

**TOWN OF KEISER WATER AND SEWER
DEPARTMENT**

Keiser, Arkansas

December 31, 2021

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

S. DON RAY

CERTIFIED PUBLIC ACCOUNTANT

**TOWN OF KEISER
WATER AND SEWER DEPARTMENT
KEISER, ARKANSAS
DECEMBER 31, 2021**

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S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

**To the Mayor, Town Council and Management
of the Town of Keiser, Arkansas Water and Sewer Department
Keiser, Arkansas**

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

I have performed the procedures enumerated below, which were agreed to by the Mayor, Town Council and management on the procedures specified by the Arkansas Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Town of Keiser, Arkansas, Water and Sewer Department (the Department), for the year ended December 31, 2021. The Department's management is responsible for the Department's accounting records. The sufficiency of these procedures is solely the responsibility of the Arkansas Legislative Joint Auditing Committee. Consequently, I 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.

1. Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balances.
- 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: I 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 one deposit, agree the cash/check composition of the deposit with receipt information.

Findings: I found no exceptions as a result of the above procedures.

3. Accounts Receivable

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

Findings: I found no exceptions as a result of the above 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.

Findings: I found no exceptions as a result of the above procedures.

5. Property, Plant & Equipment

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

Findings: I found no exceptions 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 the appropriate debt service accounts have been established and maintained.

Findings: I found no exceptions as a result of the above procedures.

7. General

Determine that any item of financial significance was approved and documented in the minutes of the governing body's meetings.

Findings: I found no exceptions as a result of the above procedure.

This engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. I was 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 Arkansas Code Ann. 14-234-119. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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 the Department and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "S. Don Ray, CPA". The signature is written in a cursive style with a large, stylized initial "S".

S. Don Ray, CPA
Jonesboro, Arkansas
May 15, 2022

S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Mayor, Town Council and Management
of the Town of Keiser, Arkansas Water and Sewer Department
Keiser, Arkansas**


Management is responsible for the accompanying financial statements of the Town of Keiser Water and Sewer Department (the Department) business-type activities, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2021 and the related statement of cash receipts and cash disbursements for the year then ended, and for determining the modified-cash basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I 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 a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily required 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 financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the modified cash financial statements. I did not audit or review the supplementary information nor was I required to perform any procedures to verify the accuracy or completeness of the supplementary information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on this supplementary information.



**S. Don Ray, CPA
Jonesboro, Arkansas
May 15, 2022**

**TOWN OF KEISER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS	
Cash	\$ 62,660
RESTRICTED ASSETS	
Cash	310,646
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	1,028,933
TOTAL ASSETS	<u>\$ 1,402,239</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Customer deposits	\$ 38,678
Current maturities of long-term debt	20,914
TOTAL CURRENT LIABILITIES	<u>59,592</u>
LONG-TERM LIABILITIES	
Long-term debt, net of current maturities	1,055,353
TOTAL LIABILITIES	<u>1,114,945</u>
NET POSITION	
Net investment in capital assets	(47,334)
Restricted	271,968
Unrestricted	62,660
TOTAL NET POSITION	<u>287,294</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,402,239</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**TOWN OF KEISER WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2021**

CASH IN BANK, JANUARY 1

Operation and Maintenance Account	\$ 5,430
One-Cent Sewer Tax Account	43,285
One-Cent Water Tax Account	98,894
Debt Reserve Account	60,136
Revenue Account	75,450
New Construction Account	1,524
Meter Deposit Account	37,333
TOTAL CASH IN BANK, JANUARY 1	\$ 322,052

ADD: CASH RECEIPTS

Service Fees	\$ 233,655
Interest	86
Sales Tax	100,090
Meter Deposits	4,500
TOTAL CASH RECEIPTS	\$ 338,331

LESS: CASH DISBURSEMENTS

Salaries	\$ 52,130
Contract Labor	3,500
Postal Fees	1,418
Supplies	4,889
Electric	15,254
Laboratory Analysis	1,320
Chemicals	1,271
Permit Fees	3,322
Debt Service - Principle	20,259
- Interest	34,677
Professional Fees	1,125
Travel	619
Sales Tax	7,843
Utility Relocation Project	25,421
Water Usage	497
Repairs and Maintenance	16,935
Miscellaneous	700
Contribution to Town Government - Sanitation Fees	92,741
Meter Deposit Refunds	3,156
TOTAL CASH DISBURSEMENTS	\$ 287,077

CASH IN BANK, DECEMBER 31

Operation and Maintenance Account	\$ 22,196
One-Cent Sewer Tax Account	82,896
One-Cent Water Tax Account	127,411
Debt Reserve Account	60,136
Revenue Account	40,465
New Construction Account	1,524
Meter Deposit Account	38,678
TOTAL CASH IN BANK, DECEMBER 31	\$ 373,306

SUPPLEMENTARY
INFORMATION

TOWN OF KEISER, ARKANSAS
SCHEDULE OF WATER AND SEWER RATES
SUPPLEMENTARY INFORMATION
December 31, 2021

WATER RATES			
Rural Water			
First 1,000 gallons	\$	18.00	(minimum)
Over 1,000 gallons	\$	0.145	(per 100 gallons)
Over 10,000 gallons	\$	0.155	(per 100 gallons)
Residential			
First 1,000 gallons	\$	10.50	(minimum)
Over 1,000 gallons	\$	0.135	(per 100 gallons)
Over 3,000 gallons	\$	0.125	(per 100 gallons)
Over 6,000 gallons	\$	0.115	(per 100 gallons)
Commercial			
First 1,000 gallons	\$	18.00	(minimum)
Over 1,000 gallons	\$	0.145	(per 100 gallons)
Over 10,000 gallons	\$	0.155	(per 100 gallons)

SEWER RATES			
First 1,000 gallons	\$	5.25	(minimum)
Over 1,000 gallons	\$	0.068	(per 100 gallons)
Over 3,000 gallons	\$	0.063	(per 100 gallons)
Over 6,000 gallons	\$	0.058	(per 100 gallons)