LIABILITIES**

Long-term debt, net of current maturities	1,004,862
---	-----------

**TOTAL LIABILITIES**

<u>1,053,668</u>
------------------

**NET POSITION**

Net investment in capital assets	1,292,808
Restricted	447,278
Unrestricted	59,033
<b>TOTAL NET POSITION</b>	<u>1,799,119</u>

**TOTAL LIABILITIES AND NET POSITION**

<b><u>\$ 2,852,787</u></b>
----------------------------

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**TOWN OF BURDETTE WATER AND SEWER DEPARTMENT**  
**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For the Year Ended December 31, 2021**

**CASH IN BANK, JANUARY 1**

Water General Account	\$ 16,231
Meter Checking Account	688
Meter Savings Account	24,105
Depreciation Account	81,021
Operation and Maintenance Account	2,250
Water System Account	1,780
Farmers Bank & Trust Account	390,439
Regions Bank Trustee Account	34,779
Certificate of Deposit	4,189
<b>TOTAL CASH IN BANK, JANUARY 1</b>	<b>\$ 555,482</b>

**ADD: CASH RECEIPTS**

Service Fees	\$ 273,432
State Grant	6,274
Contribution from Town Government	4,583
Deposits	1,900
Interest	1,220
Miscellaneous	9,216
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 296,625</b>

**LESS: CASH DISBURSEMENTS**

Salaries	\$ 75,383
Payroll Taxes	11,683
Postal Fees	927
Supplies	15,053
Repairs and Maintenance	47,481
Telephone	6,088
Utilities	13,478
Capital Outlay	23,844
Chemicals	3,749
Sanitation Fees	17,480
Sales Tax	16,734
Property Insurance	2,789
Trustee Fee	500
Contribution to Town Government	1,130
Licensing Fees	4,205
Travel	4,229
Debt Service - Principle	31,603
- Interest	45,073
Miscellaneous	6,660
Water and Sewer Deposit Refunds	1,601
<b>TOTAL CASH DISBURSEMENTS</b>	<b>\$ 329,690</b>

**CASH IN BANK, DECEMBER 31**

Water General Account	\$ 39,847
Meter Checking Account	86
Meter Savings Account	16,020
Depreciation Account	56,732
Operation and Maintenance Account	1,241
Water System Account	17,945
Farmers Bank & Trust Account	351,572
Regions Bank Trustee Account	34,781
Certificate of Deposit	4,193
<b>TOTAL CASH IN BANK, DECEMBER 31</b>	<b>\$ 522,417</b>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**SUPPLEMENTARY**  
**INFORMATION**

**TOWN OF BURDETTE, ARKANSAS**  
**SCHEDULE OF WATER AND SEWER RATES**  
**SUPPLEMENTARY INFORMATION**  
**December 31, 2021**

	<b>Residential</b>	<b>Outside Town</b>	<b>Agri</b>	<b>Agri - Outside Town</b>	<b>County Farm</b>
Water base amount	\$ 18.00	\$ 21.00	\$17.80	\$ 20.80	\$ 20.80
Water first 1,000 gallons	6.00	6.00	6.00	4.50	4.50
Water each 1,000 gallons thereafter	4.45	4.45	4.45	4.45	4.45

	<b>Residential</b>	<b>Outside Town</b>	<b>Agri</b>	<b>Agri - Outside Town</b>	<b>County Farm</b>
Sewer base amount	\$ 10.25	\$ 10.25	\$10.25		
Sewer first 1,000 gallons	3.00	3.00	3.00		
Sewer each 1,000 gallons thereafter	2.00	2.00	2.00		