

**REYNO WATER DEPARTMENT
Reyno, Arkansas
For the Year Ended December 31, 2023**

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



American Institute of CPAs

Arkansas Society of CPAs

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**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, 2023. 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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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, USDA Rural Development, 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

BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
December 13, 2024

**REYNO WATER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
and
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT**

REYNO WATER DEPARTMENT
Reyno, Arkansas
For the Year Ended December 31, 2023

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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, 2023, 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
December 13, 2024

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REYNO WATER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 13,543
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RESTRICTED ASSETS

Cash and Cash Equivalents	27,128
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FIXED ASSETS - AT COST

Water System	659,805
Less: accumulated depreciation	(223,622)
Net Fixed Assets	436,183

TOTAL ASSETS	\$ 476,854
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 4,300
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LONG-TERM DEBT, Net of Current Maturities

USDA Rural Development	155,558
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PAYABLES FROM RESTRICTED ASSETS

Customer Water Meter Deposits	31,846
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TOTAL LIABILITIES	191,704
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NET POSITION

Unrestricted	276,464
Temporarily restricted	8,686

TOTAL NET POSITION	285,150
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TOTAL LIABILITIES AND NET POSITION	\$ 476,854
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

REYNO WATER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH RECEIPTS

Water Revenue	\$ 83,387
Meter Deposits	1,630
Other Income	921
Total Cash Receipts	<u>85,938</u>

CASH DISBURSEMENTS

Operating Salaries	14,440
Debt service	
Principal	4,250
Interest	2,230
Fees & Dues	10,594
Taxes	4,200
Garbage Fees	25,452
Utilities and Telephone	6,578
Repairs and Maintenance	78,584
Office Expenses	1,350
Meter Deposit Refunds	1,770
Software Support	2,529
Sewer Expense	2,474
Miscellaneous Expense	3,112
Total Cash Disbursements	<u>157,563</u>

DECREASE IN CASH AND CASH EQUIVALENTS (71,625)

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2023 112,296

ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2023 \$ 40,671

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT