

**CITY OF ST FRANCIS WATER AND SEWER DEPARTMENT
ST FRANCIS, ARKANSAS**

For the Year Ended December 31, 2022

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

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

**To the Mayor, City Council and Management
of City of St Francis, Arkansas Water & Sewer Department**

We have performed the procedures enumerated below, which were agreed to by the members of the City Council on the procedures specified by Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 4-234-119 for the St Francis Water and Sewer Department (the Department), for the year ended December 31, 2022. The Department's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. The sufficiency of these procedures is solely the responsibility of the members of the City Council. 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 findings are as follows:

1. Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end 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 balance within 5% or \$500, whichever is greater.

We found no exceptions as a result of the above 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 ten customer payments on the accounts receivable subsidiary ledger to deposit and billing documents.
- C. For ten deposits, agree the cash/check composition of the deposits with the receipt information.

We found no exceptions as a result of the above procedures.

3. Accounts Receivable

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

We found no exceptions as a result of the above procedure.

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 properly documented.

We found no exceptions as a result of the above procedures.

5. Property, Plant & Equipment

- A. Determine that additions and disposals were properly accounted for in the records.

We found no exception as a result of the above procedure.

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 the lender/trustee/ contractor.
- C. Determine that appropriate debt service accounts have been established and maintained.

We found no exceptions as a result of the above 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 found no exceptions as a result of the above procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, 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.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, USDA Rural Development and City of St Francis Water and Sewer Department and is not intended to be and should not be used by anyone other than those specified parties.

Smith & Davis, CPA's
Kennett, MO 63857

October 25, 2023

**CITY OF ST FRANCIS
WATER AND SEWER DEPARTMENT
ST FRANCIS, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**CITY OF ST FRANCIS WATER AND
SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
DECEMBER 31, 2022
(UNAUDITED)**

ASSETS

Current assets:	
Cash, including time deposits	\$ 50,304
Accounts receivable, net	1,222
Total current assets	<u>51,526</u>
Noncurrent assets:	
Restricted assets:	
Cash, including time deposits	116,150
Capital assets (net)	<u>1,239,025</u>
Total assets	<u>\$ 1,406,701</u>

LIABILITIES & NET POSITION

Current liabilities:	
Accrued expenses	\$ 960
Bonds payable	15,004
Total current liabilities	<u>15,964</u>
Noncurrent liabilities:	
Customer deposits payable	7,675
Bonds payable	279,627
Total noncurrent liabilities	<u>287,302</u>
Total liabilities	<u>303,266</u>

NET POSITION

Net invested in capital assets	944,394
Restricted	116,150
Unrestricted	<u>42,891</u>
Total net position	<u>1,103,435</u>
Total Liabilities and Net Position	<u>\$ 1,406,701</u>

See Independent Accountant's Compilation Report

**CITY OF ST FRANCIS WATER AND
SEWER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

OPERATING REVENUES

Charges for services	\$ 78,112
Miscellaneous	0
TOTAL OPERATING REVENUES	<u>78,112</u>

OPERATING EXPENSES

Wages	14,822
Taxes	6,698
Repairs & Maintenance	3,684
Sanitation	17,128
Office Supplies	1,091
Utilities	4,428
Software Lease	600
Testing Fees	1,268
Licenses and Fees	1,404
Purchased Water	0
Other	113
Depreciation	<u>47,468</u>

TOTAL OPERATING EXPENSES 98,704

NET OPERATING INCOME (LOSS) (20,592)

NONOPERATING INCOME AND EXPENSES

Interest Income	417
Interest Expense	<u>(4,843)</u>

TOTAL NONOPERATING INCOME AND (EXPENSES) (4,426)

Change in net position (25,018)

Total net position, beginning of year 1,128,453

Total net position, end of year \$ 1,103,435

See Independent Accountant's Compilation Report

**CITY OF ST FRANCIS WATER AND SEWER DEPARTMENT
WATER AND SEWER RATES
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

WATER RATES

First 1,000 gallons	18.00 (minimum)
Over 1,000 gallons	0.40 (per 100 gallons)

SEWER RATES

First 2,900 gallons	12.00 (minimum)
From 2,901 to 5,900 gallons	2.00 (per 1,000 gallons)
Over 5,901 gallons	1.00 (per 1,000 gallons)

See Independent Accountant's Compilation Report