

CITY OF LESLIE WATER & SEWER DEPARTMENT
FINANCIAL STATEMENTS
December 31, 2023

TABLE OF CONTENTS

	Page
INDEPENDENT ACCOUNTANT'S REPORT	
Applying Agreed Upon Procedures	1
Compilation Report	4
FINANCIAL STATEMENTS	
Statement of Net Position	5
Statement of Revenues, Expenses and Changes in Net Position	6
Statement of Cash Flows	7

SEARCY & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the City Council of the
City of Leslie Water & Sewer Department

We have performed the procedures enumerated below for the City of Leslie Water & Sewer Department, ("the Organization"), the year ended December 31, 2023. The Organization's management is responsible for accounting records.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying annual reporting requirements of the Arkansas Division of Legislative Audit. Additionally, the Arkansas Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Cash and Investments

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

Findings: *No findings identified.*

Receipts

1. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.
2. Agree 10 customer payments on the accounts receivable sub-ledger to deposit and billing documents.
3. For one deposit, agree the cash/check composition of the deposit with receipt information.

Findings: *No findings identified.*

Accounts Receivable

1. Agree 10 customer billings to the accounts receivable sub-ledger.
2. Determine that five (5) customer adjustments were properly authorized.

Findings: *No findings identified.*

Disbursements

1. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$ 500, whichever is greater.
2. Analyze all property, plant, and equipment disbursements.
3. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

Findings: *No findings identified.*

Property, Plant, and Equipment

1. Determine that additions and disposals were properly accounted for in the records. (Materiality level - 5% of total equipment or \$500, whichever is greater.)

Findings: *No findings identified.*

Long-Term Debt

2. Schedule long-term debt and verify changes in all balances for the year.
3. Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.
4. Determine that the appropriate debt service accounts have been established and maintained.

Findings: *No findings identified.*

General

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

Findings: *No findings identified.*

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. 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.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Organization, Arkansas Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than those specified parties.

Searcy & Associates LLC

Monticello, Arkansas
January 17, 2025

SEARCY & ASSOCIATES, LLC

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To the City Council of the
City of Leslie Water & Sewer Department

Management is responsible for the accompanying financial statements of the City of Leslie Water & Sewer Department, ("the Organization"), a component unit of the City of Leslie, Arkansas, which comprised the statement of net position as of December 31, 2023 and the related statement of revenue, expenses, and changes in net position, and cash flows as of and for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents, 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 the disclosures 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 Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Monticello, Arkansas
January 17, 2025

WATER & SEWER DEPARTMENT OF THE CITY OF LESLIE, ARKANSAS
STATEMENT OF NET POSITION

December 31, 2023

	<u>2023</u>
<u>Assets</u>	
<u>Current assets</u>	
Cash and cash equivalents	\$ 40,821
Accounts receivable (net)	<u>26,630</u>
Total current assets	67,451
 <u>Restricted cash and investments</u>	
Meter deposits	33,767
Debt reserve funds	<u>61,956</u>
Total restricted cash and investments	95,723
 Fixed assets, net of accumulated depreciation	<u>1,197,423</u>
 Total assets	<u><u>\$ 1,360,597</u></u>
 <u>Liabilities and Net Position</u>	
<u>Current liabilities</u>	
Accounts payable	\$ 15,648
Current portion of bonds payable	<u>23,630</u>
Total current liabilities	39,278
 <u>Long term liabilities</u>	
Bonds payable, net of current amount	193,016
Customer deposits	<u>33,767</u>
Total long term liabilities	226,783
 <u>Net position</u>	
Invested in capital assets, net of related debt	980,777
Restricted	61,956
Unrestricted	<u>51,803</u>
Total net position	<u>1,094,536</u>
 Total liabilities and net position	<u><u>\$ 1,360,597</u></u>

See Independent Accountant's Compilation Report.

WATER & SEWER DEPARTMENT OF THE CITY OF LESLIE, ARKANSAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

	<u>2023</u>
<u>Operating revenues</u>	
Water & sewer sales	\$ 352,199
Grant revenue	-
Connection fees	1,646
Other operating revenue	<u>1,291</u>
Total operating revenue	355,136
<u>Operating expenses</u>	
Water purchases	99,440
Salaries, wages, and benefits	57,782
Depreciation	75,348
Utilities, Insurance	25,517
License, permits, fees	6,617
Professional fees	5,000
Contract labor	2,148
Operational maintenance and supplies	<u>78,270</u>
Total operating expenses	350,122
Income / (loss) from operations	5,014
<u>Other revenue / (expenses)</u>	
Interest income	74
Reimbursement from City	3,560
Bad debt	-
Interest expense	<u>(10,818)</u>
Total other revenue / (expenses)	<u>(7,184)</u>
<u>Change in net position</u>	(2,170)
<u>Net position, beginning of year</u>	1,096,706
Change in net invested in capital assets	46,720
Change in restricted assets	-
Change in unrestricted assets	<u>(48,890)</u>
Change in net position	<u>(2,170)</u>
<u>Net position, end of year</u>	<u>\$ 1,094,536</u>

See Independent Accountant's Compilation Report.

WATER & SEWER DEPARTMENT OF THE CITY OF LESLIE, ARKANSAS
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	<u>2023</u>
<u>Cash flows from operating activities</u>	
Cash received from customers	\$ 362,828
Cash received from City	3,560
Payments for salaries, benefits, and services	(62,782)
Payments for operating and administrative expenses	(222,810)
Net cash provided by (used for) operating activities	<u>80,796</u>
<u>Cash flows from investing activities</u>	
Purchase of property, plant and equipment	(101,088)
<u>Cash flows from financing activities</u>	
Proceeds from debt issuance	-
Principal payments on debt	(20,980)
Change in customer deposits	42
Net cash provided by (used for) financing activities	<u>(20,938)</u>
<u>Change in cash and cash equivalents</u>	(41,230)
<u>Cash and cash equivalents, beginning of year</u>	<u>177,774</u>
<u>Cash and cash equivalents, end of year</u>	<u><u>\$ 136,544</u></u>
<u>Reconciliation of operating income to</u>	
<u>net cash from operating activities:</u>	
Operating income (loss)	<u>\$ (2,170)</u>
Adjustments to reconcile operating income to	
net cash from operating activities:	
Depreciation	75,348
Bad debt expense	-
Changes in assets and liabilities:	
Accounts receivable	7,618
Accounts payable	-
Total adjustments	<u>82,966</u>
Net cash provided by (used for) operating activities	<u><u>\$ 80,796</u></u>

See Independent Accountant's Compilation Report.