

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

December 31, 2024

**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, 2024**

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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, 2024. 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.

A handwritten signature in blue ink that reads "S. Don Ray, CPA". The signature is stylized and includes the letters "CPA" at the end.

S. Don Ray, CPA
Jonesboro, Arkansas
February 14, 2025

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, 2024 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
February 14, 2025

CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS	
Cash	\$ 150,093
RESTRICTED ASSETS	
Cash	296,673
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	2,928,155
TOTAL ASSETS	<u>\$ 3,374,921</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Customer deposits	\$ 24,877
Current maturities of long-term debt	96,641
TOTAL CURRENT LIABILITIES	<u>121,518</u>
LONG-TERM LIABILITIES	
Long-term debt, net of current maturities	1,604,300
TOTAL LIABILITIES	<u>1,725,818</u>
NET POSITION	
Net investment in capital assets	1,227,214
Restricted	271,796
Unrestricted	150,093
TOTAL NET POSITION	<u>1,649,103</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,374,921</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, 2024

CASH IN BANK, JANUARY 1	
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, JANUARY 1	\$ 297,676
ADD: CASH RECEIPTS	
Service Fees and Taxes	\$ 827,593
Interest	1,109
Transfers Between Funds (In)	442,900
Meter Deposits	10,393
TOTAL CASH RECEIPTS	\$ 1,281,995
LESS: CASH DISBURSEMENTS	
Salaries	\$ 76,781
Payroll Taxes	5,893
Health Insurance	17,049
Unemployment Tax	2
Utilities	44,896
Supplies	12,894
Office equipment and supplies	5,916
Postage	3,440
Federal Water Act	4,572
USDA Debt Service - Principle	27,108
- Interest	26,352
ARNC Debt Service - Principle	60,542
- Interest	16,201
US Bank Debt Service - Principle	20,373
- Interest	406
Contribution to City Government	7,562
Supplies - Pipes	16,193
Transfers Between Funds (Out)	442,900
Transfer to ADFA for Debt Service	4,494
Sales Tax	36,183
Sanitation Fees	162,221
Building Maintenance	1,669
Chemicals	20,165
Equipment Maintenance	67,720
Capital Outlay	16,434
Fuel	4,680
Lab Testing	6,385
License	5,639
Uniforms	245
Vehicle Repairs	732
Legal and Accounting	9,900
Miscellaneous	669
Meter Deposit Refunds	6,689
TOTAL CASH DISBURSEMENTS	\$ 1,132,905
CASH IN BANK, DECEMBER 31	
Operations and Maintenance Fund	\$ 18,240
Tower Reserve Fund	72,252
Revenue Fund	131,853
Meter Deposit Fund	24,877
Reserve Savings Fund	2,942
Reserve Checking Fund	138,800
Depreciation Fund	57,802
TOTAL CASH IN BANK, DECEMBER 31	\$ 446,766

SUPPLEMENTARY
INFORMATION

CITY OF LEACHVILLE, ARKANSAS
SCHEDULE OF WATER AND SEWER RATES
SUPPLEMENTARY INFORMATION
December 31, 2024

As of December 31, 2024, The Leachville Water and Sewer Department had 790 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, 2024

	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	\$ 18,240	-	\$ 131,853	-	-	-	-	\$ 150,093
RESTRICTED ASSETS								
Cash	-	\$ 72,252	-	\$ 24,877	\$ 2,942	\$ 138,800	\$ 57,802	296,673
CAPITAL ASSETS								
Capital assets, net of accumulated depreciation	2,928,155	-	-	-	-	-	-	2,928,155
TOTAL ASSETS	\$ 2,946,395	\$ 72,252	\$ 131,853	\$ 24,877	\$ 2,942	\$ 138,800	\$ 57,802	\$ 3,374,921
LIABILITIES								
CURRENT LIABILITIES								
Customer deposits	-	-	-	\$ 24,877	-	-	-	\$ 24,877
Current maturities of long-term debt - USDA	\$ 28,143	-	-	-	-	-	-	28,143
Current maturities of long-term debt - ANRD	63,170	-	-	-	-	-	-	63,170
Current maturities of long-term debt - US BANK	5,328	-	-	-	-	-	-	5,328
TOTAL CURRENT LIABILITIES	\$ 96,641	\$ -	\$ -	\$ 24,877	\$ -	\$ -	\$ -	\$ 121,518
LONG-TERM LIABILITIES								
Long-term debt - USDA	\$ 1,334,968	-	-	-	-	-	-	\$ 1,334,968
Long-term debt - ANRD	269,332	-	-	-	-	-	-	269,332
Long-term debt - US BANK	-	-	-	-	-	-	-	-
TOTAL LONG-TERM LIABILITIES	\$ 1,604,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,604,300
TOTAL LIABILITIES	\$ 1,700,941	\$ -	\$ -	\$ 24,877	\$ -	\$ -	\$ -	\$ 1,725,818
NET POSITION								
Net investment in capital assets	\$ 1,227,214	-	-	-	-	-	-	\$ 1,227,214
Restricted	-	\$ 72,252	-	-	\$ 2,942	\$ 138,800	\$ 57,802	271,796
Unrestricted	18,240	-	\$ 131,853	-	-	-	-	150,093
TOTAL NET POSITION	\$ 1,245,454	\$ 72,252	\$ 131,853	\$ -	\$ 2,942	\$ 138,800	\$ 57,802	\$ 1,649,103
TOTAL LIABILITIES AND NET POSITION	\$ 2,946,395	\$ 72,252	\$ 131,853	\$ 24,877	\$ 2,942	\$ 138,800	\$ 57,802	\$ 3,374,921

**CITY OF LEACHVILLE WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - SEPARATED BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	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	\$ 3,345	\$ 63,580	\$ 50,354	\$ 21,173	\$ 2,935	\$ 110,671	\$ 45,618	\$ 297,676
<u>CASH RECEIPTS</u>								
Service Fees and Taxes	-	-	\$ 827,593	-	-	-	-	\$ 827,593
Interest	\$ 17	\$ 272	-	-	\$ 7	\$ 629	\$ 184	1,109
Transfer Between Funds (In)	395,000	8,400	-	-	-	27,500	12,000	442,900
Meter Deposits	-	-	-	\$ 10,393	-	-	-	10,393
TOTAL CASH RECEIPTS	\$ 395,017	\$ 8,672	\$ 827,593	\$ 10,393	\$ 7	\$ 28,129	\$ 12,184	\$ 1,281,995
<u>CASH DISBURSEMENTS</u>								
Salaries	\$ 76,781	-	-	-	-	-	-	\$ 76,781
Payroll Taxes	5,893	-	-	-	-	-	-	5,893
Health Insurance	17,049	-	-	-	-	-	-	17,049
Unemployment Tax	2	-	-	-	-	-	-	2
Utilities	44,896	-	-	-	-	-	-	44,896
Supplies	12,894	-	-	-	-	-	-	12,894
Office equipment and supplies	5,916	-	-	-	-	-	-	5,916
Postage	3,440	-	-	-	-	-	-	3,440
Federal Water Act	4,572	-	-	-	-	-	-	4,572
USDA Debt Service - Principle	-	-	\$ 27,108	-	-	-	-	27,108
- Interest	-	-	26,352	-	-	-	-	26,352
ARNC Debt Service - Principle	-	-	60,542	-	-	-	-	60,542
- Interest	-	-	16,201	-	-	-	-	16,201
US Bank Debt Service - Principle	20,373	-	-	-	-	-	-	20,373
- Interest	406	-	-	-	-	-	-	406
Contribution to City Government	-	-	7,562	-	-	-	-	7,562
Supplies - Pipes	16,193	-	-	-	-	-	-	16,193
Transfer Between Funds (Out)	-	-	442,900	-	-	-	-	442,900
Transfer to ADFA for Debt Service	-	-	4,494	-	-	-	-	4,494
Sales Tax	36,183	-	-	-	-	-	-	36,183
Sanitation Fees	1,441	-	160,780	-	-	-	-	162,221
Building Maintenance	1,669	-	-	-	-	-	-	1,669
Chemicals	20,165	-	-	-	-	-	-	20,165
Equipment Maintenance	67,720	-	-	-	-	-	-	67,720
Capital Outlay	16,434	-	-	-	-	-	-	16,434
Fuel	4,680	-	-	-	-	-	-	4,680
Lab Testing	6,385	-	-	-	-	-	-	6,385
License	5,639	-	-	-	-	-	-	5,639
Uniforms	245	-	-	-	-	-	-	245
Vehicle Repairs	732	-	-	-	-	-	-	732
Legal and Accounting	9,900	-	-	-	-	-	-	9,900
Miscellaneous	514	-	155	-	-	-	-	669
Meter Deposit Refunds	-	-	-	\$ 6,689	-	-	-	6,689
TOTAL CASH DISBURSEMENTS	\$ 380,122	\$ -	\$ 746,094	\$ 6,689	\$ -	\$ -	\$ -	\$ 1,132,905
TOTAL CASH IN BANK, DECEMBER 31	\$ 18,240	\$ 72,252	\$ 131,853	\$ 24,877	\$ 2,942	\$ 138,800	\$ 57,802	\$ 446,766

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CITY OF LEACHVILLE, ARKANSAS
SCHEDULE OF COMMITMENTS
SUPPLEMENTARY INFORMATION
December 31, 2024

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	\$ 33,621	\$ 17,021	\$ 50,642
ANRD	45,990	2.50%	654,789	29,549	252,311	281,860
USDA	53,460	1.88%	1,500,000	28,143	1,334,968	1,363,111
US BANK	20,779	2.496%	60,766	5,328	-	5,328
TOTAL COMMITMENTS	\$ 155,967		\$ 2,718,134	\$ 96,641	\$ 1,604,300	\$ 1,700,941