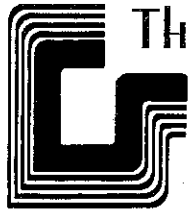


**CITY OF MANILA WATER AND SEWER DEPARTMENT
AGREED-UPON PROCEDURES REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor, City Council, and Management
City of Manila Water and Sewer Department
Manila, AR 72442

We have performed the procedures enumerated below, which were agreed to by City of Manila Water and Sewer Department and the State of Arkansas Division of Legislative Audit for the year ended December 31, 2024. The water association board of directors is responsible for the company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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 the associated findings are as follows:

1. Cash and Investments

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

We noted no exceptions as a result of these 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 10 customer payments in the accounts receivable subledger to deposit and billing documents.
- C. For 10 deposits, agree the cash/check composition of the deposit with receipt information.

We noted no exceptions as a result of these procedures.

3. Accounts Receivable

- A. Agree 10 customer billings to the accounts receivable subledger.
- B. Determine that five customer adjustments were properly authorized.

We noted no exceptions as a result of these 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.

We noted no exceptions as a result of these procedures.

5. Property, Plant and Equipment

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

We noted no exceptions as a result of these 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 lender/trustee/contractor.
- C. Determine that the appropriate debt service accounts have been established and maintained.

We noted no exceptions as a result of these 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 noted no exceptions as a result of these procedures.

We were engaged by the City of Manila Water and Sewer Department 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 modified cash basis financial information and compliance with certain state laws. 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 City of Manila Water and Sewer Department 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 Division of Legislative Audit for the State of Arkansas and the Mayor, City Council, and Management of City of Manila Water and Sewer Department and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully,

Thomas, Speight, & Noble, CPAs
Thomas, Speight and Noble, CPAs
Osceola, Arkansas

August 1, 2025

**CITY OF MANILA WATER AND SEWER DEPARTMENT
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CITY OF MANILA WATER AND SEWER DEPARTMENT
(A COMPONENT UNIT OF THE CITY OF MANILA, ARKANSAS)
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash in bank	\$ 1,057,839
Certificates of deposit	259,010
Total Current Assets	<u>1,316,849</u>

NON-CURRENT ASSETS

Restricted cash	172,455
Total Non-current Assets	<u>172,455</u>

CAPITAL ASSETS, net of accumulated depreciation	<u>2,046,660</u>
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TOTAL ASSETS	<u>\$ 3,535,964</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Customer deposits payable	\$ 131,454
Due to other funds	26,908
Total Current Liabilities	<u>158,362</u>

LONG-TERM LIABILITIES

Long-term debt	50,500
Total Long-Term Liabilities	<u>50,500</u>

TOTAL LIABILITIES	208,862
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NET POSITION

Invested in capital assets, net of related debt	1,996,160
Unrestricted	1,027,033
Restricted	303,909
Total Net Position	<u>3,327,102</u>

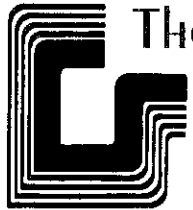
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,535,964</u>
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Unaudited. See accountants' compilation report.

CITY OF MANILA WATER AND SEWER DEPARTMENT
(A COMPONENT UNIT OF THE CITY OF MANILA, ARKANSAS)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES	
Water and sewer sales	\$ 952,910
Miscellaneous income	56,445
Total Operating Revenues	<u>1,009,355</u>
DIRECT OPERATING EXPENSES	
Chemicals & water analysis	20,106
Utilities	89,297
Gas and oil	18,730
Operating supplies	88,575
Repairs and maintenance	84,927
Depreciation	130,770
Sales tax	75,936
Insurance	6,877
Salaries	300,025
Employee benefits	56,888
Contract labor	17,575
Bad debt	4,736
Total Direct Operating Expenses	<u>894,442</u>
GROSS PROFIT	114,913
GENERAL AND ADMINISTRATIVE EXPENSES	
Office supplies and postage	124,330
Payroll taxes	24,007
Training	5,250
Permits and licenses	6,661
Legal and professional	18,971
Miscellaneous	6,672
Total General and Administrative Expenses	<u>185,891</u>
NET INCOME FROM OPERATIONS	(70,978)
NONOPERATING REVENUES (EXPENSES)	
Interest income	57,754
Interest expense	(380)
Net nonoperating revenue (expenses)	<u>57,374</u>
CAPITAL CONTRIBUTIONS/TRANSFERS	
Transfers From/(To) - Other City Funds	93,063
Total Capital Contributions/Transfers	<u>93,063</u>
INCREASE (DECREASE) IN NET POSITION	79,459
NET POSITION BEGINNING OF YEAR	<u>3,247,643</u>
NET POSITION END OF YEAR	<u>\$ 3,327,102</u>

Unaudited. See accountants' compilation report.



THOMAS, SPEIGHT & NOBLE, CPAs

A PROFESSIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE PRIVATE COMPANIES SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' COMPILATION REPORT

To the Mayor, City Council, & Management
City of Manila Water and Sewer Department
Manila, AR 72442

Management is responsible for the accompanying financial statement of City of Manila Water and Sewer Department, which comprise the statement of assets, liabilities and net position – modified cash basis as of December 31, 2024, and the related statement of revenues, expenses, and changes in net position – modified cash basis for the year then ended and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with the Statements of Standards for 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. Accordingly, we 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 the basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, net positions, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Thomas, Speight & Noble, CPAs

Thomas, Speight & Noble, CPAs
Osceola, Arkansas

August 1, 2025

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