

**REYNO WATER DEPARTMENT**  
**Reyno, Arkansas**  
**For the Year Ended December 31, 2022**

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



**Members of the City Council  
Reyno Water Department  
Reyno, Arkansas**

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

We have performed the procedures enumerated below on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Reyno Water Department for the year ended December 31, 2022. Reyno Water Department's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Reyno Water Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas law and lender requirements. 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. 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 deposit and investments.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

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

**RECEIPTS**

2. 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 to cash/check composition of the deposit with receipt information.

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

**ACCOUNTS RECEIVABLE**

3. A. Agree ten customer billings to the accounts receivable sub ledger.
- B. Determine that five customer adjustments were properly authorized.

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

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**Members of the City Council  
Reyno Water Department**

**DISBURSEMENTS**

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

**PROPERTY, PLANT AND EQUIPMENT**

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

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

**LONG-TERM DEBT**

6. 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.

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

**GENERAL**

7. A. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

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

We were engaged by Reyno Water Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review engagement, 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.

We are required to be independent of Reyno Water Department and to meet our 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 Reyno Water Department, United States Department of Agriculture, and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

*Berry & Associates*

**REYNO WATER DEPARTMENT  
FINANCIAL STATEMENTS  
For the Year Ended December 31, 2022  
and  
INDEPENDENT ACCOUNTANT'S  
COMPILATION REPORT**

**REYNO WATER DEPARTMENT**  
**Reyno, Arkansas**  
**For the Year Ended December 31, 2022**

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American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Members of the City Council  
Reyno Water Department  
Reyno, Arkansas**

Management is responsible for the accompanying financial statements of the City of Reyno Water and Sewer Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2022, and the related statement of cash receipts and cash disbursements for the year then ended, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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.

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 the disclosures ordinarily included 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 assets, liabilities, net position, cash receipts and cash disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.  
Little Rock, Arkansas  
January 16, 2024

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**REYNO WATER DEPARTMENT**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS**  
**December 31, 2022**

<u><b>ASSETS</b></u>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 85,028
<b>RESTRICTED ASSETS</b>	
Cash and Cash Equivalents	27,268
<b>FIXED ASSETS - AT COST</b>	
Water System	659,805
Less: accumulated depreciation	(211,156)
Net Fixed Assets	<u>448,649</u>
<b>TOTAL ASSETS</b>	<u>\$ 560,945</u>
<u><b>LIABILITIES AND NET POSITION</b></u>	
<b>CURRENT LIABILITIES</b>	
Current maturities of long-term debt	\$ 4,300
<b>LONG-TERM DEBT, Net of Current Maturities</b>	
USDA Rural Development	159,808
<b>PAYABLES FROM RESTRICTED ASSETS</b>	
Customer Water Meter Deposits	<u>31,746</u>
<b>TOTAL LIABILITIES</b>	<u>195,854</u>
<b>NET POSITION</b>	
Unrestricted	358,829
Temporarily restricted	<u>6,262</u>
<b>TOTAL NET POSITION</b>	<u>365,091</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 560,945</u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**REYNO WATER DEPARTMENT**  
**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For the Year Ended December 31, 2022**

<b>CASH RECEIPTS</b>	
Water Revenue	\$ 88,555
Meter Deposits	2,900
Other Income	155
Grant Income	75,000
Total Cash Receipts	<u>166,610</u>
<b>CASH DISBURSEMENTS</b>	
Operating Salaries	17,241
Debt service	
Principal	4,192
Interest	2,288
Fees & Dues	1,522
Taxes	1,425
Garbage Fees	25,407
Utilities and Telephone	10,815
Repairs and Maintenance	13,742
Professional Fees	4,788
Office Expenses	983
License & Permits	94
Meter Deposit Refunds	2,747
Software Support	2,165
Sewer Expense	733
Miscellaneous Expense	2,342
Total Cash Disbursements	<u>90,484</u>
<b>INCREASE IN CASH AND RESTRICTED CASH</b>	76,126
<b>BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2022</b>	<u>36,170</u>
<b>ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2022</b>	<u>\$ 112,296</u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**