

REYNO WATER DEPARTMENT
Reyno, Arkansas
For the Year Ended December 31, 2024

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 – 14-234-122 for the Reyno Water Department for the year ended December 31, 2024. 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 – 14-234-122.

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 the following exception as a result of the procedures: We were unable to perform a proof of cash for the year and reconcile year-end balances to the book balance for one account. No other exceptions were found as a result of applying 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 the following exception as a result of the procedures. We were unable to agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater, for one account. No other exceptions were found as a result of applying the procedures.*

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

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.

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 the following exceptions as a result of the procedures: We could not agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater, for one account. Non-payroll disbursements to employees were not adequately documented. No other exceptions were found as a result of applying 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 – 14-234-122. 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.

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

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
June 27, 2025

**REYNO WATER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2024
and
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT**

REYNO WATER DEPARTMENT
Reyno, Arkansas
For the Year Ended December 31, 2024

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Berry & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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, 2024, 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
June 27, 2025

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REYNO WATER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2024

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 31,264
RESTRICTED ASSETS	
Cash and Cash Equivalents	23,147
FIXED ASSETS - AT COST	
Water System	709,093
Less: Accumulated Depreciation	(241,219)
Net Fixed Assets	<u>467,874</u>
TOTAL ASSETS	<u><u>\$ 522,285</u></u>
 <u>LIABILITIES AND NET POSITION</u> 	
CURRENT LIABILITIES	
Current Maturities of Long-Term Debt	\$ 4,400
LONG-TERM DEBT, Net of Current Maturities	
USDA Rural Development	151,149
PAYABLES FROM RESTRICTED ASSETS	
Customer Water Meter Deposits	<u>33,646</u>
TOTAL LIABILITIES	<u>189,195</u>
NET POSITION	
Unrestricted	321,980
Temporarily Restricted	<u>11,110</u>
TOTAL NET POSITION	<u>333,090</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 522,285</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

REYNO WATER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2024

CASH RECEIPTS

Water revenue	\$ 90,528
Meter deposits	2,840
Other income	198
Transfers from general fund	<u>55,956</u>
Total Cash Receipts	<u>149,522</u>

CASH DISBURSEMENTS

Operating salaries	14,440
Debt service	
Principal	4,309
Interest	2,171
Fees & dues	11,394
Taxes	4,236
Garbage fees	25,543
Utilities and telephone	2,470
Repairs and maintenance	10,726
Office expenses	1,859
Fixed assets purchases	49,288
Meter deposit refunds	1,040
Software support	3,024
Sewer expense	920
Miscellaneous expense	<u>4,362</u>
Total Cash Disbursements	<u>135,782</u>

INCREASE IN CASH AND CASH EQUIVALENTS

13,740

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 202440,671**ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2024**\$ 54,411

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT